

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO .

Commission File Number 001-37637

MIMECAST LIMITED

(Exact name of Registrant as specified in its Charter)

Bailiwick of Jersey
(State or other jurisdiction of
incorporation or organization)
CityPoint, One Ropemaker Street, Moorgate
London EC2Y 9AW
United Kingdom
(Address of principal executive offices)

Not Applicable
(I.R.S. Employer
Identification No.)

EC2Y 9AW
(Zip Code)

Registrant's telephone number, including area code: (781) 996-5340

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

Ordinary Shares, nominal value \$0.012 per share
(Title of each class)

The Nasdaq Stock Market LLC
(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act:

None
(Title of class)

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a small reporting company)	Small reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, based on the closing price of our ordinary shares on the NASDAQ Global Select Market on September 29, 2017, the last business day of the registrant's second fiscal quarter, was \$954,261,949. This calculation does not reflect a determination that certain persons or entities are affiliates of the registrant for any other purpose.

The number of registrant's ordinary shares outstanding as of May 15, 2018 was 58,976,977.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement relating to the 2018 Annual General Meeting of Shareholders, scheduled to be held on October 4, 2018, are incorporated by reference into Part III of this Report. The Definitive Proxy Statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended March 31, 2018.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this Annual Report on Form 10-K other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, and our objectives for future operations, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results and performance to be materially different from any future results or performance expressed or implied by the forward-looking statements. The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “predict,” “potential,” “could,” “should,” “contemplate,” “would,” “project,” “seek,” “target,” “might,” “plan,” “strategy,” and similar expressions or variations that are not statements of historical fact are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements set forth in this this Annual Report on Form 10-K include, but are not limited to, the following:

- our expectations regarding our revenue, expenses and other results of operations;
- our plans to invest in sales and marketing efforts, increase the size of our sales and marketing team, and expand our channel partnerships;
- our ability to attract new customers and retain existing customers;
- our plans to continue to invest in the research and development of technology for both existing and new products, and increase the size of our research and development team;
- the growth rates of the markets in which we compete;
- our liquidity and working capital requirements;
- our anticipated strategies for growth;
- our ability to anticipate market needs and develop new and enhanced solutions to meet those needs;
- our ability to compete in our industry and innovation by our competitors;
- our ability to adequately protect our intellectual property;
- our ability to respond to evolving regulatory requirements regarding data protection and privacy, including the European Union’s General Data Protection Regulation; and
- our plans to pursue strategic acquisitions.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Annual Report on Form 10-K.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Annual Report on Form 10-K primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, operating results and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in Part I, Item 1A, “Risk Factors” in this Annual Report on Form 10-K. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Annual Report on Form 10-K. We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this Annual Report on Form 10-K relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Annual Report on Form 10-K to reflect events or circumstances after the date of this Annual Report on Form 10-K or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make.

As used in this Annual Report on Form 10-K, the terms “Mimecast,” “Company,” “Registrant,” “we,” “us,” and “our” mean Mimecast Limited and its subsidiaries, unless the context indicates otherwise.

PART I

Item 1. Business.

We are a leading global provider of cloud cyber resilience solutions for corporate data and email. Email is the number-one threat vector. Our fully-integrated, pure cloud services protect customers across the globe from incidents that typically start with email, including advanced cyberattacks, data loss, downtime, and human error. We mitigate the significant business disruption caused by email failure and downtime. Our cloud archive secures, stores and manages data, while addressing compliance, regulatory and e-discovery requirements, and improving employee productivity.

Email is a critical tool for organizations of all sizes. Protecting and managing email has become more complicated due to expanding security and compliance requirements and the rapid increase in both the volume and the importance of the information transmitted via email. Organizations are increasingly at risk from security breaches of sensitive data as sophisticated email-based attacks or data leaks have become far more common than in the past. Additionally, organizations are not just using email for communication. Email archives are used as an active repository of vital corporate information needed to meet compliance and regulatory requirements and ensure employee productivity. As a result, email represents one of the highest concentrations of business risk that organizations face.

Traditional approaches to addressing these risks leave customers managing disparate point products from multiple vendors that are often difficult to use, costly to manage, difficult to scale, can fail to fully address advanced threats, and limit the use of corporate information to enhance productivity. The resulting infrastructure complexity caused by disparate products and legacy architectures also makes it difficult to move more IT workloads to the cloud, which continues to be an increasing priority of organizations of all sizes.

We developed our proprietary cloud architecture to offer customers a comprehensive cyber resilience strategy for email that spans security, continuity, archiving and end-user empowerment. These capabilities are delivered from an easy-to-use single platform. Providing a fully-integrated service also simplifies ongoing management and service deployment. Our customers can then decommission the often costly and complex point products and on-premises technology they have traditionally used to address these risks. We also make it easier for customers to move more of their IT workloads to the cloud.

We serve approximately 30,400 customers and protect millions of their employees around the world. Our service scales effectively to meet the needs of customers of all sizes. We sell our services through direct sales efforts and through our channel partners. Our sales model is designed to meet the needs of small and mid-market organizations and large enterprises across a wide range of industries and in over 130 countries. We have approximately 1,200 employees in twelve offices in the United States, the United Kingdom, South Africa, Australia, Dubai, UAE, the Netherlands and Germany. For the fiscal years ended March 31, 2018, 2017 and 2016, our revenue was \$261.9 million, \$186.6 million and \$141.8 million, respectively.

Industry Background

Email is a critical tool for organizations of all sizes. Email also captures a comprehensive history of corporate activity, knowledge and data vital for day-to-day business operations and employee productivity. Consequently, email needs protection and the technology needed to do this has extended well beyond the mailbox itself to include additional security, continuity and archiving services, all of which have typically been offered by separate vendors with different approaches.

While our industry is rapidly evolving, we believe the following reflect the key themes and compelling trends that are important to understanding our industry:

- Email is critical to all organizations;
- Many critical IT systems rely on email to operate effectively;
- Email is a primary security target for advanced cyberattacks;
- The amount of critical and sensitive data in email archives is growing rapidly;
- Data protection, cybersecurity and data privacy are key compliance and regulatory concerns for all organizations;
- Email downtime is disruptive to employee productivity;
- IT workloads, including business productivity tools, are moving to the cloud;
- Business email mailboxes are moving to the cloud, but this creates new risks to mitigate;

- Traditional email security, continuity and archiving alternatives can be inadequate and may not address increasing customer requirements and protect against next generation security threats;
- Point products are inflexible and only address part of the problem; and
- Traditional on-premises or hosted architectures have performance limitations and are expensive.

The limitations of traditional security and archiving technologies mean customers need to rethink their approach to protecting email and corporate information. We believe organizations are ultimately looking to implement a multi-layered cyber security and resilience strategy that delivers protection of users, data and operations from the risks arising from technological failure, human error and malicious intent. The risks also increase with organizations migrating to Microsoft Office 365®, as it is a complex email solution that is a high value and high-profile target. Organizations also need robust continuity options to solve for unpredictable events that cause an outage to email and result in disruption to business. A multi-layered cyber security and resilience approach is needed in order to address the diverse threats and diverse data classifications within a single data environment.

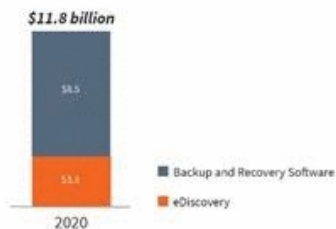
Meeting this growing customer demand requires an email and data security cloud service that meets the following requirements:

- **Integrated Offering.** By bringing multiple requirements into a cyber resilience solution for data and email platform, our next-generation email service helps organizations reduce the complexity and cost of managing point technologies from disparate vendors and brings additional benefits from new capabilities made possible due to the platform, and cloud delivery.
- **Strong Technology.** As organizations substitute specialized products provided by different vendors, it is imperative that the individual products are as good, or better, than those being replaced. Organizations are not willing to compromise on performance or security at a product level.
- **Native Cloud.** As organizations shift workloads to the cloud and move away from retaining on-premises or single tenant hosted cloud infrastructure, today's email security and information management technology must be natively cloud-based, thereby eliminating the need for local software and hardware, virtual machines and device hosting.
- **Built-for-Scale.** As email traffic and data storage continues to increase dramatically, the risk of threats escalates and the need for real-time, on-demand email access becomes more prominent, organizations cannot compromise on email performance and availability. The ideal solution must be easily scalable to match customer demand and be able to handle large volumes.
- **Easy-to-Deploy and Manage.** A cloud platform should simplify the process of service updates, new product deployments and on-boarding. System improvements should also be handled centrally, reducing this burden for the customers' own IT team. A fully-integrated service also means it should be managed from a single administration console.
- **Adaptable to Customer Needs.** With the rapidly shifting threat landscape and other IT requirements, customers' email needs are continuously evolving. It is important that email and information management solutions adapt quickly to help organizations keep pace with changing risks and enhance productivity.
- **Lower Total Cost of Ownership.** The most-effective approach for corporate email security, continuity, archiving and data management is to solve the current problems of integration, performance and scalability while simplifying the IT email infrastructure and reducing the initial capital outlay, recurring maintenance costs and growing storage costs that many companies face as their volumes scale.

Our Market Opportunity

The United States Census Bureau estimates there are approximately 5.8 million organizations employing 121.1 million employees in the United States. Among them, there are over 610,000 small and mid-size organizations, which are defined as those organizations employing 20 to 4,999 employees that together have approximately 59 million employees. Based on a recent Gartner report, worldwide combined spending will total approximately \$3.0 billion for the secure email gateway and data loss prevention markets. IDC Research estimates the markets for backup and recovery software, and e-discovery software will grow to \$11.8 billion. Based on these reports, the combined markets catering to enterprise information and email security, continuity and archiving are estimated to be \$14.8 billion in 2020. We believe there is a considerable need for a comprehensive integrated cloud solution that can address the needs of customers in these markets.

Enterprise Spending for eDiscovery, and Backup and Recovery Markets, Worldwide for 2020



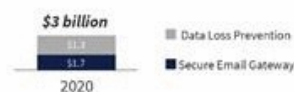
2020 chart created by Mimecast based on IDC research.

2020 Market Estimate Sources:

1. IDC, *Worldwide Data Protection and Recovery Software Forecast, 2017-2021: Continued Envoiable Growth*, Doc #US43017617, Sept 2017*
2. IDC, *Worldwide eDiscovery Software Forecast, 2017-2021*, Doc #US42766217, June 2017*

*All figures based on Constant Dollars in the above referenced reports.

Enterprise Security Spending for Data Loss Prevention and Secure Email Gateway Market, Worldwide for 2020



2020 chart created by Mimecast based on Gartner research.

2020 Market Estimate Sources:

1. Gartner, *Forecast: Information Security, Worldwide, 2015-2021, 4Q17 Update, 5 February 2018 (Secure Email Gateway, Data Loss Prevention)**

*All figures based on Constant Dollars in the above referenced reports.

The Gartner Report(s) described herein, (the "Gartner Report(s)") represent(s) research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and are not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this 10K filing) and the opinions expressed in the Gartner Report(s) are subject to change without notice.

We believe our immediate opportunity is to replace incumbent email security, continuity and archiving vendors. As we extend our products into adjacent areas, we anticipate this will open up additional opportunities to take further market share in a wider range of enterprise security and data management markets. We also expect to benefit from the growing popularity of cloud email services, specifically Microsoft Office 365® and Google, and the customer need for complementary security, archiving, back-up and continuity services.

Our Solution

Our integrated suite of cloud services for security, continuity and archiving is designed to offer true cyber resilience for email and deliver comprehensive email risk management beyond the primary mail server. We protect customers from the growing threat from email and to the corporate data it contains from malware, spam, data leaks and advanced threats such as impersonation attacks. Our continuity services ensure email and corporate information remain available in the event of a primary system failure or scheduled maintenance downtime. We also help organizations securely and cost effectively archive their growing email and file repositories to support employee productivity, compliance and e-discovery.

Our customers benefit from:

- ***Comprehensive Email and Data Risk Management in a Single, Unified Cloud Service.*** Our services integrate a range of technologies into a comprehensive service that would otherwise require an array of individual devices or services from multiple vendors. We enable customers to decommission these technologies, reduce the cost and complexity of their infrastructure, redeploy IT resources, and improve the security and risk management of their corporate email environment.

- **Best-of-Breed Security, Continuity and Archiving Services.** We believe our customers should not have to compromise on the quality of their email security, continuity or archiving services in order to benefit from integration. Our strategy is to develop best-of-breed capabilities within our integrated service to compete successfully with industry-leading point products in three critical areas:
 - **Email and Data Security:** We protect customers from a comprehensive range of email and data related threats that include, but are not limited to, spam, viruses, impersonation attacks, phishing and spear phishing, identity theft, advanced persistent threats, malicious attachments, known and unknown malware, outbound spam outbreaks and malicious inbound URLs, extortion and fraud. We combine our proprietary cloud-based scanning, detection and real-time intelligence gathering technologies with third-party threat data and malware libraries to deliver comprehensive and overlapping protection reflective of a best-of-breed security service.
 - **Email Service Continuity:** Our continuity service enables customers to send, receive and view emails and calendars during email gateway failures or planned maintenance downtime, without the need to build or host their own replicated email environment. Our service has immediate fail-over and fail-back capabilities, and is fully-integrated into Microsoft Outlook®. Employees can continue to access their email and data using their preferred mobile, tablet or desktop device, or via our web-based portal, so there is limited interruption to normal operations.
 - **Data Archiving:** We enable organizations to archive rapidly growing volumes of email and associated data safely and centrally in the cloud to support their need to archive data cost effectively to meet long-term storage, compliance, governance, risk mitigation and regulatory obligations. We also provide powerful search tools that can increase employee productivity, and enable them to utilize their archive as a live file store. Key features of our service include unlimited and perpetual legal hold, discovery and early legal case assessment, onsite and cloud-linked retention management, administrator and employee-led retention controls, onsite and metadata synchronization and record destruction policies and services.
- **Web Scale Performance for Organizations of All Sizes.** Our cloud service is built to address the most demanding scale, performance and availability requirements of large enterprises but delivers this as a subscription-based cloud service that puts these capabilities within the reach of small and mid-market organizations too. Our data centers process approximately 379 million emails per day, and store over 260 billion emails and approximately 40 petabytes of customer data. We achieve demanding continuity service commitments with data centers that are replicated in each of our primary geographies and operate in active-active mode enabling fast failover and fail-back as required.
- **Easy to Deploy and Manage.** Our service is designed to be easier to deploy than alternative technologies. Customers simply route their email traffic through our cloud and can be up and running in a matter of days and sometimes less. We then enable our customers to add or delete new services and employees, and manage all security and other policies centrally via a single web-based administration console that significantly simplifies the ongoing management of their email and data environment.
- **Highly Agile and Adaptable Service.** We are continually improving our cloud architecture and services. Our common code base and multi-tenant cloud architecture enables us to perform maintenance updates and add new features or products without interruption to our customers. Continuous service development and multi-tenant rapid deployment also allows us to keep pace with emerging threats to protect and respond quickly to changing customer needs.
- **An Easier Move of Additional Critical Workloads to the Cloud.** For those customers that want to put more workloads into the cloud, our technology facilitates the migration of email in particular by removing the complexity that has stalled many customers to date. Our interoperability with cloud-based email servers, such as Microsoft Office 365®, makes this easier to achieve and helps to mitigate remaining concerns about the single-vendor security, data integrity and continuity risk of such a move. Our data ingestion offering also allow customers to bring legacy data into their new cloud archive to ensure it is a complete record of current and historic data.
- **Compelling Return on Investment.** Our unified, cloud-based service enables our customers to decommission a range of legacy and disparate technologies that support their email server and recover these costs. We utilize hardware efficiently, and share a single instance of the operating software as well as storage and processing hardware securely across the whole customer base within each data center, allowing us to deliver cloud-scale economic and performance benefits to our customers. Customers also benefit from the continuous improvement of our service without the need to pay for service packs or updates. Our service bundles and subscription-based pricing also enable customers to pay per employee and select their desired services making costs easy to predict and affordable.

Our Growth Strategy

We will continue to invest in cloud security and risk management services. As more organizations move IT workloads such as email to the cloud, we believe we are well positioned to continue capitalizing on this growing opportunity globally.

Our growth strategy is focused on the following:

- **Grow Revenue From Our Existing Customer Base.** We serve approximately 30,400 customers of all sizes. We provide a high level of service that results in our customers staying with us year over year, which has resulted in a revenue retention rate of 110% and 111% for the fiscal years ended March 31, 2018 and 2017, respectively. This large and loyal customer base provides us with the opportunity to sell additional services and add more employees to their subscriptions. We believe we have significant upsell potential in our existing customer base with current and new services. We intend to continue proactively broadening our reach within our existing customer base by selling additional services.
- **Acquire New Customers.** We have built our global cloud architecture to offer best-of-breed capabilities and to be highly scalable and affordable for organizations of any size, ranging from small and mid-market customers to the largest global enterprises. Moreover, we offer our security, continuity and archiving email services as bundles and in a modular fashion, enabling us to win new customers by addressing a variety of initial needs and use cases that we expand over time as we cross sell other offerings. We will continue to invest in a direct sales force combined with a focused channel strategy designed to serve the various requirements of small, mid-market and large enterprises and to bring new customers onto our cloud architecture.
- **Actively Invest in Our Channel Partner Network.** The majority of our sales are through a reseller channel designed specifically to meet the requirements of each of our target customer segments. In the large enterprise market, we are building on existing relationships with leading systems integrators. In small and mid-market organizations, we are extending our network of leading IT resellers. We expect to expand our channel strategy over time to incorporate additional security or cloud specialists, as well as resellers focusing on supporting customers with the transition to Microsoft Office 365®. We intend to further invest in our network of channel partners to further extend our global sales, service and support capabilities.
- **Develop Our Technology and Release New Services.** We regularly update and improve our software and architecture and seamlessly deploy these updates to our customers. We will continue to build on our current capabilities and exploit additional opportunities in adjacent areas to those we serve today. This will extend the value our customers can gain from our architecture and enable them to consolidate additional email and data services to our integrated cloud service working seamlessly with Microsoft Exchange®, Microsoft Office 365® and G-Suite from Google®.
- **Continue to Expand Our Geographic Presence.** We were founded outside the United States and, consequently, 51% of our sales in fiscal years 2018 and 2017 were derived from non-U.S. locations. We view the United States as our most significant growth market. Since founding our U.S. business in 2008, we have established a successful direct sales channel and service infrastructure to exploit this opportunity. In fiscal year 2018, we launched our German operation, which will become fully operational in fiscal year 2019. We plan to investigate additional international expansion from our regional bases in the United States (for North America), the United Kingdom and Germany (for Europe), South Africa (for Africa and the Middle East), and Australia (for Asia-Pacific).
- **Target Organizations Moving Workloads to the Cloud.** Given the compelling cost benefits and improved agility of cloud-based solutions, organizations are increasingly moving critical workloads to the cloud. As these IT workloads move to the cloud, we believe we are well-positioned to take advantage of growth opportunities that exist from augmenting services, including Microsoft Office 365® and G-Suite from Google®.
- **Growth Through Acquisitions.** We believe there is a significant opportunity to grow our business by acquiring complementary products, technologies and businesses. We look for products and technologies that will enable us to expand our offerings to our existing customer base and attract new customers that we were not able to service with our existing offerings. We also believe that acquisitions give us access to potential employees with industry experience that may not otherwise be available to us.

Our Technology

We have developed a native cloud architecture, including our own proprietary software as a service, or SaaS, operating system, Mime | OS™, and customer-facing services, to address the specific risks and functional limitations of business email and data. Our innovative cloud-based approach requires no on-premises or hosted appliances. We believe we are one of only a few cloud service providers that have fully committed to native cloud development.

We have a proven record of performing successfully at considerable scale and addressing rapidly growing customer demands. We process approximately 379 million emails per day and manage over 260 billion emails in total with our service. We archive approximately 40 petabytes of customer data and add more than 65.9 terabytes of customer data per month.

We are able to provision customer email and onboard massive amounts of email data from legacy archives rapidly and efficiently. This drives customer adoption and makes the cloud transition easier than our customers typically expect. Once a customer is live on our service, adding new products to their subscription only requires activation from within their single administration console.

Our Proprietary Native Cloud Architecture— Mime | OS™

We developed a proprietary operating system called Mime | OS™ for native cloud services. Mime | OS™ enables secure multi-tenancy and takes advantage of the cost and performance benefits of using industry-standard hardware and resource sharing specifically for the secure management of email and data. This enables us to provision efficiently and securely across our customer base, minimizing the impact of spare or over-provisioned processing and storage capacity, reducing the cost of providing our services.

Mime | OS™ comprises 20+ microservices that control the hardware, and the storage, indexing, processing, services, administrator and user interface layers of our cloud environment. It has been specifically designed to enable us to scale our storage, processing and services to meet large enterprise-level email and data demands, while retaining the cost and performance benefits of a native cloud environment.

Mime | OS™ also streamlines our customer application development and enables strong integration across our services. All of our customer applications or services use Mime | OS™ to interact with our data stores and processing technology, as well as interoperate effectively with each other.

Continuous Development Methodology and Multi-Tenancy Advantage

As we enhance and expand our technology, we can update services centrally with little or no intervention required by the customer, as each customer shares the same core operating and application software. Improvements, upgrades, new products or patches are applied once and are available immediately across our whole service to customers. It means we have only one up-to-date version of our service to maintain and support as well as a common data store for all customers that simplifies management, support and product development.

Our services already process and manage large volumes of customer data and this is growing daily. Our commitment to continual improvement in Mime | OS™, our customer applications and hardware infrastructure mean we are constantly strengthening the performance of our service as we scale. These improvements include faster archive search times and data ingestion, greater storage density, improved processing and extended security coverage. Each week, we roll out updates and enhancements centrally that benefit our customers without the need for additional infrastructure investment on their part. Additionally, when new threats emerge, we act once by making changes to our service and all customers benefit immediately. We can also identify and act on threats to one customer and quickly prevent them from impacting others by changing our core system.

How Our Services Work

Mimecast Advanced Security

We protect inbound and outbound email from malware, spam, advanced persistent threats, email DoS and DDoS, data leaks and other security threats.

Inbound email is directed through Mimecast Email Security, which performs comprehensive security checks before the email is delivered to the customer's email infrastructure. This prevents unwanted email from reaching the customer in the first place and cluttering their infrastructure unlike on-premises services from competitors. Each day, we monitor approximately 820 million messages and deliver, on average, less than 50% of those messages to the customer.

Outbound email sent from the customer also passes through our service and is checked before being sent on to prevent it from presenting a security threat to the recipient. Outbound email can also be encrypted, and scanned by our comprehensive content controls to prevent confidential documents or data leaving the business. Data leak prevention is a key consideration for all organizations.

Mimecast Business Continuity

Email is a 24x7 tool and, traditionally, customers who want to ensure their email does not experience downtime as a result of an inevitable outage or maintenance have had to replicate their own infrastructure in a second location, doubling their email-related costs. The cost and management burden of doing this is prohibitive for many, particularly small or mid-market organizations.

We are a cost-effective alternative as there is no need for additional infrastructure. As all customer outbound and inbound email is directed to our servers, if a customer's primary email service fails, our Mimecast Mailbox Continuity service takes over the delivery and sending of email in real time or at the request of the administrator, offering immediate fail-over and fail-back. When the primary service is re-established, the customer is reassured that there has been no loss of data and that the archive is maintained. For employees, the process is virtually invisible—they continue to work as before in their Microsoft Outlook® desktop email client, their Mimecast mobile app or their Mac® Desktop App.

Mimecast Enterprise Information Archiving

Email, and the data it contains, needs to be safely archived to meet growing compliance, regulatory and legal obligations. Also, employees are increasingly using their email archive as their primary information store so this is further reason to ensure it is protected and archived effectively.

As email, file attachments, and associated critical metadata that identifies activity is sent or received, it can be saved in a secure, tamper-proof archive in the single Mimecast cloud automatically and indefinitely. Our employee mobile and desktop search tools and administration console, then allow for detailed investigation of the archive. We also enable customers with legacy archive data to put this into their single Mimecast archive, which improves adherence to data compliance obligations and gives employees access to a complete historical view of their archive.

Our Mimecast Enterprise Information Archiving service offers secure lifetime storage of email, files and instant messaging conversations paid for on a per-employee basis and not on a data usage basis. By switching to the Mimecast Enterprise Information Archiving Service, expensive and ineffective onsite archives can be decommissioned, reducing the data load on the primary email service too. Our search tools make it easy for legal staff and employees themselves to quickly find data without the need to turn to the IT team. Finally, our archive can also include legacy data that would otherwise be held in additional storage. This can be ingested over-the-wire or via physical drives sent encrypted from the customer to us.

Our Global Data Center Network

We have built networks in twelve data centers in six locations around the world to deliver our services. This gives customers geographic and jurisdictional control over data location, which enables them to address data privacy concerns. Each region operates two identical data centers that function in active-active mode in different locations, and have N+1 set-ups to meet our continuity of service commitments. Because of this redundancy, we are able to switch operations from one data center to another to maintain our customers' email and data services. We have developed a modular approach to provisioning a new data center and can transition among data centers as needed in existing or new geographies. Our twelve co-located data centers are replicated and operate in active-active mode to allow for continuity of service in the event of downtime or maintenance.

Our Services

Our email security, continuity and archiving services protect customer data, providing organizations comprehensive email risk management in a single, cloud-based, fully-integrated service, which is licensed on a subscription basis.

- The Mimecast Email Security service protects against the delivery of malware, malicious URLs, spam, spear-phishing attacks, including business email compromise, and other emerging attacks, while also preventing data leaks and other internal threats.
- The Mimecast Mailbox Continuity service ensures employees can continue using email during unexpected and planned outages such as system maintenance, whether their email is managed in the cloud or on-premises.
- Mimecast Enterprise Information Archiving unifies email, data to support e-discovery and forensic analysis, and gives employees fast access to their personal archive via PC, Mac® and mobile apps.

Mimecast Advanced Security

Email security provides a critical defense against hackers seeking to capture and exploit valuable organizational information and disrupt business operations. Our Mimecast Email Security services provide comprehensive email security. They block spam, malware, malicious URLs, spear-phishing, and defined content from entering or exiting the organization. Further, these services provide administrators granular security and content policy control for inbound, outbound, and internal email traffic to prevent threats, including data leaks. Integration into Microsoft Outlook® and via mobile apps provides employees the freedom to be self-sufficient and to manage their quarantines, personal blacklists, and many other aspects of their email security and management.

Customers can benefit from the following Mimecast security services:

- **Targeted Threat Protection:** Highly sophisticated targeted attacks, including spear-phishing, are using email to successfully infiltrate organizations, exploit users and steal valuable intellectual property, customer data and money.
- **URL Protect** addresses the threat from emails containing malicious links. It automatically checks hyperlinks each time they are clicked, preventing employees from visiting malicious websites regardless of what email client or device they are using. It also includes innovative user awareness capabilities so IT teams can raise the security awareness of employees as part of their daily email activities. Once enabled, a percentage of links in emails clicked by an employee will open an informational screen. This will provide them with more information about the email and destination, encouraging them to consider whether the email is coming from a reliable source and if the page is safe. If they choose to continue, the choice is logged and URL Protect scans the link and blocks access if the destination is deemed unsafe. IT administrators can adjust the frequency of these awareness prompts to ensure employee caution is maintained. Repeat offenders that regularly click bad links can automatically receive more frequent prompts until their behavior changes. The IT team can track employee behavior from the Mimecast administration console and target additional security training as required.
- **Attachment Protect** reduces the threat from weaponized or malware-laden attachments used in spear-phishing and other advanced attacks. It includes pre-emptive sandboxing to automatically security check email attachments before they are delivered to employees. Attachments are opened in a virtual environment, or sandbox, isolated from the email system, security checked and passed on to the employee only if no threat is detected. It also includes the option of an innovative safe file conversion capability that automatically converts attachments into a safe file format, neutralizing any chance of malware as it does so. The attachment is delivered to the employee in read-only format without any sandbox analysis delay. As most attachments are read rather than edited, this is often sufficient for many users. Should the employee need to edit the attachment, they can request it and from there it is sandboxed on-demand and delivered in the original file format.
- **Impersonation Protect** gives instant and comprehensive protection from malware-less social engineering attacks, often called CEO fraud, whaling, impersonation, or business email compromise. These attacks are designed to trick users, most particularly key employees such as those who are on an organization's finance team, into making wire transfers or other financial transactions to cybercriminals by pretending to be the CEO or CFO via spoofed email. Some impersonation attacks also target those responsible for managing sensitive employee data, such as payroll information, which could be used for identity theft. Impersonation Protect detects and prevents these types of attacks by identifying combinations of key indicators in an email to determine if the content is likely to be suspicious, even in the absence of a URL or attachment. Impersonation Protect blocks or flags suspicious email by using advanced scanning techniques to identify elements commonly used by criminals, including employee, domain, or reply-to names, and other keywords such as 'wire transfer,' 'tax form' or 'urgent.'
- **Internal Email Protect, or IEP,** is the industry's first threat management capability for internally generated email delivered by a purely cloud-based security service. IEP allows customers to monitor, detect and remediate security threats that originate from within their internal email systems. This capability provides for the scanning of attachments, URLs, and content in internally generated email. In addition, IEP includes the ability to automatically remediate infected email from a user's inbox.
- **Secure Messaging:** Email containing sensitive or confidential information requires appropriate security and control to prevent inadvertent or deliberate data leaks and to protect the information while in transit. Mimecast Secure Messaging is a secure and private channel to share sensitive information with external contacts via email without the need for additional client or desktop software. Sensitive information is kept within the Mimecast cloud service, strengthening information security, data governance and compliance, without the added IT overhead and complexity of traditional email secure messaging or encryption solutions.

- *Large File Send:* Employees can create security and compliance risks when they turn to file sharing services to overcome email size limits imposed by their email infrastructure. Mimecast Large File Send enables PC and Mac® users to send and receive large files directly from Microsoft Outlook® or a native Mac® app. It protects attachments in line with security and content policies by using encryption, optional access key and custom expiration dates; supports audit, e-discovery and compliance by archiving all files and notifications according to email retention policies; and protects email system performance from the burden of large file traffic.
- *Data Leak Prevention:* Organizations can prevent the inadvertent or malicious loss of sensitive corporate data with advanced data leak prevention and content controls. Policies using keywords, pattern matching, file hashes and dictionaries actively scan all email communications including file attachments to stop data leakage and support compliance. Suspect emails can be blocked, quarantined for review by administrators or sent securely.

Mimecast Business Continuity

Email continuity protects email and data against the threat of downtime as a result of system failure, natural disasters, planned maintenance, system upgrades and migrations. Mimecast Mailbox Continuity services significantly reduce the cost and complexity of mitigating these risks and provides uninterrupted access to live and historic email and calendar information. During an outage our service provides real-time inbound, outbound and internal email delivery. The continuity service can be activated and deactivated directly and instantly from the Mimecast console by administrators for the complete organization or for specific groups affected by limited outages. All outage events are fully logged and we also support email top-up services for customers who have to recover their Microsoft Exchange® environments from backups. The continuity service is capable of reliably and securely supporting customers during short or long-term continuity events. Integration with Microsoft Outlook®, a native app for Mac® users and a full suite of mobile apps means employees have seamless access to their email in the event of a disruption or outage.

Mimecast Enterprise Information Archiving

Our cloud archive consolidates into one store all inbound, outbound and internal email, files and instant messaging in a perpetual, indexed and secure archive. Using our Mimecast Enterprise Information Archiving service, customers can also incorporate legacy data from additional archives into the same searchable store.

All data is encrypted and preserved within a Write Once Read Many (WORM) state. Proprietary indexing and retrieval solutions allow customers to search individual mailboxes or the entire corporate archive in seconds. Our mobile, tablet, desktop and web applications ensure that employees can search and make the best use of their entire corporate archive in a fast, reliable and informative way. Intensive logging services cover the use of the archive, and roles and permissions govern what employees can see in the archive based on their role. Our purpose-built ingestion and export services support rapid high-volume extraction, scrubbing and loading of significant quantities of data. Our archive solution retains metadata that arises from gateway and continuity operations and we preserve both received and altered variants of emails that pass through our secure email gateway. Retention options for customers range from individual retentions, to data retained for an entire customer on a perpetual basis.

Customers can also purchase the following additional services as part of our Mimecast Enterprise Information Archiving offering:

- *Recoverability:* Email continues to be the preferred business communication tool and de facto data repository. It holds vast amounts of critical and sensitive information. Protecting this data against loss or corruption and managing spiraling inboxes is imperative. Mimecast Sync & Recover for Exchange® and Office 365® offers three key capabilities that expand on the built-in tools provided by Mimecast Archiving alone including Sync & Recover, Granular Retention Management and Mailbox Storage (Stubbing) Management. Sync & Recover delivers rapid and granular recovery of mailboxes, calendar items and contacts lost through inadvertent or malicious deletion or corruption.
- *Archive Power Tools:* This is a series of advanced archiving tools including:
 - *Mimecast Storage Management for Exchange:* This enables active mailbox size management, so administrators can optimize email system performance, control costs and support archive policy enforcement.
 - *Mailbox and Folder Tools for Exchange:* In an email continuity event or when searching for archived content, access to folder structures and shared mailbox content is key to productivity. This tool makes it easy to replicate individual and shared mailbox folders.
 - *Granular Retention Management:* Managing email retention policies can be complex and time-consuming, because different business groups and individuals have requirements that vary how long email should, or is required to be retained. Mimecast Granular Retention Management enables IT teams to centrally apply policies to manage the retention of email content and related metadata.

Service Bundles

Many of our customers take advantage of the ability to combine our services and capabilities into a unified service managed from a single administration console. Most customers purchase the bundles from the outset, but some prefer to start with specific packages, then upgrade to additional products over time.

Our service range continues to respond to the changing threat landscape and reflect customers' requests for combinations of services across advanced security, continuity and archiving. We transition those of our existing customers subscribed to our historic packages over to the new service bundles.

Our service bundles are:

- **M2A: Cyber Security and Resiliency with Archiving.** This bundle includes Email Security with Targeted Threat Protection; Compliance Security; Continuity services and a 99-year archive.
- **M2: Cyber Security and Resiliency.** This bundle includes Email Security plus Targeted Threat Protection; Compliance Security and Continuity with 58-day email retention for recovery purposes.

Customers with specific projects or pre-defined business projects can also purchase the following additional services:

- **S1: Advanced Threat Security.** This service is designed to protect the organization against advanced threats such as whaling and spear-phishing with real-time URL blocking, attachment scanning and domain checking, as well as anti-malware and leading spam protection to shield employees and enhance productivity.
- **S2: Advanced Threat Security with Internal Email Protect.** This service contains the same features as S1 but also includes our latest addition to the Targeted Threat Protection family of products. Internal Email Protect offers detection of internal security threats and inspection of outbound emails plus, should any issue be detected, the remediation of such.
- **D1: Data Leak Protection and Content Security.** This service is designed to lock down sensitive corporate information with advanced data leak prevention, data leak detection, document and policy controls.
- **C1: Mailbox Continuity.** Our customers use this service to ensure that their email works even when the primary mail server is down. We continue sending and receiving email with a 100% uptime SLA with coverage for all mobile devices and web access.
- **A1: Email Archiving.** This service archives email and attachments in a fully-encrypted, independent, cloud data store separate from the mail environment.

Mimecast Mobile and Desktop Apps

Mobile, PC and Mac® users get self-service access to security features, including spam reporting and managed sender lists, the ability to send and receive email during a primary email system outage, and access to their personal email archive to run searches on its content. Administrators can use granular permissions to activate functions for individual employees or groups of users, while centralized security and policy management means IT teams can retain control over default settings.

Sales and Marketing

Our sales and marketing teams work together to build a strong sales pipeline, cultivate and retain customers and drive market awareness of our current and future products and services.

Sales

We sell our services through direct sales efforts and through our channel partners. Our sales model is designed to meet the needs of small and mid-market organizations and large enterprises across a wide range of industries and in over 130 countries. Our sales team is based in offices in Boston, Chicago, Dallas and San Francisco, United States; London, United Kingdom; Johannesburg and Cape Town, South Africa; Melbourne and Sydney, Australia; Amsterdam, the Netherlands, Dubai, UAE and Munich, Germany. We maintain a highly-trained sales force of approximately 350 employees as of March 31, 2018, which is responsible for acquiring and developing new business.

We also have an experienced sales team focused on developing and strengthening our channel partner relationships. Many organizations work with third-party IT channel partners to meet their security, IT and cloud service needs, so we have formed relationships with a variety of the leading partners to target large enterprises, mid-market and small organizations. For large enterprises, we work with international partners including CDW and Dimension Data. In the mid-market, we work with leading national partners, including Softchoice, SHI, CDW and Softcat. The small business market is primarily served by the reseller community and also by Managed Service Providers, who typically provide or host email services. We work closely with all of these channel partners to offer cooperative marketing, deal registration, as well as support and technical resources. We believe these partners view our services as a key source of additional revenue and a way for them to add significant value to their customers as they can support their desire to move to the cloud without compromising their security position.

Sales to our channel partners are generally subject to our standard, non-exclusive channel partner agreement, meaning our channel partners may offer customers the products of several different companies. These agreements are generally for a term of one year with a one-year renewal term and can be terminated by us or the channel partner. Payment to us from the channel partner is typically due within 30 calendar days of the date we issue an invoice for such sales.

Our sales cycle varies by size and sophistication of customer, the number of products purchased and the complexity of the project, ranging from several days for incremental sales to existing customers, to many months for sales to new customers or large deployments.

We plan to continue to invest in our sales organization to support both the growth of our direct sales organization and our channel partners.

Marketing

Our marketing strategy is designed to meet the specific needs of each of our customer segments. We are focused on building the Mimecast brand, product awareness, increasing customer adoption of our products, communicating the advantages of our solution and its benefit to organizations, and generating leads for our channel partners and direct sales force. We also invest in public relations and thought leadership to build our overall brand and visibility. We execute our marketing strategy by using a combination of internal marketing professionals and a network of global channel partners. We invest in field, channel, product and brand marketing and have increased our investment in digital marketing to drive greater lead generation volume and efficiency. Our local marketing teams support the conversion of these leads into qualified opportunities for inside sales and are responsible for branding, content generation and product marketing.

Customer Service and Support

We maintain our strong customer retention rate through the strength and quality of our products, our commitment to our customers' success and our award-winning global Customer Success and Support teams, which consist of more than 260 employees dedicated to ensuring a superior experience for our customers. For each of the fiscal years ended March 31, 2018, 2017 and 2016, our customer renewal rate has been consistently greater than 90%. We calculate our annual customer retention rate as the percentage of paying customers on the last day of the prior year who remain paying customers on the last day of the current year.

We have designed a comprehensive monitoring methodology that measures and evaluates the interactions we have with our customers from sales and on-boarding to support and renewal. Our cross-functional teams, under the supervision of our Chief of Customer Operations, work together to ensure the best customer experience is achieved and to address customer needs as they arise.

A key value driver of our customer on-boarding process is our Legacy Data Migration services. Our customers often have legacy email archives that they want to move to the cloud. Our data migration service helps solve the problems customers face when extracting data and getting it into the right format for importing to the cloud, which can be expensive, time-consuming and require interactions with multiple vendors.

In addition, we offer a full range of support services to our global customer base, including comprehensive online resources and email support with no outsourcing of support or account management to third parties. We also offer a range of additional services that include options for 24x7 telephone support and an assigned customer success manager. These support services are tiered to meet specific requirements of our diverse customers.

Our full range of customer outcome driven onboarding services is designed to cater to all customer segments. These services include dedicated implementation and onboarding consultancy services.

We have a dedicated training team and resources designed to enable customers to get the full benefit from their Mimecast investment. Our comprehensive education and consultancy offerings include administrator training and certification, end user training, and e-discovery training for compliance teams, all of which are available in-person and online.

Beyond customer support and training, we also provide a range of services that are designed to provide additional enablement to customers who require it, especially larger enterprises with more complex email infrastructure and legacy data. Our Success Planning and Professional Services teams work directly with the customer or partner to assist them in planning, migration and service activation.

We offer a service level agreement as part of our standard contract that contains commitments regarding the delivery of email messages to and from our servers, the speed at which our archive can produce search results, and our ability to correctly identify and isolate spam and viruses. If we do not achieve these levels, the customer can request a credit. Payment of the credit will be made subject to verification of the problem. These credits are tiered according to the extent of the service issued. The amount of credits provided to customers to date has been immaterial in all historical periods.

Customers

As of March 31, 2018, we had approximately 30,400 customers and protected millions of their employees in over 130 countries. Our diverse global footprint is evidenced by the fact that in the fiscal year ended March 31, 2018, we generated 49% of our revenue from the United States, 31% from the United Kingdom, 15% from South Africa and 5% from the rest of the world. Our customers range from large enterprises with over 75,000 employees to small organizations with less than 50 employees and represent a diverse set of industries. For example, in the fiscal year ended March 31, 2018, we generated 12% of our revenue from customers in the legal services industry, 14% from customers in the professional, scientific and technical services industry, 10% from customers in the manufacturing industry and 13% from customers in the finance and insurance industry. Our business is not dependent on any particular customer. No single customer represented more than 1% of our annual revenues in the fiscal years ended March 31, 2018, 2017 or 2016.

Research and Development

Our engineering, operations, product and development teams work together to enhance our existing products, technology infrastructure and underlying Mime | OSTM cloud architecture, as well as develop our new product pipeline. Our research and development team interacts with our customers and partners to address emerging market needs, counter developing threats and drive innovation in risk management and data protection. We operate a continuous delivery model for improvements to our infrastructure and products to ensure customers benefit from regular updates in protection and functionality without the need for significant intervention on their part. Our research and development efforts give prominence to services that enhance our unification commitment and allow customers to displace point solutions or on-premises products.

Our research and development expenses were \$38.4 million, \$22.6 million and \$17.7 million for the fiscal years ended March 31, 2018, 2017 and 2016, respectively.

Intellectual Property

Our success is dependent, in part, on our ability to protect our proprietary technologies and other intellectual property rights. We primarily rely on a combination of trade secrets, copyrights and trademarks, as well as contractual protections to establish and protect our intellectual property rights. As of March 31, 2018, we have 12 patents issued and 12 patent applications pending in the United States. We also have 4 patents issued and 5 patent applications pending for examination in non-U.S. jurisdictions. We intend to pursue additional patent protection to the extent that we believe it would be beneficial and cost effective.

We have registered "Mimecast" and certain other marks as trademarks in the United States and several other jurisdictions. We also have a number of registered and unregistered trademarks in the United States and certain other jurisdictions, and will pursue additional trademark registrations to the extent we believe it would be beneficial and cost effective. We are the registered holder of a variety of domestic and international domain names that include "mimecast.com," "mimecast.co.uk," "mimecast.co.za," and similar variations.

In addition to the protection provided by our intellectual property rights, as part of our confidentiality procedures, all of our employees and independent contractors are required to sign agreements acknowledging that all inventions, trade secrets, works of authorship, developments and other processes generated by them on our behalf are our property, and they assign to us any ownership that they may claim in those works. We also generally enter into confidentiality agreements with our employees, consultants, partners, vendors and customers, and generally limit access to and distribution of our proprietary information.

Despite our precautions, it may be possible for unauthorized third parties to copy our products and use information that we regard as proprietary to create products and services that compete with ours. Some license provisions protecting against unauthorized use, copying, transfer and disclosures of our products may be unenforceable under the laws of certain jurisdictions and foreign countries. In addition, the laws of some countries do not protect proprietary rights to as great an extent as the laws of the United States, and many foreign countries do not enforce these laws as diligently as government agencies and private parties in the United States. Our exposure to unauthorized copying and use of our products and misappropriation of our proprietary information may increase as a result of our foreign operations.

We expect that software and other solutions in our industry may be increasingly subject to third-party infringement claims as the number of competitors grows and the functionality of products in different industry segments overlap. Moreover, many of our competitors and other industry participants have been issued patents or filed patent applications, and have asserted claims and related litigation regarding patent and other intellectual property rights. Third parties, including non-practicing patent holders, have from time to time claimed, and could claim in the future, that our technologies infringe patents they now hold or might obtain or be issued in the future. See “Risk Factors — We may be sued by third parties for alleged infringement of their proprietary rights.”

Competition

Our market is large, highly competitive, fragmented, and subject to rapidly evolving technology and security threats, shifting customer needs and frequent introductions of new products and services. We do not believe that any specific competitor offers the fully unified service and integrated technology that we do. However, we do compete with companies that offer products that target email and data security, continuity and archiving, as well as large providers such as Google Inc. and Microsoft Corporation, who offer functions and tools as part of their core mailbox services that may be, or be perceived to be, similar to our offerings. Our current and potential future competitors include: Barracuda Networks, Inc., Google, Microsoft Exchange® Online Protection, Proofpoint, Inc., Symantec Corporation and Cisco Systems Inc., in security, and EMC, Microsoft Office 365®, Veritas Technologies LLC and Barracuda in archiving. Some of our current and future competitors may have certain competitive advantages such as greater name recognition, longer operating history, larger market share, larger existing user base and greater financial, technical and other resources. Some competitors may be able to devote greater resources to the development, promotion and sale of their products than we can to ours, which could allow them to respond more quickly than we can to new technologies, threats and changes in customer needs. We cannot provide any assurance that our competitors will not offer or develop products or services that are superior to ours or achieve greater market acceptance.

The principal competitive factors in our market include, but are not limited to:

- reliability and effectiveness in protecting, detecting and responding to cyberattacks;
- scalability and multi-tenancy of our system;
- breadth and unification of our services;
- cloud-only delivery;
- total cost of ownership;
- speed, availability and reliability;
- integration into office productivity, desktop and mobile tools;
- speed at which our services can be deployed;
- ease of user experience for IT administrators and employees; and
- superior customer service and commitment to customer success.

We believe that we compete favorably on the basis of these factors. Our ability to remain competitive will depend to a great extent upon our ongoing performance in the areas of product and cloud architecture development, core technical innovation, channel management and customer support.

Employees

As of March 31, 2018, we had 1,192 employees and subcontractors, including 483 in sales and marketing, 256 in research and development, 260 in services and support and 193 in general and administrative. While we have operations in the United Kingdom, the United States, South Africa, Australia and Germany, most of our employees are based in the United Kingdom and the United States. None of our employees are represented by a labor union or covered by a collective bargaining agreement. We have never experienced a strike or similar work stoppage, and we consider our relations with our employees to be good.

Corporate Information

Mimecast Limited was incorporated under the laws of the Bailiwick of Jersey with company number 119119 on July 28, 2015 as a public company limited by shares. On November 4, 2015, Mimecast Limited became the holding company of Mimecast UK Limited, a private limited company incorporated in 2003 under the laws of England and Wales, and its subsidiaries by way of a share-for-share exchange in which the shareholders of Mimecast UK Limited exchanged their shares in Mimecast UK Limited for an identical number of shares of the same class in Mimecast Limited. Following the exchange, the historical consolidated financial statements of Mimecast UK Limited became the historical consolidated financial statements of Mimecast Limited, of which the consolidated financial statements as of and for the three years ended March 31, 2018 are included in this Annual Report on Form 10-K. Mimecast Limited has nine subsidiaries. Our principal operating companies are Mimecast UK Limited, a company organized under the laws of England and Wales, Mimecast Services Ltd, a company organized under the laws of England and Wales, Mimecast North America Inc., a Delaware, United States corporation, Mimecast South Africa (Pty) Ltd., a South African corporation, Mimecast Australia Pty. Ltd., an Australian corporation, and Mimecast Germany GmbH, a German corporation, each of which is a wholly-owned subsidiary of Mimecast Limited. Our principal executive office is located at CityPoint, One Ropemaker Street, Moorgate, London, EC2Y 9AW, United Kingdom.

Our ordinary shares are traded on The Nasdaq Global Select Market under the symbol "MIME".

Geographic Information

For financial reporting purposes, total revenue and property and equipment, net attributable to geographic areas are presented in Note 14, "Segment and Geographic Information", to the consolidated financial statements, included elsewhere in this Annual Report on Form 10-K.

Available Information

We maintain an Internet website at www.mimecast.com. The information on, or that can be accessed through, our website is not incorporated by reference into this Annual Report on Form 10-K and should not be considered to be a part of this Annual Report on Form 10-K. Our website address is included in this Annual Report on Form 10-K as inactive textual reference only. Our reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, including our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K, and amendments to those reports, are accessible through our website, free of charge, as soon as reasonably practicable after these reports are filed electronically with, or otherwise furnished to, the Securities and Exchange Commission, or the SEC. We also make available on our website the charters of our audit committee, compensation committee and nominating and corporate governance committee, as well as our corporate governance guidelines and our code of business conduct and ethics. You may request copies of our reports and the other documents referenced above, at no cost, by writing to or telephoning us as follows:

Mimecast Limited
Attention: Robert Sanders
191 Spring Street
Lexington, Massachusetts 02421
Telephone: 617-393-7050

Item 1A. Risk Factors.

Our business, financial condition, results of operations and future growth prospects could be materially and adversely affected by the following risks or uncertainties. The risks and uncertainties described below are those that we have identified as material, but they are not the only risks and uncertainties we face. Our business is also subject to general risks and uncertainties that affect many other companies, including overall economic and industry conditions, as well as other risks not currently known to us or that we currently consider immaterial. If any of such risks and uncertainties actually occurs, our business, financial condition, results of operations and prospects could differ materially from the plans, projections and other forward-looking statements included in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Annual Report on Form 10-K and in our other public filings.

Risks Related to Our Business and Our Industry

If we are unable to attract new customers and retain existing customers, our business and results of operations will be affected adversely.

To succeed, we must continue to attract new customers and retain existing customers who desire to use our security, continuity and archiving offerings. Acquiring new customers is a key element of our continued success, growth opportunity and future revenue. We will continue to invest in a direct sales force combined with a focused channel strategy designed to serve the various requirements of small, mid-market and large enterprises and to bring new customers onto our cloud architecture. Any failures by us to execute in these areas will negatively impact our business. The rate at which new and existing customers purchase our products depends on a number of factors, including those outside of our control. For example, in the fiscal year ended March 31, 2017, we benefited from the decision by Intel Corporation to end-of-life its McAfee MX Logic email protection product. Our future success also depends on retaining our current customers at acceptable retention levels. Our retention rates may decline or fluctuate as a result of a number of factors, some of which may be outside our control, including competition, customers' budgeting and spending priorities, and overall general economic conditions. If our customers do not renew their subscriptions for our products and services, our revenue would decline and our business would suffer. In future periods, our total customers and revenue could decline or grow more slowly than we expect.

If we are unable to sell additional services and features to our existing customers, our future revenues and operating results will be harmed.

A significant portion of our revenue growth is generated from sales of additional services and features to existing customers. Our future success depends, in part, on our ability to continue to sell such additional services and features to our existing customers. We devote significant efforts to developing, marketing and selling additional services and features and associated support services to existing customers and rely on these efforts for a portion of our revenue. These efforts require a significant investment in building and maintaining customer relationships, as well as significant research and development efforts in order to provide upgrades and launch new services and features. The rate at which our existing customers purchase additional services and features depends on a number of factors, including the perceived need for additional security, continuity and archiving, the efficacy of our current services, the perceived utility of our new offerings, our customers' IT budgets and general economic conditions. If our efforts to sell additional services and features to our customers are not successful, our future revenues and operating results will be harmed.

Failure to effectively expand our sales and marketing capabilities could harm our ability to acquire new customers and achieve broader market acceptance of our services.

Acquiring new customers and expanding sales to existing customers will depend to a significant extent on our ability to expand our sales and marketing operations. We generate approximately one-third of our revenue from direct sales and we expect to continue to rely on our sales force to obtain new customers and grow revenue from our existing customer base. We expect to expand our sales force in all of our regions and we face a number of challenges in achieving our hiring goals. For instance, there is significant competition for sales personnel with the sales skills and technical knowledge that we require. In addition, training and integrating a large number of sales and marketing personnel in a short period of time requires the allocation of significant internal resources. Our ability to achieve projected growth in revenue in the future will depend, in large part, on our success in recruiting, training and retaining sufficient numbers of sales personnel. We invest significant time and resources in training new sales personnel to understand our solutions and growth strategy. In general, new hires require significant training and substantial experience before becoming productive. Our recent hires and planned hires may not become as productive as we require, and we may be unable to hire or retain sufficient numbers of qualified individuals in the future in the markets where we currently operate or where we seek to conduct business. Our growth may be materially and adversely impacted if the efforts to expand our sales and marketing capabilities are not successful or if they do not generate a sufficient increase in revenue.

Our business depends substantially on customers renewing their subscriptions with us. A decline in our customer renewals would harm our future operating results.

In order for us to maintain or improve our operating results, it is important that our customers renew their subscriptions with us when the existing subscription term expires. Although the majority of our customer contracts include auto-renew provisions, our customers have no obligation to renew their subscriptions upon expiration, and we cannot provide assurance that customers will renew subscriptions at the same or higher level of service, if at all. For each of the fiscal years ended March 31, 2018, 2017 and 2016, our customer retention rate has been consistently greater than 90%. We calculate customer retention rate as the percentage of paying customers on the last day of the relevant period in the prior year who remain paying customers on the last day of the relevant period in the current year. The rate of customer renewals may decline or fluctuate as a result of a number of factors, including our customers' satisfaction or dissatisfaction with our solutions, the effectiveness of our customer support services, our pricing, the prices of competing products or services, mergers and acquisitions affecting our customer base, or reductions in our customers' spending levels. If our customers do not renew their subscriptions, or renew on less favorable terms, our revenue may decline, and we may not realize improved operating results from our customer base.

The markets in which we participate are highly competitive, with several large established competitors, and our failure to compete successfully would make it difficult for us to add and retain customers and would reduce or impede the growth of our business.

Our market is large, highly competitive, fragmented and subject to rapidly evolving technology, shifting customer needs and frequent introductions of new products and services. We currently compete with companies that offer products that target email and data security, continuity and archiving, as well as large providers such as Google Inc. and Microsoft Corporation, which offer functions and tools as part of their core mailbox services that may be, or be perceived to be, similar to ours. Our current and potential future competitors include: Barracuda Networks, Inc., Google, Microsoft Exchange Online Protection, Proofpoint, Inc., Symantec Corporation and Cisco Systems Inc., in security, and EMC, Microsoft Office 365®, Veritas Technologies LLC and Barracuda in archiving. We expect competition to increase in the future from both existing competitors and new companies that may enter our markets. Additionally, some potential customers, particularly large enterprises, may elect to develop their own internal products. If two or more of our competitors were to merge or partner with one another, the change in the competitive landscape could reduce our ability to compete effectively. Our continued success and growth depends on our ability to out-perform our competitors at the individual service level as well as increasing demand for a unified service infrastructure. We cannot guarantee that we will out-perform our competitors at the product level or that the demand for a unified service technology will increase.

Some of our current competitors have, and our future competitors may have, certain competitive advantages such as greater name recognition, longer operating history, larger market share, larger existing user base and greater financial, technical and other resources. Some competitors may be able to devote greater resources to the development, promotion and sale of their products and services than we can to ours, which could allow them to respond more quickly than we can to new technologies and changes in customer needs. We cannot assure you that our competitors will not offer or develop products or services that are superior to ours or achieve greater market acceptance.

Data security and integrity are critically important to our business, and breaches of our information and technology networks and unauthorized access to a customer's data could harm our business and operating results.

We have experienced, and will continue to experience, cyberattacks and other malicious internet-based activity, which continue to increase in sophistication, frequency and magnitude. Because our services involve the storage of large amounts of our customers' sensitive and proprietary information, solutions to protect that information from cyberattacks and other threats, data security and integrity are critically important to our business. Despite all of our efforts to protect this information, we cannot provide assurance that systems that access our services and databases will not be compromised or disrupted, whether as a result of criminal conduct, distributed denial of service, or DDoS, attacks, such as the one we experienced in September 2015, or other advanced persistent attacks by malicious actors, including hackers, state-backed hackers and cybercriminals, breaches due to employee error or malfeasance, or other disruptions during the process of upgrading or replacing computer software or hardware, power outages, computer viruses, telecommunication or utility failures or natural disasters or other catastrophic events. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently or may be designed to remain dormant until a predetermined event and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. Though it is difficult to determine what harm may directly result from any specific interruption or breach, unauthorized access to or disclosure of confidential information, disruption, including DDoS attacks, or the perception that the confidential information of our customers is not secure, any of these events could result in a material loss of business, substantial legal liability or significant harm to our reputation. Further, any mandatory regulatory disclosures regarding a security breach, unauthorized access to or disclosure of confidential information often lead to widespread negative publicity, which may cause our customers to lose confidence in the effectiveness of our data security measures.

We must continually monitor and develop our information technology networks and infrastructure to prevent, detect, address and mitigate the risk of unauthorized access and expend significant resources to respond to threats to security. However, despite our efforts, we may fail to identify these new and complex methods of attack, or fail to invest sufficient resources in security measures. In addition, as we increase our customer base and our brand becomes more widely known and recognized, we may become more of a target for malicious third parties. Any breach of our security measures as a result of third-party action, employee negligence and/or error, malfeasance, defects or otherwise that compromises the confidentiality, integrity or availability of our data or our customers' data could result in:

- severe harm to our reputation or brand, or materially and adversely affect the overall market perception of the security and reliability of our services;
- individual customer and/or class action lawsuits, which could result in financial judgments against us and which would cause us to incur legal fees and costs;
- legal or regulatory enforcement action, which could result in fines and/or penalties and which would cause us to incur legal fees and costs; and/or
- additional costs associated with responding to the interruption or security breach, such as investigative and remediation costs, the costs of providing individuals and/or data owners with notice of the breach, legal fees, the costs of any additional fraud detection activities, or the costs of prolonged system disruptions or shutdowns.

Any of these events could materially adversely impact our business and results of operations.

Data privacy concerns, evolving regulations of cloud computing, cross-border data transfer restrictions and other domestic or foreign laws and regulations may limit the use and adoption of, or require modification of, our products and services, which could limit our ability to attract new customers or support existing customers thus reducing our revenues, harming our operating results and adversely affecting our business.

Laws and regulations related to the provision of services on the Internet are increasing, as federal, state and foreign governments continue to adopt new laws and regulations addressing data privacy and the collection, processing, storage and use of personal information. For example, in the United States, these include laws and regulations promulgated under the authority of the Federal Trade Commission, the Electronic Communications Privacy Act, the Computer Fraud and Abuse Act, the Health Insurance Portability and Accountability Act of 1996, or HIPAA, the Graham-Leach-Bliley Act of 1999, or Gramm-Leach-Bliley, and state breach notification laws, as well as regulator enforcement positions and expectations reflected in federal and state regulatory actions, settlements, consent decrees and guidance documents. Internationally, virtually every jurisdiction in which we operate has established its own data security and privacy legal frameworks with which we, or our customers, must comply, including the Data Protection Directive 95/46/EC, or the Directive, established in the European Union, or EU, and local EU Member State legislation implementing the Directive, such as the Data Protection Act in the United Kingdom. Most recently, the EU adopted the EU General Data Protection Regulation, or GDPR, which became effective on May 25, 2018 and replaced the Directive. The GDPR applies to any company established in the EU as well as to those outside the EU if they collect and use personal data in connection with the offering of goods or services to individuals in the EU or the monitoring of their behavior. The GDPR enhances data protection obligations for processors and controllers of personal data, including, for example, expanded disclosures about how personal information is to be used, limitations on retention of information, mandatory data breach notification requirements and onerous new obligations on services providers. Under the GDPR, fines of up to 20,000,000 Euros or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher, may be imposed. Given the breadth and depth of changes in data protection obligations, complying with its requirements has caused us to expend significant resources and such expenditures are likely to continue into the near future as we respond to new interpretations and enforcement actions that may follow the effective date of the regulation and as we continue to negotiate data processing agreements with our customers and business partners.

To facilitate and legitimize the transfer of both customer and personnel data from the European Union to the United States, in the past we have relied on the EU-U.S. Safe Harbor Framework, which required U.S.-based companies to provide assurance that they were adhering to relevant European standards for data protection. On October 6, 2015, the Court of Justice of the European Union invalidated the EU-U.S. Safe Harbor Framework. On February 2, 2016, the U.S. and EU announced agreement on a new framework for transatlantic data flows entitled the EU-U.S. Privacy Shield and we self-certified under the EU-US Privacy Shield framework in March 2018. However, the Privacy Shield continues to be subject to legal challenges and, as a result, there is some uncertainty regarding its future validity and our ability to rely on it for EU to US data transfers. If the Privacy Shield is ultimately invalidated, we will be required to identify and implement alternative solutions to ensure that we are in compliance with European data transfer requirements. If we fail to comply fully with European privacy laws, EU data protection authorities might impose upon us a number of different sanctions, including fines and restrictions on transfers.

Privacy and data protections laws and regulations are subject to new and differing interpretations and there may be significant inconsistency in laws and regulations among the jurisdictions in which we operate or offer our SaaS solutions. Legal and other regulatory requirements could restrict our ability to store and process data as part of our SaaS solutions, or, in some cases, impact our ability to offer our SaaS products in certain jurisdictions. Such laws may also impact our customers' ability to deploy certain of our solutions globally, to the extent they utilize our products for storing personal information that they store and process. In addition, in many cases these privacy laws apply not only to transfers of information to third parties, but also within an enterprise, including our company or our customers. Additionally, if third parties that we work with, violate applicable laws or our policies, such violations may also put our customers' information at risk and could in turn have an adverse effect on our business. The costs of compliance with, and other burdens imposed by, data privacy laws, regulations and standards may require resources to create new products or modify existing products, could lead to us being subject to significant fines, penalties or liabilities for noncompliance, and may slow the pace at which we close sales transactions, any of which could harm our business.

If we are unable to effectively increase sales of our services to large enterprises while mitigating the risks associated with serving such customers, our business, financial position and results of operations may suffer.

As we seek to increase our sales to large enterprise customers, we may face longer sales cycles, more complex customer requirements, unfavorable contractual terms, substantial upfront sales costs and less predictability in completing some of our sales than we do with smaller customers. In addition, our ability to successfully sell our services to large enterprises is dependent on us attracting and retaining sales personnel with experience in selling to large organizations. Also, because security breaches of larger, more high-profile enterprises are likely to be heavily publicized, there is increased reputational risk associated with serving such customers. If we are unable to increase sales of our services to large enterprise customers while mitigating the risks associated with serving such customers, our business, financial position and results of operations may suffer.

If we are unable to maintain successful relationships with our channel partners, our ability to acquire new customers could be adversely affected.

In order to grow our business, we anticipate that we will continue to depend on our relationships with our channel partners who we rely on, in addition to our direct sales force, to sell and support our services. In our fiscal year ended March 31, 2018, while no individual channel partner accounted for 10% or more of our sales, in the aggregate, our channel partners accounted for 69% of our sales. We expect that sales to channel partners will continue to account for a substantial portion of our revenue for the foreseeable future. We utilize channel partners to efficiently increase the scale of our marketing and sales efforts, increasing our market penetration to customers which we otherwise might not reach on our own. Our ability to achieve revenue growth in the future will depend, in part, on our success in maintaining successful relationships with our channel partners.

Our agreements with our channel partners are generally non-exclusive, meaning our channel partners may offer customers competitive services from different companies. If our channel partners do not effectively market and sell our services, choose to use greater efforts to market and sell their own products or services or those of others, or fail to meet the needs of our customers, our ability to grow our business, sell our services and maintain our reputation may be adversely affected. Our agreements with our channel partners generally allow them to terminate their agreements for any reason upon 90 days' notice. The loss of key channel partners, our possible inability to replace them, or the failure to recruit additional channel partners could materially adversely affect our results of operations. If we are unable to maintain our relationships with these channel partners, our business, results of operations, financial condition or cash flows could be adversely affected.

We provide service level commitments under our subscription agreements and service disruptions could obligate us to provide refunds and we could face subscription terminations, which could adversely affect our revenue.

Our subscription agreements with customers provide certain service level commitments. If we are unable to meet the stated service level commitments or suffer extended periods of downtime that exceed the periods allowed under our customer agreements, we could be required to pay refunds or face subscription terminations, either of which could significantly impact our revenue.

To date, we have suffered two significant service disruptions. The first occurred in 2013 and was a result of an equipment failure. Many of our customers in the United Kingdom experienced service disruptions for several hours. We also experienced a service disruption in September 2015 as a result of an external network DDoS attack. Customers using our Secure Email Gateway service in the United States experienced downtime related to the delivery and receipt of external emails for several hours. The scope of the incident was limited to network traffic and no customer data was lost or compromised. As a result of the service disruption, we voluntarily provided service credits to affected customers in the year ended March 31, 2016, totaling approximately \$0.4 million. While we have undertaken substantial remedial efforts to prevent future incidents like these, we cannot guarantee that future attacks or service disruptions will not occur. Any future attacks or service disruptions could adversely affect our reputation, our relationships with our existing customers and our ability to attract new customers, all of which would impact our future revenue and operating results.

If we are not able to provide successful updates, enhancements and features to our technology to, among other things, keep up with emerging cyber-threats and customer needs, our business could be adversely affected.

Our industry is marked by rapid technological developments and demand for new and enhanced services and features to meet the evolving IT needs of organizations. In particular, cyber-threats are becoming increasingly sophisticated and responsive to the new security measures designed to thwart them. If we fail to identify and respond to new and increasingly complex methods of attack and update our products to detect or prevent such threats, our business and reputation will suffer. The success of any new enhancements, features or services that we introduce depends on several factors, including the timely completion, introduction and market acceptance of such enhancements, features or services. We may not be successful in either developing these modifications and enhancements or in bringing them to market in a timely fashion. Furthermore, modifications to existing technologies will increase our research and development expenses. If we are unable to successfully enhance our existing services to meet customer requirements, increase adoption and usage of our services, or develop new services, enhancements and features, our business and operating results will be harmed.

Because we recognize revenue from subscriptions for our services over the term of the agreement, downturns or upturns in new business may not be immediately reflected in our operating results and may be difficult to discern.

We generally recognize subscription revenue from customers ratably on a straight-line basis over the terms of their subscription agreements, which are typically one year in duration. As a result, most of the revenue we report in each quarter is derived from the recognition of deferred revenue relating to subscription agreements entered into during the previous fiscal year or quarter. Consequently, a decline in new or renewed subscriptions with yearly terms in any one quarter may have a small impact on our operating revenue results for that quarter. However, such decline will negatively affect our revenue in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our services, and potential changes in our pricing policies, rate of expansion or retention rate may not be fully reflected in our operating results until future periods. Shifts in the mix of annual versus monthly subscription billings may also make it difficult to assess our business. We may also be unable to reduce our cost structure in line with a significant deterioration in sales. In addition, a significant majority of our costs are expensed as incurred, while revenue is recognized over the life of the agreement with our customer. As a result, increased growth in the number of our customers could continue to result in our recognition of more costs than revenue in the earlier periods of the terms of our agreements. Our subscription model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from new customers is recognized over the applicable subscription term.

We have incurred losses in the past, and we may not be able to achieve or sustain profitability for the foreseeable future.

We have incurred losses in each period since our inception in 2003 up through our fiscal year ended March 31, 2018, with the exception of our fiscal year ended March 31, 2015 in which we generated net income of \$0.3 million. In our fiscal years ended March 31, 2018 and 2017, we incurred a net loss of \$12.4 million and \$5.4 million, respectively. As of March 31, 2018, we had an accumulated deficit of \$106.5 million. We have been growing rapidly, and, as we do so, we incur significant sales and marketing, support and other related expenses. Our ability to achieve and sustain profitability will depend in significant part on our obtaining new customers, expanding our existing customer relationships and ensuring that our expenses, including our sales and marketing expenses and the cost of supporting new customers, does not exceed our revenue. We also expect to make significant expenditures and investments in research and development to expand and improve our services and technical infrastructure. In addition, as a public company, we expect to continue to incur significant legal, accounting and other expenses that we did not incur prior to our initial public offering in November 2015. These increased expenditures may make it harder for us to achieve and maintain profitability and we cannot predict when we will achieve sustained profitability, if at all. We also may incur losses in the future for a number of other unforeseen reasons. Accordingly, we may not be able to maintain profitability, once achieved, and we may incur losses in the foreseeable future.

We are subject to a number of risks associated with global sales and operations.

We operate a global business with offices located in the United States, the United Kingdom, South Africa, Australia and Germany. In the fiscal year ended March 31, 2018, we generated 49% of our revenue from the United States, 31% from the United Kingdom, 15% from South Africa and 5% from the rest of the world. As a result, our sales and operations are subject to a number of risks and additional costs, including the following:

- fluctuations in exchange rates between currencies in the markets where we do business;
- risks associated with trade restrictions and additional legal requirements, including the exportation of our technology that is required in some of the countries in which we operate;
- greater risk of unexpected changes in regulatory rules, regulations and practices, tariffs and tax laws and treaties;

- compliance with multiple anti-bribery laws, including the United States Foreign Corrupt Practices Act and the U.K. Anti-Bribery Act;
- heightened risk of unfair or corrupt business practices in certain geographies, and of improper or fraudulent sales arrangements that may impact financial results and result in restatements of, or irregularities in, financial statements;
- limited or uncertain protection of intellectual property rights in some countries and the risks and costs associated with monitoring and enforcing intellectual property rights abroad;
- greater difficulty in enforcing contracts and managing collections in certain jurisdictions, as well as longer collection periods;
- management communication and integration problems resulting from cultural and geographic dispersion;
- social, economic and political instability, terrorist attacks and security concerns in general; and
- potentially adverse tax consequences.

For example, in June 2016, the United Kingdom held a referendum in which a majority of voters approved an exit from the EU, or Brexit, and in March 2017, the United Kingdom formally notified the EU of its intention to withdraw from the EU. A two-year period has now commenced during which the United Kingdom and the EU will negotiate the future terms of the United Kingdom's relationship with the EU, including, among other things, the terms of trade between the United Kingdom and the EU. Brexit may affect our results of operations in a number of ways, including increasing currency exchange risk, generating instability in the global financial markets or negatively impacting the economies of the United Kingdom or Europe. In addition, because of our significant presence in the United Kingdom, it is possible that Brexit may require us to restructure some or all of our operations. The long-term effects of Brexit will depend in part on any agreements the United Kingdom makes to retain access to markets in the EU following the withdrawal from the EU. In addition, we expect that Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which EU laws to replicate or replace. These and other factors could harm our ability to generate future global revenue and, consequently, materially impact our business, results of operations and financial condition.

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Fluctuations in currency exchange rates could adversely affect our business.

Our functional currency and that of our subsidiaries is the local currency of each entity and our reporting currency is the U.S. dollar. In our fiscal year ended March 31, 2018, 51% of our revenue was denominated in U.S. dollars, 29% in British pounds, 15% in South African rand and 5% in other currencies. Given that our functional currency and that of our subsidiaries is the local currency of each entity, but our reporting currency is the U.S. dollar, fluctuations in currency exchange rates between the U.S. dollar, the British pound, the South African rand and the Australian dollar could materially and adversely affect our business. There may be instances in which costs and revenue will not be matched with respect to currency denomination. We estimate that a 10% increase or decrease in the value of the British pound against the U.S. dollar would have increased or decreased our loss from operations by approximately \$1.8 million in our fiscal year ended March 31, 2018 and that a 10% increase or decrease in the value of the South African rand against the U.S. dollar would have decreased or increased our loss from operations by approximately \$2.4 million in our fiscal year ended March 31, 2018. To date, we have not entered into any currency hedging contracts. As a result, to the extent we continue our expansion on a global basis, we expect that increasing portions of our revenue, cost of revenue, assets and liabilities will be subject to fluctuations in currency valuations. We may experience economic loss and a negative impact on earnings or net assets solely as a result of currency exchange rate fluctuations.

Brexit may continue to have a significant impact on currency exchange rates and the global and European economy generally. The outcome of the referendum caused volatility in global stock markets and foreign currency exchange rate fluctuations, including the strengthening of the U.S. dollar against the British pound and the euro, which may continue or worsen as the outcome of the negotiations between the United Kingdom and the EU becomes clear.

We are dependent on the continued services and performance of our two founders, the loss of either of whom could adversely affect our business.

Our future performance depends upon contributions from our senior management team and, in particular, our two founders, Peter Bauer, our Chairman and Chief Executive Officer, and Neil Murray, our Chief Technology Officer. If our senior management team, including any new hires that we may make, fails to work together effectively and to execute on our plans and strategies on a timely basis, our business could be harmed. The loss of one or more of our executive officers or key employees could have an adverse effect on our business. The loss of services of either Mr. Bauer or Mr. Murray could significantly delay or prevent the achievement of our development and strategic objectives.

We depend on highly skilled personnel to grow and operate our business, and if we are unable to hire, retain and motivate qualified personnel, we may not be able to grow effectively.

Our success depends largely upon our continued ability to identify, hire, develop, motivate and retain highly skilled personnel, including senior management, engineers, software developers, sales representatives and customer support representatives. Our growth strategy also depends, in part, on our ability to continue to attract and retain highly skilled personnel. Identifying, recruiting, training and integrating qualified individuals requires significant time, expense and attention of management. Competition for these personnel is intense, especially for engineers experienced in designing and developing software and software as a service, or SaaS, applications, and for experienced sales professionals. We have, from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we have. If we hire employees from competitors or other companies, their former employers may assert that these employees or we have breached their legal obligations, resulting in a diversion of our time and resources. In addition, prospective and existing employees often consider the value of the equity awards they receive in connection with their employment. If the actual or perceived value of our equity awards declines, or experiences significant volatility, it may adversely affect our ability to recruit and retain key employees. If we are not able to effectively recruit and retain qualified employees, our ability to achieve our strategic objectives will be adversely impacted, and our business will be harmed.

Any serious disruptions in our services caused by defects in our software or otherwise may cause us to lose revenue and market acceptance.

Our customers use our services for the most critical aspects of their business, and any disruptions to our services or other performance problems with our services, however caused, could hurt our brand and reputation and may damage our customers' businesses. We provide regular updates, which may contain undetected errors when first introduced or released. In the past, we have discovered software errors, failures, vulnerabilities and bugs in our services after they have been released and new errors in our existing services may be detected in the future. Real or perceived errors, failures, system delays, interruptions, disruptions or bugs could result in negative publicity, loss of or delay in market acceptance of our services, loss of competitive position, delay of payment to us, lower renewal rates, or claims by customers for losses sustained by them. In such an event, we may be required, or may choose, for customer relations or other reasons, to expend additional resources in order to mitigate or correct the problem. We seek to cap the liability to which we are exposed in the event of losses or harm to our customers, but we cannot be certain that we will obtain these caps or that these caps, if obtained, will be enforced in all instances. We carry insurance; however, the amount of such insurance may be insufficient to compensate us for any losses that may result from claims arising from defects or disruptions in our services. As a result, we could lose future sales and our reputation and our brand could be harmed.

If the prices we charge for our services are unacceptable to our customers, our operating results will be harmed.

As the market for our services matures, or as new or existing competitors introduce new products or services that compete with ours, we may experience pricing pressure and be unable to renew our agreements with existing customers or attract new customers at prices that are consistent with our pricing model and operating budget. If this were to occur, it is possible that we would have to change our pricing model or reduce our prices, which could harm our revenue, gross margin and operating results. Pricing decisions may also impact the mix of adoption among our subscription plans and negatively impact our overall revenue. Moreover, large enterprises, which may account for a larger portion of our business in the future, may demand substantial price concessions. If we are, for any reason, required to reduce our prices, our revenue, gross margin, profitability, financial position and cash flow may be adversely affected.

Our research and development efforts may not produce new services or enhancements to existing services that result in significant revenue or other benefits in the near future, if at all.

We invested 15%, 12% and 12% of our revenue in research and development in our fiscal years ended March 31, 2018, 2017 and 2016, respectively. We expect to continue to dedicate significant financial and other resources to our research and development efforts in order to maintain our competitive position. However, investing in research and development personnel, developing new services and enhancing existing services is expensive and time-consuming, and there is no assurance that such activities will result in significant new marketable services, enhancements to existing services, design improvements, cost savings, revenue or other expected benefits. If we spend significant time and effort on research and development and are unable to generate an adequate return on our investment, our business and results of operations may be materially and adversely affected.

We have acquired, and may acquire in the future, other businesses, products or technologies, which could require significant management attention, disrupt our business, dilute shareholder value and adversely affect our results of operations.

As part of our business growth strategy and in order to remain competitive, we may acquire, or make investments in, complementary companies, products or technologies. For example, in fiscal 2017, we acquired substantially all of the business of iSheriff, Inc., a cloud security provider, and in fiscal 2018, we acquired machine learning-based malware detection technology. Nevertheless, our acquisition experience to date remains limited, and as a result, our ability as an organization to acquire and integrate other companies, products or technologies in a successful manner is unproven. We may not be able to find suitable acquisition targets, and we may not be able to complete such acquisitions on favorable terms, if at all. If we do complete acquisitions, we may not ultimately strengthen our competitive position or achieve our goals, and any acquisitions we complete could be viewed negatively by our customers, analysts and investors. In addition, if we are unsuccessful at integrating such acquisitions or the technologies associated with such acquisitions, our revenue and results of operations could be adversely affected. In addition, while we will make significant efforts to address any information technology security issues with respect to any acquisitions, we may still inherit such risks when we integrate the acquired products and systems. Any integration process may require significant time and resources, and we may not be able to manage the process successfully. We may not successfully evaluate or utilize the acquired technology or personnel, or accurately forecast the financial impact of an acquired business, including accounting charges. We may have to pay cash, incur debt or issue equity securities to pay for any such acquisitions, each of which could adversely affect our financial condition or the value of our ordinary shares. The sale of equity or issuance of debt to finance any such acquisitions could result in dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could also include covenants or other restrictions that would impede our ability to manage our operations.

We employ third-party licensed software for use in or with our services, and the inability to maintain these licenses or errors in the software we license could result in increased costs, or reduced service levels, which would adversely affect our business.

Our services incorporate and rely on certain third-party software obtained under licenses from other companies. We anticipate that we will continue to rely on such third-party software and development tools in the future. Although we believe that there are commercially reasonable alternatives to the third-party software we currently license, this may not always be the case, or it may be difficult or costly to replace. In addition, integration of the software used in our services with new third-party software may require significant work and require substantial investment of our time and resources and delays in the release of our services until equivalent technology is either developed by us, or, if available, is identified, obtained and integrated, which could harm our business. A licensor may have difficulties keeping up with technological changes or may stop supporting the software or other intellectual property that it licensed to us. Also, to the extent that our services depend upon the successful operation of third-party software in conjunction with our software, any undetected errors or defects in this third-party software could prevent the deployment or impair the functionality of our services, delay new services introductions, result in a failure of our services, and injure our reputation. Our use of additional or alternative third-party software would require us to enter into additional license agreements with third parties on terms that may not be favorable to us.

If the market for SaaS business software applications develops more slowly than we expect or declines, our business would be adversely affected.

The expansion of the SaaS business applications market depends on a number of factors, including the cost, performance and perceived value associated with SaaS, as well as the ability of SaaS providers to address data security and privacy concerns. Additionally, government agencies have adopted, or may adopt, laws and regulations regarding the collection and use of personal information obtained from consumers and other individuals, or seek to access information on our platform, either of which may reduce the overall demand for our platform. If we or other SaaS providers experience data security incidents, loss of customer data, disruptions in delivery, or other problems, the market for SaaS business applications, including our services, may be negatively affected.

Natural disasters, power loss, telecommunications failures and similar events could cause interruptions or performance problems associated with our information and technology infrastructure that could impair the delivery of our services and harm our business.

We currently store our customers' information within twelve third-party data center hosting facilities located in twelve locations around the world. As part of our current disaster recovery arrangements, our production environment and all of our customers' data is currently replicated in near real-time in a facility located in a different location. We cannot provide assurance that the measures we have taken to eliminate single points of failure will be effective to prevent or minimize interruptions to our operations. Our facilities are vulnerable to interruption or damage from a number of sources, many of which are beyond our control, including floods, fires, power loss, telecommunications failures and similar events. They may also be subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct. Any damage to, or failure of, our systems generally could result in interruptions in our service. Interruptions in our service may reduce our revenue, cause customers to terminate their subscriptions and adversely affect our renewal

rate and our ability to attract new customers. Our business and reputation will also be harmed if our existing and potential customers believe our service is unreliable. The occurrence of a natural disaster, an act of terrorism, a decision to close the facilities without adequate notice or other unanticipated problems at these facilities could result in lengthy interruptions in our service. Even with the disaster recovery arrangements, our service could be interrupted. As we continue to add data centers and add capacity in our existing data centers, we may move or transfer our data and our customers' data. Any unsuccessful data transfers may impair the delivery of our service. Further, as we continue to grow and scale our business to meet the needs of our customers, additional burdens may be placed on our hosting facilities.

We are a multinational organization faced with increasingly complex tax issues in many jurisdictions, and we could be obligated to pay additional taxes in various jurisdictions.

As a multinational organization, we may be subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents, which could have a material adverse effect on our liquidity and results of operations. In addition, the authorities in these jurisdictions could review our tax returns and impose additional tax, interest and penalties, and the authorities could claim that various withholding requirements apply to us or our subsidiaries or assert that benefits of tax treaties are not available to us or our subsidiaries. Furthermore, one or more jurisdictions in which we do not believe we are currently subject to tax payment, withholding, or filing requirements, could assert that we are subject to such requirements. Any of these claims or assertions could have a material impact on us and the results of our operations.

We are subject to governmental export controls and funds dealings restrictions that could impair our ability to compete in certain international markets and subject us to liability if we are not in full compliance with applicable laws.

Our software and services may be subject to export controls and we may also be subject to restrictions or prohibitions on transactions with, or on dealing in funds transfers to/from, certain embargoed jurisdictions and sanctioned persons and entities, pursuant to the U.K. Export Control Organisation's restrictions, the U.K. Treasury's restrictions, the EU Council Regulations, the United States Department of Commerce's Export Administration Regulations, the economic and trade sanctions regulations administered by the United States Treasury Department's Office of Foreign Assets Controls and United States Department of State, and similar laws that may apply in other jurisdictions in which we operate or sell or distribute our services. Export control and economic sanctions laws include prohibitions on the sale or supply of certain products and services to certain embargoed or sanctioned countries, regions, governments, persons and entities, as well as restrictions or prohibitions on dealing in funds to/from those countries, regions, governments, persons and entities. In addition, various countries regulate the import of certain encryption items and technology through import permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our services or could limit our customers' ability to implement our services in those countries.

The exportation, re-exportation, and importation of our software and services, including by our channel partners, must comply with applicable laws or else we may be adversely affected, through reputational harm, government investigations, penalties, and/or a denial or curtailment of our ability to export our services. Although we take precautions to prevent our services from being provided in violation of such laws, our services may have been in the past, and could in the future be, provided in violation of such laws.

If we are found to be in violation of U.S. sanctions or export control laws, it could result in substantial fines and penalties for us and for the individuals working for us, including civil penalties of up to \$250,000 or twice the value of the transaction, whichever is greater, per violation, and in the event of conviction for a criminal violation, fines of up to \$1 million and possible incarceration for responsible employees and managers for willful and knowing violations. Under the terms of applicable regulations, each instance in which a company provides goods or services may be considered a separate violation. If we are found to be in violation of U.K. sanctions or export controls, it could also result in unlimited fines for us and responsible employees and managers, as well as imprisonment of up to two years for responsible employees and managers.

Changes in our software or services, or changes in export, sanctions or import laws, may delay the introduction and sale of our services in international markets, prevent our customers with international operations from deploying our software or services or, in some cases, prevent the export or import of our software or services to certain countries, regions, governments, persons or entities altogether, which could adversely affect our business, financial condition and operating results.

Our quarterly results may fluctuate for a variety of reasons and may not fully reflect the underlying performance of our business.

Our quarterly operating results, including the levels of our revenue, gross margin, profitability, cash flow and deferred revenue, may vary significantly in the future, and period-to-period comparisons of our operating results may not be meaningful. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. Our quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of our control and, as a result, may not fully reflect the underlying performance of our business. Fluctuations in quarterly results may negatively impact the value of our ordinary shares. Factors that may cause fluctuations in our quarterly financial results include, but are not limited to:

- foreign exchange rates;
- our ability to attract new customers;
- our revenue retention rate;
- the amount and timing of operating expenses related to the maintenance and expansion of our business, operations and infrastructure;
- network outages or security breaches;
- general economic, industry and market conditions;
- increases or decreases in the number of features in our services or pricing changes upon any renewals of customer agreements;
- changes in our pricing policies or those of our competitors;
- new variations in sales of our services, which has historically been highest in the fourth quarter of a given fiscal year;
- the timing and success of new services and service introductions by us and our competitors or any other change in the competitive dynamics of our industry, including consolidation among competitors, customers or strategic partners; and
- the impact of acquisitions.

If we need to raise additional capital to expand our operations and invest in new technologies in the future and cannot raise it on acceptable terms or at all, our ability to compete successfully may be harmed.

We believe that our existing cash and cash equivalents will be sufficient to meet our anticipated cash requirements for at least the next twelve months. However, unforeseen circumstances may arise which may mean that we may need to raise additional funds, and 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 security holders may experience significant dilution of their ownership interests and the value of our ordinary shares could decline. If we engage in debt financing, we may be required to accept terms that restrict our ability to incur additional indebtedness, force us to maintain specified liquidity or other ratios or restrict our ability to pay dividends or make acquisitions. If we need additional capital and cannot raise it on acceptable terms, if at all, we may not be able to, among other things:

- develop and enhance our services;
- continue to expand our research and development, sales and marketing organizations;
- hire, train and retain key employees;
- respond to competitive pressures or unanticipated working capital requirements; or
- pursue acquisition opportunities.

Our inability to do any of the foregoing could reduce our ability to compete successfully and harm our results of operations.

Risks Related to Intellectual Property

Any failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brand.

Our success and ability to compete depend in part on our intellectual property. We primarily rely on copyright, trade secret and trademark laws, trade secret protection and confidentiality or license agreements with our employees, customers, partners and others to protect our intellectual property rights. However, the steps we take to protect our intellectual property rights may be inadequate. As of March 31, 2018, we have 12 patents issued and 12 patent applications pending in the United States. We also have 4 patents issued and 5 patent applications pending for examination in non-U.S. jurisdictions. We may not be able to obtain any further patents, and our

pending applications may not result in the issuance of patents. We have issued patents and pending patent applications outside the United States, and we may have to expend significant resources to obtain additional patents as we expand our international operations due to the cost of monitoring and protecting our rights across multiple jurisdictions.

In order to protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. Failure to adequately enforce our intellectual property rights could also result in the impairment or loss of those rights. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Patent, copyright, trademark and trade secret laws offer us only limited protection and the laws of many of the countries in which we sell our services do not protect proprietary rights to the same extent as the United States and Europe. Accordingly, defense of our trademarks and proprietary technology may become an increasingly important issue as we continue to expand our operations and solution development into countries that provide a lower level of intellectual property protection than the United States or Europe. Policing unauthorized use of our intellectual property and technology is difficult and the steps we take may not prevent misappropriation of the intellectual property or technology on which we rely. For example, in the event of inadvertent or malicious disclosure of our proprietary technology, trade secret laws may no longer afford protection to our intellectual property rights in the areas not otherwise covered by patents or copyrights. Accordingly, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. Our failure to secure, protect and enforce our intellectual property rights could materially adversely affect our brand and our business.

We may elect to initiate litigation in the future to enforce or protect our proprietary rights or to determine the validity and scope of the rights of others. That litigation may not be ultimately successful and could result in substantial costs to us, the reduction or loss in intellectual property protection for our technology, the diversion of our management's attention and harm to our reputation, any of which could materially and adversely affect our business and results of operations.

We may be sued by third parties for alleged infringement of their proprietary rights.

There is considerable patent and other intellectual property development activity in our industry. Our success depends, in part, on our not infringing upon the intellectual property rights of others. Our competitors, as well as a number of other entities, including non-practicing entities, which are entities that have no operating business but exist purely as collectors of patents, and individuals, may own or claim to own intellectual property relating to our industry.

From time to time, certain third parties have claimed that we are infringing upon their intellectual property rights. In the future, we may be found to be infringing upon such rights. We closely monitor all such claims and none of the claims by the third parties have resulted in litigation, but legal actions by such parties are still possible. In addition, we cannot assure you that actions by other third parties alleging infringement by us of third-party patents or other intellectual property will not be asserted or prosecuted against us. In the future, others may claim that our services and underlying technology infringe or violate their intellectual property rights. We may also be unaware of the intellectual property rights that others may claim cover some or all of our technology or services. Any claims or litigation could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages or ongoing royalty payments, prevent us from offering our services, or require that we comply with other unfavorable terms. Under all of our sales contracts, we are obligated to indemnify our customers and channel partners against third-party infringement claims, and we may also be obligated to pay substantial settlement costs, including royalty payments, in connection with any such claim or litigation and to obtain licenses, modify services or refund fees, any of which could be costly. Even if we were to prevail in such a dispute, any litigation regarding intellectual property could be costly and time-consuming and divert the attention of our management and key personnel from our business operations.

Confidentiality arrangements with employees and others may not adequately prevent disclosure of trade secrets and other proprietary information.

We have devoted substantial resources to the development of our technology, business operations and business plans. In order to protect our trade secrets and proprietary information, we rely in significant part on confidentiality arrangements with our employees, licensees, independent contractors, advisers, channel partners, resellers and customers. These arrangements may not be effective to prevent disclosure of confidential information, including trade secrets, and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, if others independently discover trade secrets and proprietary information, we would not be able to assert trade secret rights against such parties. Effective trade secret protection may not be available in every country in which our services are available or where we have employees or independent contractors. The loss of trade secret protection could make it easier for third parties to compete with our solutions by copying functionality. In addition, any changes in, or unexpected interpretations of, the trade secret and employment laws in any country in which we operate may compromise our ability to enforce our trade secret and intellectual property rights. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

We may be subject to damages resulting from claims that our employees or contractors have wrongfully used or disclosed alleged trade secrets of their former employers or other parties.

We could in the future be subject to claims that employees or contractors, or we, have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of our competitors or other parties. Litigation may be necessary to defend against these claims. If we fail in defending against such claims, a court could order us to pay substantial damages and prohibit us from using technologies or features that are essential to our solutions, if such technologies or features are found to incorporate or be derived from the trade secrets or other proprietary information of these parties. In addition, we may lose valuable intellectual property rights or personnel. A loss of key personnel or their work product could hamper or prevent our ability to develop, market and support potential solutions or enhancements, which could severely harm our business. Even if we are successful in defending against these claims, such litigation could result in substantial costs and be a distraction to management.

The use of open source software in our offerings may expose us to additional risks and harm our intellectual property.

Open source software is typically freely accessible, usable and modifiable. Certain open source software licenses require a user who intends to distribute the open source software as a component of the user's software to disclose publicly part or all of the source code to the user's software. In addition, certain open source software licenses require the user of such software to make any derivative works of the open source code available to others on unfavorable terms or at no cost. This can subject previously proprietary software to open source license terms.

We monitor and control our use of open source software in an effort to avoid unanticipated conditions or restrictions on our ability to successfully commercialize our products and solutions and believe that our compliance with the obligations under the various applicable licenses has mitigated the risks that we have triggered any such conditions or restrictions. However, such use may have inadvertently occurred in the development and offering of our products and solutions. Additionally, if a third-party software provider has incorporated certain types of open source software into software that we have licensed from such third-party, we could be subject to the obligations and requirements of the applicable open source software licenses. This could harm our intellectual property position and have a material adverse effect on our business, results of operations and financial condition.

The terms of many open source software licenses have not been interpreted by U.S. or foreign courts, and there is a risk that those licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to successfully commercialize our products and solutions. For example, certain open source software licenses may be interpreted to require that we offer our products or solutions that use the open source software for no cost; that we make available the source code for modifications or derivative works we create based upon, incorporating or using the open source software (or that we grant third parties the right to decompile, disassemble, reverse engineer, or otherwise derive such source code); that we license such modifications or derivative works under the terms of the particular open source license; or that otherwise impose limitations, restrictions or conditions on our ability to use, license, host, or distribute our products and solutions in a manner that limits our ability to successfully commercialize our products.

We could, therefore, be subject to claims alleging that we have not complied with the restrictions or limitations of the applicable open source software license terms or that our use of open source software infringes the intellectual property rights of a third-party. In that event, we could incur significant legal expenses, be subject to significant damages, be enjoined from further sale and distribution of our products or solutions that use the open source software, be required to pay a license fee, be forced to reengineer our products and solutions, or be required to comply with the foregoing conditions of the open source software licenses (including the release of the source code to our proprietary software), any of which could adversely affect our business. Even if these claims do not result in litigation or are resolved in our favor or without significant cash settlements, the time and resources necessary to resolve them could harm our business, results of operations, financial condition and reputation.

Additionally, the use of open source software can lead to greater risks than the use of third-party commercial software, as open source software does not come with warranties or other contractual protections regarding indemnification, infringement claims or the quality of the code.

Risks Related to Ownership of Our Ordinary Shares and Our Organization in Jersey

Our share price has been and may continue to be volatile.

The market price of our ordinary shares may decline. In addition, the market price of our ordinary shares could be highly volatile and may fluctuate substantially as a result of many factors, many of which we cannot control, including:

- actual or anticipated fluctuations in our results of operations;
- variance in our financial performance from the expectations of market analysts;

- announcements by us or our competitors of significant business developments, changes in service provider relationships, acquisitions or expansion plans;
- changes in the prices of our services or those of our competitors;
- our involvement in litigation;
- our sale of ordinary shares or other securities in the future;
- market conditions in our industry;
- changes in key personnel;
- the trading volume of our ordinary shares;
- changes in the estimation of the future size and growth rate of our markets; and
- general economic and market conditions.

In addition, the stock markets have experienced extreme price and volume fluctuations. Broad market and industry factors may materially harm the market price of our ordinary shares, regardless of our operating performance. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted against that company. If we were involved in any similar litigation we could incur substantial costs and our management's attention and resources could be diverted.

If securities or industry analysts cease to publish research or publish inaccurate or unfavorable research about our business, our share price and trading volume could decline.

The trading market for our ordinary shares depends in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who covers us downgrades our shares or publishes inaccurate or unfavorable research about our business, our share price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our shares could decrease, which could cause our share price and trading volume to decline.

We do not expect to pay dividends and investors should not buy our ordinary shares expecting to receive dividends.

We do not anticipate that we will declare or pay any dividends in the foreseeable future, and our ability to do so may be constrained by restrictions in future debt arrangements, if any, and by Jersey law. Consequently, you will only realize an economic gain on your investment in our ordinary shares if the price appreciates. You should not purchase our ordinary shares expecting to receive cash dividends. Since we do not pay dividends, and if we are not successful in establishing an orderly trading market for our shares, then you may not have any manner to liquidate or receive any payment on your investment. Therefore, our failure to pay dividends may cause you to not see any return on your investment even if we are successful in our business operations. In addition, because we do not pay dividends we may have trouble raising additional funds which could affect our ability to expand our business operations.

The market price of our ordinary shares could be negatively affected by future sales of our ordinary shares.

Sales by us or our shareholders of a substantial number of ordinary shares in the public market, or the perception that these sales might occur, could cause the market price of our ordinary shares to decline or could impair our ability to raise capital through a future sale of, or pay for acquisitions using, our equity securities.

We have filed with the SEC a Registration Statement on Form F-3, commonly referred to as a "shelf registration," that permits us to sell in a registered offering up to \$50 million of our securities at our discretion. The shelf registration was declared effective by the SEC in March 2017. While we have no current plans to conduct an offering of securities under the shelf registration statement, our plans could change at any time. In addition, the shelf registration statement also covers the registration of a significant number of ordinary shares held by our existing shareholders. By agreement, these shareholders are entitled to demand that we register their shares under the Securities Act of 1933, as amended, or the Securities Act, for resale into the public markets and they could exercise their rights by requiring that we initiate an offering under the shelf registration statement.

In addition to our current shareholders' registration rights and our existing shelf registration statement, as of March 31, 2018, we had outstanding options and unvested restricted share units to purchase 6,262,623 shares under our equity incentive plans and had an additional 8,761,886 shares available for future grant.

As a result of the loss of our foreign private issuer status, we are now required to comply with the Exchange Act's domestic reporting regime, which will cause us to incur significant legal, accounting and other expenses.

As of September 30, 2017, we determined that we no longer qualify as a "foreign private issuer" as such term is defined in Rule 405 under the Securities Act, which means that we are required to comply with all of the periodic disclosure and current reporting requirements of the Exchange Act applicable to U.S. domestic issuers as of April 1, 2018. As of April 1, 2018, we have been 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 have been required to make changes in our corporate governance practices in accordance with various SEC and NASDAQ rules. In addition, our officers and directors are no longer exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and related rules with respect to their purchase and sales of our securities. As a result of such compliance, the regulatory and compliance costs to us under U.S. securities laws may be significantly higher than the cost we would incur as a foreign private issuer and therefore, we expect that the loss of foreign private issuer status will increase our legal and financial compliance costs and would make some activities highly time consuming and costly.

We must maintain proper and effective internal controls over financial reporting and any failure to maintain the adequacy of these internal controls may adversely affect investor confidence in our company and, as a result, the value of our ordinary shares.

We are required, pursuant to Section 404 of the Sarbanes-Oxley Act and the related rules adopted by the SEC, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting on an annual basis. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal controls are effective.

In addition, our independent registered public accounting firm must attest to the effectiveness of our internal control over financial reporting under Section 404. Our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating. We may not be able to remediate any future material weaknesses, or to complete our evaluation, testing and any required remediation in a timely fashion. We are also required to disclose significant changes made in our internal control procedures on a quarterly basis. Our compliance with Section 404 will require that we incur substantial accounting expense and expend significant management efforts.

Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to assert that our internal control over financial reporting is effective or our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal controls when it is required to issue such opinion, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our ordinary shares could decline, and we could be subject to sanctions or investigations by NASDAQ, the SEC or other regulatory authorities.

Changes in U.S. tax laws could have a material adverse effect on our business, cash flow, results of operations or financial conditions.

The Tax Cuts and Jobs Act of 2017, which has been passed by the U.S. Congress and signed by the President, contains many significant changes to the U.S. federal income tax laws, the consequences of which have not yet been fully determined. Changes in corporate tax rates, the realizability of the net deferred tax assets relating to our U.S. subsidiary, and the deductibility of expenses contained in the Tax Cuts and Jobs Act or other tax reform legislation could have a material impact on the value of our deferred tax assets, could result in significant one-time charges in the current or future taxable years, and could increase our future U.S. tax expense. The foregoing items could have a material adverse effect on our business, cash flow, results of operations or financial conditions.

A change in our tax residence could have a negative effect on our future profitability.

Although we are organized under the laws of the Bailiwick of Jersey, our affairs are, and are intended to continue to be, managed and controlled in the United Kingdom for tax purposes and therefore we are resident in the United Kingdom for U.K. and Jersey tax purposes. It is possible that in the future, whether as a result of a change in law or the practice of any relevant tax authority or as a result of any change in the conduct of our affairs or for any other reason, we could become, or be regarded as having become, a resident in a jurisdiction other than the United Kingdom. If we cease to be a U.K. tax resident, we may be subject to a charge to U.K. corporation tax on chargeable gains on our assets and to unexpected tax charges in other jurisdictions on our income. Similarly, if the tax residency of any of our subsidiaries were to change from their current jurisdiction for any of the reasons listed above, we may be subject to a charge to local capital gains tax on the assets.

Taxing authorities could reallocate our taxable income among our subsidiaries, which could increase our consolidated tax liability.

We conduct operations world-wide through subsidiaries in various tax jurisdictions pursuant to transfer pricing arrangements between our company and its subsidiaries. If two or more affiliated companies are located in different countries, the tax laws or regulations of each country generally will require that transfer prices be the same as those between unrelated companies dealing at arm's length and that appropriate documentation is maintained to support the transfer pricing. While we believe that we operate in compliance with applicable transfer pricing laws and intend to continue to do so, our transfer pricing procedures are not binding on applicable tax authorities. If tax authorities in any of these countries were to successfully challenge our transfer prices as not reflecting arms' length transactions, they could require us to adjust our transfer prices and thereby reallocate our income to reflect these revised transfer prices, which could result in a higher tax liability to us. In addition, if the country from which the income is reallocated does not agree with the reallocation, both countries could tax the same income, 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 would increase our consolidated tax liability, which could adversely affect our financial condition, results of operations and cash flows. Double taxation should be mitigated in these circumstances where the affiliated parties that are subject to the transfer pricing adjustments are able to benefit from any applicable double taxation agreement.

Our ability to use our net operating loss carry forwards may be subject to limitation.

As of March 31, 2018, we had approximately \$52.6 million, \$56.4 million, \$39.5 million, \$17.3 million, and \$2.4 million in U.K., U.S. federal, U.S. state, Australia, and Germany net operating losses, respectively. As of March 31, 2018, we also had a \$1.2 million U.K. income tax credit carryforward. Each jurisdiction in which we operate may have its own limitations on our ability to utilize net operating losses or tax credit carryovers generated in that jurisdiction that may increase our U.K. and/or foreign income tax liability.

U.S. holders of our ordinary shares could be subject to material adverse tax consequences if we are considered a Passive Foreign Investment Company, or PFIC, for U.S. federal income tax purposes.

We do not believe that we were a PFIC for U.S. federal income tax purposes during the tax year ending March 31, 2018 and do not expect to be a PFIC for U.S. federal income tax purposes in the tax year. We also do not expect to become a PFIC in the foreseeable future, but the possible status as a PFIC must be determined annually and therefore may be subject to change. If we are at any time treated as a PFIC, such treatment could result in a reduction in the after-tax return to U.S. holders of our ordinary shares and may cause a reduction in the value of such shares. Furthermore, if we are at any time treated as a PFIC, U.S. holders of our ordinary shares could be subject to greater U.S. income tax liability than might otherwise apply, imposition of U.S. income tax in advance of when tax would otherwise apply and detailed tax filing requirements that would not otherwise apply. For U.S. federal income tax purposes, "U.S. holders" include individuals and various entities. A corporation is classified as a PFIC for any taxable year in which (i) at least 75% of its gross income is passive income or (ii) at least 50% of the average quarterly value of all its total gross assets is attributable to assets that produce or are held for the production of passive income. For this purpose, passive income includes certain dividends, interest, royalties and rents that are not derived in the active conduct of a trade or business. The PFIC rules are complex and a U.S. holder of our ordinary shares is urged to consult its own tax advisors regarding the possible application of the PFIC rules to it in its particular circumstances.

U.S. shareholders may not be able to enforce civil liabilities against us.

Several of our directors and executive officers are not residents of the United States, and all or a substantial portion of the assets of such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or to enforce against them judgments obtained in U.S. courts predicated upon the civil liability provisions of the federal securities laws of the United States.

There is also a doubt as to the enforceability in England and Wales and Jersey, whether by original actions or by seeking to enforce judgments of U.S. courts, of claims based on the federal securities laws of the United States. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in England and Wales and Jersey.

The rights afforded to shareholders are governed by Jersey law. Not all rights available to shareholders under English law or U.S. law will be available to shareholders.

The rights afforded to shareholders will be governed by Jersey law and by our Articles of Association, and these rights differ in certain respects from the rights of shareholders in typical English companies and U.S. corporations. In particular, Jersey law significantly limits the circumstances under which shareholders of companies may bring derivative actions and, in most cases, only the corporation may be the proper claimant or plaintiff for the purposes of maintaining proceedings in respect of any wrongful act committed against it. Neither an individual nor any group of shareholders has any right of action in such circumstances. In addition, Jersey law does not afford appraisal rights to dissenting shareholders in the form typically available to shareholders of a U.S. corporation.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Principal Office Locations

The table below describes our existing principal office facilities, all of which are leased, or, in the case of our new U.K. Global Headquarters, is under an agreement for lease.

<u>Location</u>	<u>Purpose</u>	<u>Square Footage</u>	<u>Expiration</u>
London, United Kingdom	Global Headquarters	57,093	12/1/2019
London, United Kingdom	Global Headquarters (projected December 2019)	112,888	1/1/2029
Lexington, Massachusetts USA	North American Headquarters	79,145	1/31/2028
Watertown, Massachusetts USA	Former North American Headquarters	44,170	10/31/2020
Johannesburg, South Africa	South African Headquarters	22,722	9/30/2018

We maintain additional leased office facilities in Cape Town, South Africa, Melbourne and Sydney, Australia, Munich, Germany, Amsterdam, the Netherlands, Dubai, UAE, as well as in Chicago, Dallas and San Francisco in the United States.

We believe that the total space available to us in the facilities under our current leases or an agreement for lease, or obtainable by us on commercially reasonable terms, will meet our needs for the foreseeable future.

Data Centers

We have two data centers in each of the United States, the United Kingdom, South Africa, Australia, Jersey, Channel Islands and Germany. Our data center leases expire between 2020 and 2023. We have capacity headroom built into our primary data center leases to accommodate infrastructure growth within the lease periods should we need to add more space or power to our existing footprint.

For more information about our lease and data center commitments, see also Note 12, *Commitments and Contingencies*, of the Notes to our Consolidated Financial Statements, included elsewhere in this Annual Report on Form 10-K.

Item 3. Legal Proceedings.

From time to time, we may be involved in legal proceedings and subject to claims in the ordinary course of business. Although the results of these proceedings and claims cannot be predicted with certainty, we do not believe the ultimate cost to resolve these matters would individually, or taken together, have a material adverse effect on our business, operating results, cash flows or financial condition. Regardless of the outcome, such proceedings can have an adverse impact on us because of defense and settlement costs, diversion of resources and other factors, and there can be no assurances that favorable outcomes will be obtained.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our ordinary shares are listed on The Nasdaq Global Select Market under the symbol "MIME."

The following table sets forth the reported high and low sales prices of our ordinary shares for the periods indicated, as quoted on the Nasdaq Global Select Market:

<i>Year Ended March 31, 2018</i>	High	Low
First Quarter	\$ 29.48	\$ 20.91
Second Quarter	\$ 30.10	\$ 25.12
Third Quarter	\$ 32.00	\$ 26.50
Fourth Quarter	\$ 39.33	\$ 28.14
<i>Year Ended March 31, 2017</i>		
First Quarter	\$ 12.15	\$ 7.08
Second Quarter	\$ 20.10	\$ 9.50
Third Quarter	\$ 24.60	\$ 17.35
Fourth Quarter	\$ 23.10	\$ 16.75

Shareholders

As of March 31, 2018, there were 93 holders of record of our ordinary shares, including Cede & Co., a nominee for The Depository Trust Company, or DTC, which holds shares of our ordinary shares on behalf of an indeterminate number of beneficial owners. All of the ordinary shares held by brokerage firms, banks and other financial institutions as nominees for beneficial owners are deposited into participant accounts at DTC, and are considered to be held of record by Cede & Co. as one shareholder. Because many of our shares are held by brokers and other institutions on behalf of shareholders, we are unable to estimate the total number of shareholders represented by these record holders.

Dividends

We have never declared or paid, and do not anticipate declaring or paying in the foreseeable future, any cash dividends on our ordinary shares. Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of our board of directors, subject to applicable laws, including the laws of the Bailiwick of Jersey, 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.

Recent Sales of Unregistered Securities

None.

Use of Proceeds from Initial Public Offering of Ordinary Shares

Our initial public offering of ordinary shares was effected through the filing of a Registration Statement on Form F-1 (File No. 333-207454), which was declared effective by the SEC on November 18, 2015. There has been no material change in the use of proceeds from our initial public offering as described in our final prospectus filed with the SEC pursuant to Rule 424(b).

Purchase of Equity Securities by the Issuer and Affiliated Purchasers

None.

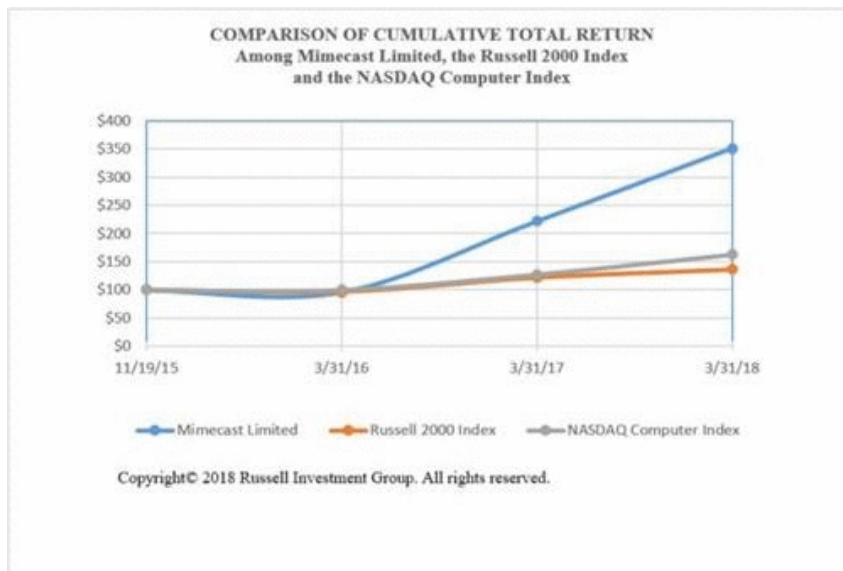
Securities Authorized for Issuance Under Equity Compensation Plans

Information about securities authorized for issuance under our equity compensation plan is incorporated herein by reference to Item 12 of Part III of this Annual Report on Form 10-K.

Stock Performance Graph

The graph below compares the cumulative total return to shareholders on our ordinary shares for the period from November 19, 2015 (the first date that our ordinary shares were publicly traded) through March 31, 2018 against the cumulative total return of the Russell 2000 Index and the NASDAQ Computer Index. The comparison assumes \$100 was invested in our ordinary shares and each of the indices and the reinvestment of dividends, if any.

The performance shown on the graph below is based on historical results and is not indicative of, nor intended to forecast, future performance of our ordinary shares.



	11/19/15	3/31/16	3/31/17	3/31/18
Mimecast Limited	100.00	96.34	221.68	350.79
Russell 2000 Index	100.00	96.58	121.90	136.28
NASDAQ Computer Index	100.00	100.25	127.61	162.86

This performance graph and related information shall not be deemed to be “soliciting material” or “filed” for purposes of Section 18 of the Exchange Act, nor shall such information be incorporated by reference into any filing of Mimecast Limited under the Exchange Act or the Securities Act, except to the extent that we specifically incorporate it by reference in such filing.

Item 6. Selected Financial Data.

Our historical consolidated financial statements are prepared in accordance with U.S. GAAP and presented in U.S. dollars. The selected historical consolidated financial information set forth below has been derived from our historical consolidated financial statements for the years presented. Historical information as of March 31, 2018 and 2017 and for the years ended March 31, 2018, 2017 and 2016 is derived from our audited consolidated financial statements included elsewhere in this Annual Report on Form 10-K. Historical financial information as of March 31, 2016, 2015 and 2014 and for the years ended March 31, 2015 and 2014 is derived from our audited consolidated financial statements not included in this Annual Report on Form 10-K. You should read the information presented below in conjunction with Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and our consolidated financial statements and the related notes appearing in Item 8. “Financial Statements and Supplementary Data,” of this Annual Report on Form 10-K to fully understand the factors that may affect the comparability of the information presented below.

The selected consolidated financial data in this section are not intended to replace the consolidated financial statements and are qualified in their entirety by the consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K.

	Year Ended March 31,				
	2018	2017	2016	2015	2014
	(in thousands, except per share data)				
Consolidated Statements of Operations Data:					
Revenue	\$ 261,897	\$ 186,563	\$ 141,841	\$ 116,085	\$ 88,315
Cost of revenue (1)	69,699	50,314	41,809	36,821	28,673
Gross profit	192,198	136,249	100,032	79,264	59,642
Operating expenses					
Research and development (1)	38,373	22,593	17,663	14,461	12,844
Sales and marketing (1)	121,246	96,154	65,187	51,224	46,971
General and administrative (1)	36,989	27,875	19,756	15,806	11,187
Impairment of long-lived assets	1,712	—	—	—	—
Restructuring	832	—	—	1,203	—
Total operating expenses	199,152	146,622	102,606	82,694	71,002
Loss from operations	(6,954)	(10,373)	(2,574)	(3,430)	(11,360)
Other income (expense)					
Interest income	1,310	510	74	62	86
Interest expense	(598)	(268)	(690)	(703)	(542)
Foreign exchange (expense) income	(3,511)	6,892	811	4,508	(5,055)
Other income, net	72	—	—	—	—
Total other income (expense), net	(2,727)	7,134	195	3,867	(5,511)
(Loss) income before income taxes	(9,681)	(3,239)	(2,379)	437	(16,871)
Provision for income taxes	2,705	2,202	865	152	19
Net (loss) income	\$ (12,386)	\$ (5,441)	\$ (3,244)	\$ 285	\$ (16,890)
Net (loss) income per share applicable to ordinary shareholders: (2)					
Basic	\$ (0.22)	\$ (0.10)	\$ (0.08)	\$ 0.01	\$ (0.53)
Diluted	\$ (0.22)	\$ (0.10)	\$ (0.08)	\$ 0.01	\$ (0.53)
Weighted-average number of ordinary shares used in computing net (loss) income per share applicable to ordinary shareholders:					
Basic	57,269	54,810	40,826	32,354	31,719
Diluted	57,269	54,810	40,826	36,075	31,719

	As of March 31,				
	2018	2017	2016	2015	2014
	(in thousands)				
Consolidated Balance Sheet Data:					
Cash, cash equivalents and investments	\$ 137,210	\$ 111,666	\$ 106,140	\$ 32,890	\$ 19,158
Property and equipment, net	123,822	32,009	24,806	23,159	24,974
Total assets	358,398	205,352	175,127	88,829	75,783
Debt and capital lease obligations, current and long-term	3,515	2,203	6,891	12,364	9,092
Deferred revenue, current and long-term	141,102	95,348	70,040	53,308	46,131
Convertible preferred shares	—	—	—	59,305	59,305
Total shareholders' equity (deficit)	101,692	81,992	78,074	(53,851)	(56,750)

	Year Ended March 31,				
	2018	2017	2016	2015	2014
	(dollars in thousands)				
Supplemental Financial and Other Data:					
Revenue constant currency growth rate (3)	38%	39%	30%	33%	37%
Revenue retention rate (4)	110%	111%	109%	107%	105%
Total customers (5)	30,400	26,400	18,000	13,800	10,300
Adjusted EBITDA (6)	\$ 25,752	\$ 11,802	\$ 15,839	\$ 14,227	\$ (1,170)

(1) Share-based compensation expense included in these line items was as follows:

	Year Ended March 31,				
	2018	2017	2016	2015	2014
	(in thousands)				
Cost of revenue	\$ 1,053	\$ 1,353	\$ 633	\$ 151	\$ 151
Research and development	2,555	1,873	1,711	544	291
Sales and marketing	4,477	4,719	3,180	1,684	395
General and administrative	3,649	2,349	2,362	3,047	395
Total share-based compensation expense	<u>\$ 11,734</u>	<u>\$ 10,294</u>	<u>\$ 7,886</u>	<u>\$ 5,426</u>	<u>\$ 1,232</u>

- (2) Basic and diluted net (loss) income per share applicable to ordinary shareholders is computed based on the weighted-average number of ordinary shares outstanding during each period. For additional information, see Note 2 to the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.
- (3) In order to determine how our business performed exclusive of the effect of foreign currency fluctuations, we compare the percentage change in our revenue from one period to another using a constant currency. To determine the revenue constant currency growth rate for each period, revenue from entities reporting in foreign currencies was translated into U.S. dollars using the comparable prior period's foreign currency exchange rates. For example, the average rates in effect for the fiscal year ended March 31, 2017 were used to convert revenue for the year ended March 31, 2018 and the revenue for the comparable prior period ended March 31, 2017, rather than the actual exchange rates in effect during the respective period. Revenue constant currency growth rate is a non-GAAP financial measure. A reconciliation of this non-GAAP measure to its most directly comparable U.S. GAAP measure for the respective periods can be found in the table below.

	Year Ended March 31,				
	2018	2017	2016	2015	2014
	(dollars in thousands)				
Reconciliation of Revenue Constant Currency Growth Rate:					
Revenue, as reported	\$ 261,897	\$ 186,563	\$ 141,841	\$ 116,085	\$ 88,315
Revenue year-over-year growth rate, as reported	40%	32%	22%	31%	32%
Estimated impact of foreign currency fluctuations	(2)%	7%	8%	2%	5%
Revenue constant currency growth rate	38%	39%	30%	33%	37%

The impact of foreign exchange rates is highly variable and difficult to predict. We use revenue constant currency growth rate to show the impact from foreign exchange rates on the current period revenue growth rate compared to the prior period revenue growth rate using the prior period's foreign exchange rates. In order to properly understand the underlying business trends and performance of our ongoing operations, we believe that investors may find it useful to consider the impact of excluding changes in foreign exchange rates from our revenue growth rate.

We believe that presenting this non-GAAP financial measure in this Annual Report on Form 10-K provides investors greater transparency to the information used by our management for financial and operational decision-making and allows investors to see our results "through the eyes" of management. We also believe that providing this information better enables our investors to understand our operating performance and evaluate the methodology used by management to evaluate and measure such performance.

However, this non-GAAP measure should not be considered in isolation or as a substitute for our financial results prepared in accordance with U.S. GAAP. For example, revenue constant currency growth rates, by their nature, exclude the impact of foreign exchange, which may have a material impact on U.S. GAAP revenue. Non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles and therefore other companies may calculate similarly titled non-GAAP financial measures differently than we do, limiting the usefulness of those measures for comparative purposes.

- (4) We calculate our revenue retention rate by annualizing revenue on a constant currency basis recorded on the last day of the measurement period for only those customers in place throughout the entire measurement period. We include add-on, or upsell, revenue from additional employees and services purchased by existing customers. We divide the result by revenue on a constant currency basis on the first day of the measurement period for all customers in place at the beginning of the measurement period. The measurement period is based on the trailing twelve months. The revenue on a constant currency basis is based on the average exchange rates in effect during the respective period.
- (5) Reflects the customer count on the last day of the period rounded to the nearest hundred customers.
- (6) Adjusted EBITDA is a non-GAAP financial measure that we define as net (loss) income, adjusted to exclude: depreciation, amortization, disposals and impairments of long-lived assets, share-based compensation expense, restructuring expense, interest income and interest expense, provision for income taxes and foreign exchange (expense) income and includes rent paid in the period related to locations that are accounted for as build-to-suit facilities.

We believe that Adjusted EBITDA provides investors and other users of our financial information consistency and comparability with our past financial performance, facilitates period-to-period comparisons of operations and facilitates comparisons with our peer companies, many of which use a similar non-GAAP financial measure to supplement their GAAP results.

We use Adjusted EBITDA in conjunction with traditional GAAP operating performance measures as part of our overall assessment of our performance, for planning purposes, including the preparation of our annual operating budget, to evaluate the effectiveness of our business strategies, to communicate with our board of directors concerning our financial performance, and for establishing incentive compensation metrics for executives and other senior employees.

We do not place undue reliance on Adjusted EBITDA as a measure of operating performance. This non-GAAP measure should not be considered as a substitute for other measures of financial performance reported in accordance with GAAP. There are limitations to using a non-GAAP financial measure, including that other companies may calculate this measure differently than we do, that it does not reflect our capital expenditures or future requirements for capital expenditures and that it does not reflect changes in, or cash requirements for, our working capital.

The following table presents a reconciliation of net (loss) income to Adjusted EBITDA:

	Year Ended March 31,				
	2018	2017	2016	2015	2014
	(in thousands)				
Reconciliation of Adjusted EBITDA:					
Net (loss) income	\$ (12,386)	\$ (5,441)	\$ (3,244)	\$ 285	\$ (16,890)
Depreciation, amortization and disposals of long-lived assets	19,141	11,881	10,527	11,028	8,958
Rent expense related to build-to-suit facilities	(785)	—	—	—	—
Interest (income) expense, net	(712)	(242)	616	641	456
Provision for income taxes	2,705	2,202	865	152	19
Share-based compensation expense	11,734	10,294	7,886	5,426	1,232
Impairments of long-lived assets	1,712	—	—	—	—
Restructuring	832	—	—	1,203	—
Foreign exchange expense (income)	3,511	(6,892)	(811)	(4,508)	5,055
Adjusted EBITDA	<u>\$ 25,752</u>	<u>\$ 11,802</u>	<u>\$ 15,839</u>	<u>\$ 14,227</u>	<u>\$ (1,170)</u>

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of our operations should be read in conjunction with Item 6. "Selected Financial Data," our audited consolidated financial statements and related notes and other financial information included elsewhere in this Annual Report on Form 10-K. In addition to historical consolidated financial information, this discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of numerous factors, including, but not limited to, the risks discussed in Item 1A, "Risk Factors." Our audited consolidated financial statements included elsewhere in this Annual Report on Form 10-K are prepared in accordance with accounting principles generally accepted in the United States.

Overview

We are a leading global provider of next generation cloud security and risk management services for corporate information and email. Our fully-integrated suite of proprietary cloud services protects customers of all sizes from the significant business and data security risks to which their email system exposes them. We protect customers from today's rapidly changing threat landscape where email has become a powerful attack vector and data leak concern. We also mitigate the significant business disruption that email failure or downtime causes. In addition, our archiving services secure, store and manage critical corporate communications and information to address growing compliance, regulatory and e-discovery requirements and enable customers to use this increasing archive of information to improve employee productivity.

We operate our business on a SaaS model with renewable annual subscriptions. Customers enter into annual and multi-year contracts to utilize various components of our services. Our subscription fee includes the use of the selected service and technical support. We believe our technology, subscription-based model, and customer support have led to our high revenue retention rate, which has helped us drive our strong revenue growth. We have historically experienced significant revenue growth from our existing customer base as they renew our services and purchase additional products.

We market and sell our services to organizations of all sizes across a broad range of industries. As of March 31, 2018, we provided our services to approximately 30,400 customers and protected millions of their employees across the world. We generate sales through our network of channel partners as well as through our direct sales force. Our growth and future success depends on our ability to expand our customer base and to sell additional services to our existing customers.

In the fiscal year ended March 31, 2018, we generated 51% of our revenue outside of the United States, with 31% generated from the United Kingdom, 15% from South Africa and 5% from the rest of the world. In the fiscal year ended March 31, 2017, we generated 51% of our revenue outside of the United States, with 33% generated from the United Kingdom, 15% from South Africa and 3% from the rest of the world. Our most significant growth market is the United States. We also believe that there is significant opportunity in our other existing markets. We intend to make significant investments in sales and marketing to continue expanding our customer base in our target markets.

We were founded in 2003 with a mission to make email safer and better, and to transform the way organizations protect, store and access their email and corporate information. Our first service, Mimecast Email Security, which we launched in late 2003, was quickly followed by Mimecast Email Continuity. In 2004, we added Mimecast Enterprise Information Archiving. These three services generate a large proportion of our revenue today. In 2006, we started the development of our proprietary cloud architecture, which we refer to as Mime | OST[™]. We believed early on that investing in the development of our own cloud operating system was a strategic requirement that would enable us to integrate and scale our services. Mimecast Large File Send was released in 2013 and was followed by Mimecast Targeted Threat Protection in 2014, our advanced persistent threat protection service. In 2014, we also released comprehensive risk mitigation technologies specifically for Microsoft Office 365[®], and in 2015, we released Mimecast Secure Messaging. In 2016 and 2017, we announced the newest aspects of our Targeted Threat Protection service, Impersonation Protect and Internal Email Protect, respectively. Additionally, in 2017, we acquired technology from iSheriff, Inc. to provide our customers additional real-time email threat intelligence and detection expertise complementing our existing portfolio of email security, continuity and archiving solutions. In fiscal 2018, we announced Sync & Recover, a service to enable fast mailbox recovery in the event omnipresent attackers are successful in penetrating an organization.

Key Factors Affecting Our Performance

We believe that the growth of our business and our future success are dependent upon a number of key factors, including the following:

Acquisition of new customers. We employ a sales strategy that focuses on acquiring new customers through our direct sales force and network of channel partners, and selling additional products to existing customers. Acquiring new customers is a key element of our continued success, growth opportunity and future revenue. We have invested in and intend to continue to invest in our direct sales force and channel partners. During the year ended March 31, 2018, our customer base increased by approximately 4,000 organizations.

Further penetration of existing customers. Our direct sales force, together with our channel partners and dedicated customer experience team seek to generate additional revenue from our existing customers by adding more employees and selling additional services. We continue to believe a significant opportunity exists for us to sell additional services to current customers as they experience the benefits of our services and we address additional business use cases.

Investment in growth. We are expanding our operations, increasing our headcount and developing software to both enhance our current offerings and build new features. We expect our total operating expenses to increase, particularly as we continue to expand our sales operations, marketing activities and research and development team. We intend to continue to invest in our sales, marketing and customer experience organizations to drive additional revenue and support the growth of our customer base. Investments we make in our sales and marketing and research and development organizations will occur in advance of experiencing any benefits from such investments. For the year ending March 31, 2019, we plan to continue increasing the size of our sales force and to invest in the development of additional marketing content. We have increased and plan to continue to increase the size of our research and development team.

Currency fluctuations. We conduct business in the United States and in other countries in North America, the United Kingdom and other countries in Europe, South Africa and other countries in Africa, and also Australia. As a result, we are exposed to risks associated with fluctuations in currency exchange rates, particularly between the U.S. dollar, the British pound and the South African rand. In the year ended March 31, 2018, 51% of our revenue was denominated in U.S. dollars, 29% in British pounds, 15% in South African rand and 5% in other currencies. Given that our functional currency and the functional currency of our subsidiaries is the local currency of each entity but our reporting currency is the U.S. dollar, devaluations of the British pound, South African rand and other currencies relative to the U.S. dollar impacts our profitability.

Key Performance Indicators

In addition to traditional financial metrics, such as revenue and revenue growth trends, we monitor several other key performance indicators to help us evaluate growth trends, establish budgets, measure the effectiveness of our sales and marketing efforts and assess operational efficiencies. The key performance indicators that we monitor are as follows:

	Year Ended March 31,		
	2018	2017	2016
	(dollars in thousands)		
Revenue constant currency growth rate (1)	38%	39%	30%
Revenue retention rate	110%	111%	109%
Total customers (2)	30,400	26,400	18,000
Gross profit percentage	73%	73%	71%
Adjusted EBITDA (1)	\$ 25,752	\$ 11,802	\$ 15,839

- (1) Adjusted EBITDA and revenue constant currency growth rates are non-GAAP financial measures. For a reconciliation of Adjusted EBITDA and revenue constant currency growth rates to the nearest comparable GAAP measures, see Item 6. "Selected Financial Data."
- (2) Reflects the customer count on the last day of the period rounded to the nearest hundred customers.

Revenue constant currency growth rate. We believe revenue constant currency growth rate is a key indicator of our operating results. We calculate revenue constant currency growth rate by translating revenue from entities reporting in foreign currencies into U.S. dollars using the comparable foreign currency exchange rates from the prior fiscal period. For further explanation of the uses and limitations of this measure and a reconciliation of our revenue constant currency growth rate to revenue, as reported, the most directly comparable GAAP measure, see Item 6. "Selected Financial Data." Our revenue constant currency growth rate in fiscal 2018 was relatively consistent with fiscal 2017. As our total revenue grows, we expect our constant currency growth rate will decline as the

incremental growth from period to period is expected to represent a smaller percentage of total revenue as compared to the prior period.

Revenue retention rate. We believe that our ability to retain customers is an indicator of the stability of our revenue base and the long-term value of our customer relationships. Our revenue retention rate is driven by our customer renewals and upsells. For each of the fiscal years ended March 31, 2018, 2017 and 2016, our customer retention rate has been consistently greater than 90%. We calculate our revenue retention rate by annualizing constant currency revenue recorded on the last day of the measurement period for only those customers in place throughout the entire measurement period. We include add-on, or upsell, revenue from additional employees and services purchased by existing customers. We divide the result by revenue on a constant currency basis on the first day of the measurement period for all customers in place at the beginning of the measurement period. The measurement period is the trailing twelve months. The revenue on a constant currency basis is based on the average exchange rates in effect during the respective period. Our revenue retention rate in fiscal 2018 was relatively consistent with fiscal 2017. We expect our revenue retention rate to remain relatively consistent for fiscal 2019.

Total customers. We believe the total number of customers is a key indicator of our financial success and future revenue potential. We define a customer as an entity with an active subscription contract as of the measurement date. A customer is typically a parent company or, in a few cases, a significant subsidiary that works with us directly. We expect to continue to grow our customer base through the addition of new customers in each of our markets.

Gross profit percentage. Gross profit percentage is calculated as gross profit divided by revenue. Our gross profit percentage has been relatively consistent over the past three years, however has fluctuated on a quarterly basis due to timing of the addition of hardware and employees to serve our growing customer base. We provide our services in each of the regions in which we operate. Costs related to supporting and hosting our product offerings and delivering our services are incurred in the region in which the related revenue is recognized. As a result, our gross profit percentage in actual terms is consistent with gross profit on a constant currency basis.

Adjusted EBITDA. We believe that Adjusted EBITDA is a key indicator of our operating results. We define Adjusted EBITDA as net (loss) income, adjusted to exclude: depreciation, amortization, disposals and impairments of long-lived assets, share-based compensation expense, restructuring expense, interest income and interest expense, provision for income taxes and foreign exchange (expense) income and includes rent paid in the period related to locations that are accounted for as build-to-suit facilities. For further explanation of the uses and limitations of this measure and a reconciliation of our Adjusted EBITDA to the most directly comparable GAAP measure, net (loss) income, see Item 6. "Selected Financial Data." We expect that our Adjusted EBITDA will continue to increase; however, we expect that our operating expenses will also increase in absolute dollars as we focus on expanding our sales and marketing teams and growing our research and development capabilities.

Components of Consolidated Statements of Operations

Revenue

We generate substantially all of our revenue from subscription fees paid by customers accessing our cloud services and by customers purchasing additional support beyond the standard support that is included in our basic subscription fees. A small portion of our revenue consists of related professional services and other revenue, which consists primarily of set-up fees, ingestion fees and training fees.

We generally license our services on a price per employee basis under annual contracts. Some services, such as ingestion services, are invoiced upfront and recognized on a straight-line basis over the longer of the contract term or the average customer life.

We serve approximately 30,400 customers in multiple industries, and our revenue is not concentrated with any single customer or industry. For each of the years ended March 31, 2018, 2017 and 2016, no single customer accounted for more than 1% of our revenue, and our largest ten customers accounted for less than 10% of our revenue in aggregate.

Amounts that have been invoiced are recorded in accounts receivable and in deferred revenue or revenue, depending on whether the revenue recognition criteria have been met. As of March 31, 2018, deferred revenue was \$141.1 million. We estimate the future recognition of deferred revenue as of March 31, 2018 to be \$123.1 million in 2019, \$8.0 million in 2020, \$5.3 million in 2021, \$2.6 million in 2022 and \$2.1 million thereafter.

We have continued to expand our customer base, and have recently signed on more customers with monthly, instead of annual, billing terms. The proportion of aggregate contract value reflected on our balance sheet as deferred revenue may decrease if this trend continues.

We recognize revenue ratably on a straight-line basis over the subscription term, which is typically one year in duration, provided that an enforceable contract has been signed by both parties, we have given the customer access to our SaaS solutions, collection of the fee is probable, and the fee is fixed or determinable. Our subscription service arrangements do not contain refund-type provisions.

Our professional services contracts are on a time and material basis. When these services are not combined with subscription revenues as a single unit of accounting, as discussed in the section below entitled “—Critical Accounting Policies and Estimates,” these revenues are recognized as the services are rendered.

Cost of revenue

Cost of revenue primarily consists of expenses related to supporting and hosting our product offerings and delivering our professional services. These costs consist primarily of personnel and related costs including salaries, benefits, bonuses and share-based compensation expense related to the management of our data centers, our customer support team and our professional services team. In addition to these expenses, we incur third-party service provider costs such as data center and networking expenses, allocated overhead costs, depreciation expense and amortization expense related to intangible assets. We allocate overhead costs, such as rent and facility costs, information technology costs and employee benefit costs to all departments based on headcount. As such, general overhead expenses are reflected in cost of revenue and each operating expense category.

We expect our cost of revenue to increase in absolute dollars due to expenditures related to the purchase of hardware, expansion and support of our data center operations and customer support teams. We also expect that cost of revenue as a percentage of revenue will decrease over time as we are able to achieve economies of scale in our business, although it may fluctuate from period to period depending on the timing of significant expenditures. To the extent that our customer base grows, we intend to continue to invest additional resources in expanding the delivery capability of our products and other services. The timing of these additional expenses could affect our cost of revenue, both in terms of absolute dollars and as a percentage of revenue in any particular quarterly or annual period.

Research and development expenses

Research and development expenses consist primarily of personnel and related costs, including salaries, benefits, bonuses, share-based compensation expense, costs of server usage by our developers and allocated overhead costs. We expense all research and development costs as they are incurred. We have focused our efforts on developing new versions of our SaaS technology with expanded features. Our technology is constantly being refined and, as such, we do not capitalize development costs. We believe that continued investment in our technology is important for our future growth. As a result, we expect research and development expenses to increase in absolute dollars as we make further substantial investments in developing our Mime | OS™ platform, improving our existing services and creating new features that will increase the functionality of our new and existing products. Research and development expenses as a percentage of total revenue may fluctuate on a quarterly basis but we expect it to increase in the coming fiscal year as a result of the expected investments noted above.

Sales and marketing expenses

Sales and marketing expenses consist primarily of personnel and related costs, including salaries, benefits, bonuses, commissions and share-based compensation expense. In addition to these expenses, we incur costs related to marketing and promotional events, online marketing, product marketing and allocated overhead costs. We expense all costs as they are incurred, including sales commissions. Sales and marketing expenses increased substantially in fiscal 2018 as we continued to expand our sales and marketing efforts globally, particularly in the United States. We expect that our sales and marketing expenses will continue to increase substantially in the year ending March 31, 2019. New sales personnel require training and may take several months or more to achieve productivity; as such, the costs we incur in connection with the hiring of new sales personnel in a given period are not typically offset by increased revenue in that period and may not result in new revenue if these sales personnel fail to become productive. We expect to increase our investment in sales and marketing as we add new services, which will increase these expenses in absolute dollars. Over the long term, we believe that sales and marketing expenses as a percentage of revenue will decrease, but will vary depending upon the mix of revenue from new and existing customers, as well as changes in the productivity of our sales and marketing programs.

General and administrative expenses

General and administrative expenses consist primarily of personnel and related expenses for executive, legal, finance, information technology and human resources functions, including salaries, benefits, incentive compensation and share-based compensation expense, in addition to the costs associated with professional fees, insurance premiums, other corporate expenses and allocated overhead costs. We expect general and administrative expenses to increase in absolute dollars as we continue to incur additional personnel and professional services costs in order to support business growth as well as meeting the compliance requirements of operating as a public company, including those costs incurred in connection with Section 404 of the Sarbanes-Oxley Act, costs associated with the loss of our status as a foreign private issuer, and costs associated with the adoption of new accounting standards, including ASC 606, *Revenue Recognition*, and ASU 2016-02, *Leases*, among others. Over the long term, we believe that general and administrative expenses as a percentage of revenue will decrease.

Impairments of long-lived assets

In the fourth quarter of fiscal 2018, upon the exit of our Watertown, Massachusetts corporate office space, we recorded a non-cash impairment charge of \$1.7 million primarily related to leasehold improvements.

Restructuring

In the fourth quarter of fiscal 2018, upon the exit of our Watertown, Massachusetts corporate office space, we recorded a restructuring charge in the amount of \$0.8 million for the remaining non-cancelable rent and estimated operating expenses, net of sublease rentals, for the vacated premises, in accordance with ASC 840-20, *Leases*.

Other income (expense)

Other income (expense) is comprised of the following items:

Interest income

Interest income includes interest income earned on our cash, cash equivalents and investments balances. We expect interest income to vary each reporting period depending on our average cash, cash equivalents and investments balances during the period and market interest rates. We expect interest income to increase in the fiscal year ending March 31, 2019 due to higher yields on cash deposits and investments.

Interest expense

Interest expense consists primarily of interest expense associated with our construction financing lease obligations, capital leases and our long-term debt, which was fully repaid in fiscal 2018.

Foreign exchange income

Foreign exchange income consists primarily of foreign exchange fluctuations related to short-term intercompany accounts and foreign currency exchange gains and losses related to transactions denominated in currencies other than the functional currency for each of our subsidiaries. We expect our foreign currency exchange gains and losses to continue to fluctuate in the future as foreign currency exchange rates change, however, we expect foreign currency exchange gains and losses could be less significant in the fiscal year ending March 31, 2019 as compared to the fiscal year ended March 31, 2018 due to the capitalization and repayment of certain intercompany balances during fiscal 2018.

Provision for income taxes

We operate in several tax jurisdictions and are subject to taxes in each country or jurisdiction in which we conduct business. We account for income taxes in accordance with the asset and liability method. Under this method, deferred tax assets and liabilities are recognized based on temporary differences between the financial reporting and income tax bases for assets and liabilities using statutory rates. In addition, this method requires a valuation allowance against net deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Our provision for income taxes for the fiscal years ended March 31, 2018, 2017 and 2016 primarily relates to our South African entity.

Operating Results

The following table sets forth selected consolidated statements of operations data for each of the periods indicated:

	Year Ended March 31,		
	2018	2017	2016
	(in thousands)		
Revenue	\$ 261,897	\$ 186,563	\$ 141,841
Cost of revenue	69,699	50,314	41,809
Gross profit	192,198	136,249	100,032
Operating expenses			
Research and development	38,373	22,593	17,663
Sales and marketing	121,246	96,154	65,187
General and administrative	36,989	27,875	19,756
Impairment of long-lived assets	1,712	—	—
Restructuring	832	—	—
Total operating expenses	199,152	146,622	102,606
Loss from operations	(6,954)	(10,373)	(2,574)
Other income (expense)			
Interest income	1,310	510	74
Interest expense	(598)	(268)	(690)
Foreign exchange (expense) income	(3,511)	6,892	811
Other income, net	72	—	—
Total other income (expense), net	(2,727)	7,134	195
Loss before income taxes	(9,681)	(3,239)	(2,379)
Provision for income taxes	2,705	2,202	865
Net loss	\$ (12,386)	\$ (5,441)	\$ (3,244)

The following table sets forth our consolidated statements of operations data as a percentage of revenue for each of the periods indicated:

	Year Ended March 31,		
	2018	2017	2016
Revenue	100%	100%	100%
Cost of revenue	27	27	29
Gross profit	73	73	71
Operating expenses			
Research and development	15	12	12
Sales and marketing	46	52	46
General and administrative	14	15	14
Impairment of long-lived assets	1	—	—
Restructuring	—	—	—
Total operating expenses	76	79	72
Loss from operations	(3)	(6)	(1)
Other income (expense)			
Interest income	1	—	—
Interest expense	—	—	—
Foreign exchange (expense) income	(1)	4	1
Other income, net	—	—	—
Total other income (expense), net	—	4	1
Loss before income taxes	(3)	(2)	—
Provision for income taxes	1	1	1
Net loss	(4)%	(3)%	(1)%

We have operations in jurisdictions other than the United States and generate revenue and incur expenditures in currencies other than the U.S. dollar. The following information shows the effect on certain components of our consolidated statements of operations data for each of the periods indicated based on a 10% increase or decrease in foreign currency exchange rates assuming that all foreign currency exchange rates move in the same directions at the same time:

	Year ended March 31,		
	2018	2017	2016
	(in millions)		
Cost of Revenue	\$ 4.0	\$ 2.9	\$ 2.5
Research and development	3.0	2.0	1.6
Sales and marketing	4.9	3.7	3.0
General and administrative	1.1	0.8	0.8

Comparison of Years Ended March 31, 2018 and 2017

Revenue

	Year ended March 31,		Period-to-period change	
	2018	2017	Amount	% Change
	(dollars in thousands)			
Revenue	\$ 261,897	\$ 186,563	\$ 75,334	40%

Revenue increased \$75.3 million in the year ended March 31, 2018 compared to the year ended March 31, 2017. The increase in revenue was primarily attributable to increases in new customers, including the 4,000 new customers added since March 31, 2017, a full year of revenue related to new customers added during fiscal 2017 and additional revenue from customers that existed as of March 31, 2017. Revenue for the year ended March 31, 2018 compared to the year ended March 31, 2017 was positively impacted by approximately \$4.7 million primarily as a result of the weakening of the U.S. dollar relative to the South African rand and to a lesser extent the British pound.

Cost of revenue

	Year ended March 31,		Period-to-period change	
	2018	2017	Amount	% Change
	(dollars in thousands)			
Cost of revenue	\$ 69,699	\$ 50,314	\$ 19,385	39%

Cost of revenue increased \$19.4 million in the year ended March 31, 2018 compared to the year ended March 31, 2017, which was primarily attributable to increases in personnel-related costs of \$5.8 million, data center costs of \$5.4 million, depreciation expense of \$3.9 million, information technology and facility costs of \$1.9 million, amortization of intangibles of \$1.4 million and professional services costs of \$0.8 million. Cost of revenue for the year ended March 31, 2018 compared to the year ended March 31, 2017 was negatively impacted by approximately \$1.1 million primarily as a result of the weakening of the U.S. dollar relative to the South African rand and British pound. Personnel-related cost increased primarily as a result of salaries and benefits associated with increased headcount, data center costs increased as a result of the increase in our customer base, and depreciation increased primarily as a result of increased capital expenditures in support of our expanding infrastructure. In addition, the increase in information technology and facility costs is primarily a result of increased headcount and the increase in amortization of intangibles is primarily as a result of amortization of capitalized software.

As a result of changes in foreign exchange rates, gross profit increased in absolute dollars by approximately \$3.6 million for the year ended March 31, 2018 as compared to the year ended March 31, 2017.

Operating expenses

	Year ended March 31,		Period-to-period change	
	2018	2017	Amount	% Change
	(dollars in thousands)			
Operating expenses:				
Research and development	\$ 38,373	\$ 22,593	\$ 15,780	70%
Sales and marketing	121,246	96,154	25,092	26%
General and administrative	36,989	27,875	9,114	33%
Impairment of long-lived assets	1,712	—	1,712	nm
Restructuring	832	—	832	nm
Total operating expenses	<u>\$ 199,152</u>	<u>\$ 146,622</u>	<u>\$ 52,530</u>	<u>36%</u>

nm—not meaningful

Research and development expenses

Research and development expenses increased \$15.8 million in the year ended March 31, 2018 compared to the year ended March 31, 2017, which was primarily attributable to increases in personnel-related costs of \$10.1 million, information technology and facility costs of \$2.3 million, professional services costs of \$0.9 million, share-based compensation expense of \$0.7 million, travel and other costs of \$0.5 million and data center costs of \$0.5 million. Research and development expenses for the year ended March 31, 2018 as compared to the year ended March 31, 2017 were negatively impacted by approximately \$0.5 million primarily as a result of the weakening of the U.S. dollar relative to the British pound. Personnel-related cost increased primarily as a result of salaries and benefits associated with increased headcount throughout the year, information technology and facility costs increased primarily as a result of increased headcount, professional services costs increased primarily as a result of the use of research and development contractors and share-based compensation expense increased primarily as a result of share option grants since the prior year.

Sales and marketing expenses

Sales and marketing expenses increased \$25.1 million in the year ended March 31, 2018 compared to the year ended March 31, 2017, which was primarily attributable to increases in personnel-related costs of \$13.5 million, marketing costs of \$4.7 million, information technology and facilities costs of \$3.6 million, travel and other costs of \$2.3 million and professional services of \$0.8 million. Sales and marketing expenses for the year ended March 31, 2018 as compared to the year ended March 31, 2017 were negatively impacted by approximately \$1.4 million primarily as a result of the weakening of the U.S. dollar relative to the South African rand and British pound. Personnel-related costs increased primarily as a result of salaries and benefits associated with increased headcount. Information technology and facility costs and travel and other costs increased primarily as a result of increased headcount.

General and administrative expenses

General and administrative expenses increased \$9.1 million in the year ended March 31, 2018 compared to the year ended March 31, 2017, which was primarily attributable to increases in personnel-related costs of \$5.0 million, share-based compensation expense of \$1.2 million, information technology and facilities costs of \$1.0 million and professional services costs and material supplies of \$0.6 million each. General and administrative expenses for the year ended March 31, 2018 as compared to the year ended March 31, 2017 were negatively impacted by approximately \$0.3 million primarily as a result of the weakening of the U.S. dollar against the British pound and South African rand. Personnel-related costs increased primarily as a result of salaries and benefits associated with increased headcount. Share-based compensation expense increased primarily as a result of share option grants since the prior year. Information technology and facility and material supplies costs increased primarily as a result of increased headcount.

Restructuring and Impairment of long-lived assets

In the fourth quarter of fiscal 2018, upon the exit of our Watertown, Massachusetts corporate office space, we recorded a restructuring charge of \$0.8 million for remaining non-cancelable rent and estimated operating expenses for the vacated premises, net of sublease rentals, and a non-cash impairment charge of \$1.7 million primarily related to leasehold improvements.

Other income (expense)

	Year ended March 31,		Period-to-period change	
	2018	2017	Amount	% Change
	(dollars in thousands)			
Other income (expense):				
Interest income	\$ 1,310	\$ 510	\$ 800	157%
Interest expense	(598)	(268)	(330)	123%
Foreign exchange (expense) income	(3,511)	6,892	(10,403)	nm
Other income, net	72	—	72	nm
Total other (expense) income, net	<u>\$ (2,727)</u>	<u>\$ 7,134</u>	<u>\$ (9,861)</u>	<u>nm</u>

nm—not meaningful

Other income (expense) changed \$9.9 million in the year ended March 31, 2018 compared to the year ended March 31, 2017, which was primarily attributable to a change of \$10.4 million in foreign exchange expense which was primarily attributable to the re-measurement of short-term intercompany balances denominated in currencies other than the functional currency of our operating units. The increase in interest income is primarily due to interest on investments.

Provision for income taxes

	Year ended March 31,		Period-to-period change	
	2018	2017	Amount	% Change
	(dollars in thousands)			
Provision for income taxes	\$ 2,705	\$ 2,202	\$ 503	23%

Provision for income taxes increased \$0.5 million in the year ended March 31, 2018 compared to the year ended March 31, 2017. The provision for income taxes in each period was primarily attributable to taxes related to our South African entity. The increase in the provision for income taxes from the prior period was primarily attributable to withholding taxes accrued by our Australian entity combined with an increase in the earnings in South Africa.

Comparison of Years Ended March 31, 2017 and 2016

Revenue

	Year ended March 31,		Period-to-period change	
	2017	2016	Amount	% Change
	(dollars in thousands)			
Revenue	\$ 186,563	\$ 141,841	\$ 44,722	32%

Revenue increased \$44.7 million in the year ended March 31, 2017 compared to the year ended March 31, 2016. The increase in revenue was primarily attributable to increases in new customers, including the 8,400 new customers added during fiscal 2017, a full year of revenue related to new customers added in fiscal 2016 and additional revenue from customers that existed as of March 31, 2016. Revenue for the year ended March 31, 2017 compared to the year ended March 31, 2016 was negatively impacted by approximately \$9.9 million primarily as a result of the strengthening of the U.S. dollar relative to the British pound and to a lesser extent the South African rand.

Cost of revenue

	Year ended March 31,		Period-to-period change	
	2017	2016	Amount	% Change
	(dollars in thousands)			
Cost of revenue	\$ 50,314	\$ 41,809	\$ 8,505	20%

Cost of revenue increased \$8.5 million in the year ended March 31, 2017 compared to the year ended March 31, 2016, which was primarily attributable to increases in data center costs of \$3.9 million, personnel-related costs of \$2.7 million, depreciation expense of \$1.0 million and share-based compensation expense of \$0.7 million. Cost of revenue for the year ended March 31, 2017 compared to the year ended March 31, 2016 was positively impacted by approximately \$3.2 million primarily as a result of the strengthening of the U.S. dollar relative to the British pound. Data center costs increased as a result of the increase in our customer base, personnel-related cost increased primarily as a result of salaries and benefits associated with increased headcount, depreciation increased primarily as a result of increased capital expenditures in support of our expanding infrastructure and share-based compensation expense increased primarily as a result of an increase in share option modification charges.

As a result of changes in foreign exchange rates, gross profit decreased in absolute dollars by approximately \$6.7 million for the year ended March 31, 2017 as compared to the year ended March 31, 2016. Excluding the impact of changes in foreign currency exchange rates, gross profit as a percentage of revenue remained consistent as costs related to supporting and hosting our product offerings and delivering our services are incurred in the region in which the related revenue is recognized.

Operating expenses

	Year ended March 31,		Period-to-period change	
	2017	2016	Amount	% Change
	(dollars in thousands)			
Operating expenses:				
Research and development	\$ 22,593	\$ 17,663	\$ 4,930	28%
Sales and marketing	96,154	65,187	30,967	48%
General and administrative	27,875	19,756	8,119	41%
Total operating expenses	\$ 146,622	\$ 102,606	\$ 44,016	43%

nm—not meaningful

Research and development expenses

Research and development expenses increased \$4.9 million in the year ended March 31, 2017 compared to the year ended March 31, 2016, which was primarily attributable to increases in personnel-related costs of \$3.5 million, information technology and facility costs of \$0.5 million, travel and other costs of \$0.3 million, professional services costs of \$0.2 million and share-based compensation expense of \$0.2 million. Research and development expenses for the year ended March 31, 2017 as compared to the year ended March 31, 2016 were positively impacted by approximately \$2.8 million primarily as a result of the strengthening of the U.S. dollar relative to the British pound. Personnel-related cost increased primarily as a result of salaries and benefits associated with increased headcount throughout the year and professional services costs increased primarily as a result of the use of research and development contractors.

Sales and marketing expenses

Sales and marketing expenses increased \$31.0 million in the year ended March 31, 2017 compared to the year ended March 31, 2016, which was primarily attributable to increases in personnel-related costs of \$17.3 million, marketing costs of \$7.4 million, travel and other costs of \$2.0 million, share-based compensation expense of \$1.5 million, professional services of \$1.3 million and information technology and facilities costs of \$1.1 million. Sales and marketing expenses for the year ended March 31, 2017 as compared to the year ended March 31, 2016 were positively impacted by approximately \$3.9 million primarily as a result of the strengthening of the U.S. dollar relative to the British pound. Personnel-related costs increased primarily as a result of salaries, benefits and commissions associated with increased headcount. Marketing costs increased primarily as a result of increased lead generation, online marketing, brand development costs and advertising.

General and administrative expenses

General and administrative expenses increased \$8.1 million in the year ended March 31, 2017 compared to the year ended March 31, 2016, which was primarily attributable to increases in personnel-related costs of \$4.3 million, professional services costs of \$2.9 million and information technology and facilities costs of \$0.3 million. General and administrative expenses for the year ended March 31, 2017 as compared to the year ended March 31, 2016 were positively impacted by approximately \$1.0 million primarily as a result of the strengthening of the U.S. dollar against the British pound. Personnel-related costs increased primarily as a result of salaries and benefits associated with increased headcount. Professional service costs increased primarily due to accounting, consulting and legal services associated with operating as a public company. In addition, we incurred \$0.6 million of expenses related to the October 2016 secondary offering and \$0.7 million in transaction costs related to the iSheriff transaction.

Other income (expense)

	Year ended March 31,		Period-to-period change	
	2017	2016	Amount	% Change
	(dollars in thousands)			
Other income (expense):				
Interest income	\$ 510	\$ 74	\$ 436	589%
Interest expense	(268)	(690)	422	(61)%
Foreign exchange income	6,892	811	6,081	750%
Total other income (expense), net	<u>\$ 7,134</u>	<u>\$ 195</u>	<u>\$ 6,939</u>	<u>nm</u>

nm—not meaningful

Other income (expense) increased \$6.9 million in the year ended March 31, 2017 compared to the year ended March 31, 2016, which was primarily attributable to a \$6.1 million increase in foreign exchange income associated with the re-measurement of short-term intercompany balances as well as working capital balances denominated in currencies other than the functional currency of our operating units. The increase in foreign exchange income is a result of the British pound weakening compared to the foreign currencies in which we operate to a greater extent in fiscal 2017 as compared to fiscal 2016. The increase in interest income is primarily due to higher weighted-average cash and investment balances after our initial public offering, or IPO. The decrease in interest expense is primarily due to a decrease in weighted-average debt balances.

Provision for income taxes

	Year ended March 31,		Period-to-period change	
	2017	2016	Amount	% Change
	(dollars in thousands)			
Provision for income taxes	\$ 2,202	\$ 865	\$ 1,337	155%

Provision for income taxes increased \$1.3 million in the year ended March 31, 2017 compared to the year ended March 31, 2016. The provision for income taxes in each period was primarily attributable to taxes related to our South African entity and the increase in the provision for income taxes from the prior period was primarily due to increased net pre-tax income in that entity.

Liquidity and Capital Resources

Our principal sources of liquidity are cash and cash equivalents, investments and accounts receivable. The following table shows net cash provided by operating activities, net cash used in investing activities, and net cash provided by (used in) financing activities for the years ended March 31, 2018, 2017 and 2016:

	Year ended March 31,		
	2018	2017	2016
	(in thousands)		
Net cash provided by operating activities	\$ 46,412	\$ 32,514	\$ 24,643
Net cash used in investing activities	(35,019)	(84,615)	(14,234)
Net cash provided by (used in) financing activities	13,156	(332)	63,801

In November 2015, we raised net proceeds of \$68.3 million in our IPO, after deducting underwriting discounts and commissions and offering expenses paid by us. Prior to our IPO in November 2015, we financed our operations primarily through private placements of equity and borrowings from our primary bank lender. In the years ended March 31, 2018 and 2017, we incurred operating losses of \$7.0 million and \$10.4 million, respectively. While we expect to generate an operating loss in the year ending March 31, 2019, we expect to continue to generate positive cash flows from operating activities. In the year ending March 31, 2019, we plan to continue to invest in the development and expansion of our Mime | OSTM platform to improve on our existing solutions in order to provide more capabilities to our customers. Investments in capital expenditures in the year ended March 31, 2018 were \$34.5 million of which \$24.5 million related to the expansion of our grid architecture. We expect that with the exception of the \$3.8 million we invested in the development of our German data centers, that this level of investment will be consistent in the year ending March 31, 2019.

As of March 31, 2018 and 2017, we had cash, cash equivalents and investments of \$137.2 million and \$111.7 million, respectively. Based on our current operating plan, we believe that our current cash and cash equivalents, investments and operating cash flows will be sufficient to fund our operations for at least the next twelve months. Our future capital requirements may vary materially from those planned and will depend on certain factors, such as our growth and our operating results. If we require additional capital resources to grow our business or to acquire complementary technologies and businesses in the future, we may seek to sell additional equity or raise funds through debt financing or other sources. We may also seek to invest in or acquire complementary businesses, applications or technologies, any of which could also require us to seek additional equity or debt financing. We cannot provide assurance that additional financing will be available at all or on terms favorable to us. We had no material commitments for capital expenditures as of March 31, 2018 or 2017.

Borrowings

Since January 2012, we have entered into various term loan borrowings with Silicon Valley Bank. The term loans had fixed interest rates of 4.5% and principal repayment periods of 36 equal monthly installments maturing in January 2018. As of March 31, 2017, the aggregate principal balance of the term loans was \$1.7 million, all of which was paid in the year ended March 31, 2018. As of March 31, 2018 and March 31, 2017, there were no amounts available for future borrowings under the term loans. We were in compliance with all covenants under the agreement through March 31, 2018.

Operating activities

For the year ended March 31, 2018, cash provided by operating activities was \$46.4 million. The primary factors affecting our operating cash flows during the period were our net loss of \$12.4 million, adjusted for non-cash items of \$19.0 million for depreciation and amortization of our property, equipment and intangible assets, \$11.7 million of share-based compensation expense, and \$3.0 million in unrealized foreign currency gains on foreign denominated transactions primarily, intercompany balances and \$1.7 million of long-lived asset impairments. The drivers of the changes in operating assets and liabilities were a \$39.0 million increase in deferred revenue and \$7.1 million increase in accrued expenses and other current liabilities and a \$0.1 million increase in accounts payable, partially offset by an \$18.1 million increase in accounts receivable and a \$5.0 million increase in prepaid expenses and other current assets.

For the year ended March 31, 2017, cash provided by operating activities was \$32.5 million. The primary factors affecting our operating cash flows during the period were our net loss of \$5.4 million, adjusted for non-cash items of \$11.9 million for depreciation and amortization of our property and equipment and intangible assets, \$10.3 million of share-based compensation expense, and \$6.5 million in unrealized foreign currency gains on foreign denominated transactions primarily, intercompany balances. The drivers of the changes in operating assets and liabilities were a \$29.1 million increase in deferred revenue, a \$4.9 million increase in accrued expenses and other liabilities, a \$1.9 million decrease in other assets and a \$0.8 million increase in accounts payable, partially offset by a \$11.8 million increase in accounts receivable and a \$2.8 million increase in prepaid expenses and other current assets.

For the year ended March 31, 2016, cash provided by operating activities was \$24.6 million. The primary factors affecting our operating cash flows during the period were our net loss of \$3.2 million, adjusted for non-cash items of \$10.5 million for depreciation and amortization of our property and equipment, \$7.9 million of share-based compensation expense, and \$1.0 million in net foreign currency gains. The drivers of the changes in operating assets and liabilities were an \$18.6 million increase in deferred revenue and a \$4.7 million increase in accrued expenses and other liabilities, partially offset by a \$9.8 million increase in accounts receivable, a \$2.2 million increase in prepaid expenses and other current assets, a \$0.5 million decrease in accounts payable and a \$0.4 million increase in other assets.

Investing activities

Cash used in investing activities of \$35.0 million for the year ended March 31, 2018 consisted primarily of \$34.5 million in capital expenditures and \$1.4 million in payments related to the iSheriff and other acquisitions, partially offset by net purchase and maturity activity on investments of \$0.9 million.

Cash used in investing activities of \$84.6 million for the year ended March 31, 2017 consisted of \$67.6 million in purchases of investments, \$18.5 million in capital expenditures and \$5.6 million in payments related to the iSheriff acquisition partially offset by \$7.0 million in maturities of investments.

Cash used in investing activities of \$14.2 million for the year ended March 31, 2016 was due to capital expenditures.

Our capital expenditures were associated primarily with computer equipment purchased in support of our expanding infrastructure and to a lesser extent leasehold improvements and office equipment associated with increased headcount.

Financing activities

Cash provided by financing activities of \$13.2 million for the year ended March 31, 2018 was primarily due to \$17.0 million of proceeds from issuance of ordinary shares from share option exercises and our employee stock purchase plan, partially offset by payments on debt of \$1.8 million, payments on capital lease obligations of \$1.0 million and payments on construction financing lease obligation of \$1.0 million.

Cash used in financing activities of \$0.3 million for the year ended March 31, 2017 was primarily due to payments on debt of \$4.6 million and payments on capital lease obligations of \$0.2 million, partially offset by \$4.5 million of proceeds from exercises of share options.

Cash provided by financing activities of \$63.8 million for the year ended March 31, 2016 was due primarily to \$68.3 million in proceeds from our IPO, net of issuance costs, and \$0.9 million of proceeds from exercises of share options, partially offset by payments on debt of \$5.4 million.

Net operating loss carryforwards

As of March 31, 2018, we had U.K. net operating loss carryforwards of approximately \$52.6 million that do not expire. As of March 31, 2018, we had U.S. federal net operating loss carryforwards of approximately \$56.4 million. U.S. federal net operating loss carryforwards generated through March 31, 2017 of approximately \$31.5 million expire at various dates through 2037, and U.S. federal net operating loss carryforwards generated during the year ended March 31, 2018 of approximately \$24.9 million do not expire. As of March 31, 2018, we had U.S. state net operating loss carryforwards of approximately \$39.5 million that expire at various dates through 2038. As of March 31, 2018, we had Australian net operating loss carryforwards of approximately \$17.3 million that do not expire. As of March 31, 2018, the Company had Germany net operating loss carryforwards of approximately \$2.4 million that do not expire. As of March 31, 2018, the Company had a U.K. income tax credit carryforward of \$1.2 million that does not expire.

On April 1, 2017, we adopted ASU No. 2016-09, *Compensation – Stock Compensation* (ASU 2016-09). In connection with the adoption, we are required to recognize all excess tax benefits and tax deficiencies attributable to share-based compensation as either income tax expense or tax benefit in the income statement in the period when the awards vest or are settled. We applied this amendment prospectively to excess tax benefits and tax deficiencies arising from vesting or settlement after the adoption date. ASU 2016-09 also requires excess tax benefits to be recognized, regardless as to whether the benefit reduces taxes payable in the current period. We adopted this guidance using a modified retrospective transition method and recorded a cumulative-effect adjustment for certain off-balance sheet net operating loss carryforwards to retained earnings and deferred tax assets with an equal offsetting adjustment to our valuation allowance of approximately \$7.4 million.

In assessing our ability to realize our net deferred tax assets, we considered various factors including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent financial operations, to determine whether it is more likely than not that some portion or all of our net deferred tax assets will not be realized. Based upon these factors, we have determined that the uncertainty regarding the realization of these assets is sufficient to warrant the need for a full valuation allowance against our net deferred tax assets.

Off-balance sheet arrangements

Up to and including the fiscal year ended March 31, 2018, we have not had 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. As a result, we are not exposed to related financing, liquidity, market or credit risks that could arise if we had engaged in those types of arrangements.

Contractual obligations and commitments

The following table represents our contractual obligations as of March 31, 2018, aggregated by type:

	Total	Payments due in:			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
		(in thousands)			
Operating lease obligations	\$ 49,559	\$ 9,470	\$ 12,784	\$ 8,534	\$ 18,771
Capital lease obligations	3,778	1,248	2,204	326	—
Data center obligations	76,207	19,707	38,957	17,424	119
Total	<u>\$ 129,544</u>	<u>\$ 30,425</u>	<u>\$ 53,945</u>	<u>\$ 26,284</u>	<u>\$ 18,890</u>

We lease our facilities under non-cancelable operating leases with various expiration dates through January 2028. We have outstanding letters of credit of \$3.8 million related to certain operating leases.

Recently issued and adopted accounting pronouncements

For information on recent accounting pronouncements, see Note 2. “Summary of Significant Accounting Policies” in the notes to the consolidated financial statements appearing elsewhere in this Annual Report on Form 10-K.

Critical accounting policies and estimates

Our consolidated financial statements and the related notes included elsewhere in this Annual Report on Form 10-K are prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Changes in accounting estimates are reasonably likely to occur from period to period. Accordingly, actual results could differ significantly from our estimates. We evaluate our estimates and assumptions on an ongoing basis. To the extent that there are material differences between our estimates and our actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected.

We believe that of our significant accounting policies, which are described in Note 2 to the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K, the following accounting policies involve a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of our operations.

Revenue Recognition

We derive our revenue from two sources: (1) subscription revenues, which are comprised of subscription fees from customers accessing our cloud services and from customers purchasing additional support beyond the standard support that is included in the basic subscription fees; and (2) related professional services and other revenue, which consists primarily of set-up and ingestion fees as well as training fees.

We recognize revenue when all of the following conditions are satisfied:

- there is persuasive evidence of an arrangement;
- the service has been or is being provided to the customer;
- the collection of the fees is probable; and
- the amount of fees to be paid by the customer is fixed or determinable.

Our subscription arrangements provide customers the right to access our hosted software applications. Customers do not have the right to take possession of our software during the hosting arrangement. Accordingly, we recognize revenue in accordance with ASC 605, *Revenue Recognition*, and Staff Accounting Bulletin (SAB) No. 104, *Revenue Recognition*.

We sell our products and services directly through our sales force and also indirectly through third-party resellers. In accordance with the provisions of ASC 605, we have considered certain factors in determining whether the end-user or the third-party reseller is our customer in arrangements involving resellers. We concluded that in the majority of transactions with resellers, the reseller is our customer. In these arrangements, we considered that it is the reseller, and not us, that has the relationship with the end-user. Specifically, the reseller has the ability to set pricing with the end-user and the credit risk with the end-user is borne by the reseller. Further, the reseller is not obligated to report its transaction price with the end-user to us, and in the majority of transactions, we are unable to determine the amount paid by the end-user customer to the reseller in these transactions. As a result of such considerations, revenue for these transactions is presented in the accompanying consolidated statements of operations based upon the amount billed to the reseller. For transactions where we have determined that the end-user is the ultimate customer, revenue is presented in the accompanying consolidated statements of operations based on the transaction price with the end-user.

We recognize subscription and support revenue ratably over the term of the contract, typically one year in duration, beginning on the commencement date of each contract.

Amounts that have been invoiced are recorded in accounts receivable and in deferred revenue or revenue, depending on whether the revenue recognition criteria have been met.

Our professional services contracts are on a time and material basis. When these services are not combined with subscription revenues as a single unit of accounting, as discussed below, we recognize these revenues as the services are rendered.

Revenue is presented net of any taxes collected from customers.

We may enter into arrangements with multiple-deliverables that generally include multiple subscriptions, premium support and professional services. For arrangements with multiple deliverables, we evaluate each deliverable to determine whether it represents a separate unit of accounting based on the following criteria: (a) whether the delivered item has value to the customer on a stand-alone basis; and (b) if the contract includes a general right of return relative to the delivered item, whether delivery or performance of the undelivered items is considered probable and substantially within our control.

If the deliverables are determined to qualify as separate units of accounting, consideration is allocated to each unit of accounting based on the units' relative selling prices. We determine the relative selling price for a deliverable based on its vendor-specific objective evidence of fair value, or VSOE, if available, or its best estimate of selling price, if VSOE is not available. We have determined that third-party evidence of selling price is not a practical alternative due to differences in our service offerings compared to other parties and the availability of relevant third-party pricing information. The amount of revenue allocated to delivered items is limited by contingent revenue, if any.

Subscription services have standalone value as such services are often sold separately. In determining whether professional services sold together with the subscription services have standalone value, we consider the following factors for each professional services agreement: availability of the services from other vendors, the nature of the professional services, the determination that customers cannot resell the services that we provide, the timing of when the professional services contract was signed in comparison to the subscription service start date and the contractual dependence of the subscription service on the customer's satisfaction with the professional services work. Professional services sold at the time of the multiple-element subscription arrangement typically include customer set-up and ingestion services. To date, we have concluded that all of these professional services included in executed multiple-deliverable arrangements do not have standalone value and are therefore not considered separate units of accounting. These professional services are purchased by customers only in contemplation of, or in concert with, purchasing one of our hosted subscription solutions and, therefore, are not considered a substantive service, such that the provision of such service does not reflect the culmination of the earnings process. We do not sell these services without the related underlying primary subscription as there

would be no practical interest or need on the behalf of a customer to buy these services without the underlying subscription. We do not have any knowledge of other vendors selling these services on a stand-alone basis and there is no way for an end-user to resell the deliverable. Accordingly, the deliverables within the arrangement including both subscription services and other professional services are accounted for as a single unit of accounting. On these occasions, revenue for the professional services deliverables in the arrangement is recognized on a straight-line basis over the contractual term or the average customer life, as further described below.

Deferred revenue primarily consists of billings or payments received in advance of revenue recognition from subscription services described above and is recognized as the revenue recognition criteria are met. In addition, deferred revenue consists of amounts paid by customers related to upfront set-up or ingestion fees. Revenue related to such services is recognized over the contractual term or the average customer life, whichever is longer. The estimated customer life has been determined to be six years.

Deferred revenue that is expected to be recognized during the succeeding twelve-month period is recorded as current deferred revenue and the remaining portion is recorded as non-current in the accompanying consolidated balance sheets.

Income taxes

We are subject to income tax in the United Kingdom, the United States and other international jurisdictions, and we use estimates in determining our provision for income taxes. We account for income taxes in accordance with ASC 740, *Income Taxes*. ASC 740 is an asset and liability approach that requires recognition of deferred tax assets and liabilities for the expected future tax consequences attributable to differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax basis, and for net operating loss and tax credit carryforwards. ASC 740 requires a valuation allowance against net deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. In making such determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent financial operations. Realization of deferred tax assets is dependent upon future earnings, if any, the timing and amount of which are uncertain. Accordingly, the net deferred tax assets have been fully offset by a valuation allowance.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not the tax position will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such position are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. As of March 31, 2018 and 2017, we did not have any uncertain tax positions that would impact our net tax provision if recognized.

Accounting for share-based compensation awards

We account for share-based compensation awards in accordance with the provisions of ASC 718, *Compensation—Stock Compensation*, which requires the recognition of expense related to the fair value of share-based compensation awards in the statements of operations. For service-based awards, we recognize share-based compensation expense on a straight-line basis over the requisite service period of the award.

In connection with the adoption of ASU 2016-09 on April 1, 2017, we changed our accounting policy to record actual forfeitures as they occur, rather than estimating forfeitures by applying a forfeiture rate. This change has been applied on a modified retrospective basis, resulting in a cumulative effect adjustment on the date of adoption, which increased accumulated deficit and additional paid-in-capital by \$0.1 million. For additional information, see Note 2 to the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

Share Options

We estimate the fair value of employee share options on the date of grant using the Black-Scholes option-pricing model, which requires the use of highly subjective estimates and assumptions. We estimate the expected term of share options for service-based awards utilizing the "Simplified Method," as we do not have sufficient historical share option exercise information on which to base our estimate. The Simplified Method is based on the average of the vesting tranches and the contractual life of each grant. The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected life of the share option. Since there was no public market for our ordinary shares prior to the IPO and as our shares have been publicly traded for a limited time, we determined the expected volatility for options granted based on an analysis of reported data for a peer group of companies that issue options with substantially similar terms. The expected volatility of options granted has been determined using an average of the historical volatility measures of this peer group of companies. We use an expected dividend rate of zero as we currently have no history or expectation of paying dividends on our ordinary shares. The grant date fair value of our ordinary shares at the time of each share option grant is based on the closing market value on the date of grant.

Employee Stock Purchase Plan (ESPP)

We estimate the fair value of ESPP share options on the date of grant using the Black-Scholes option-pricing model, which requires the use of highly subjective estimates and assumptions. We estimate the expected term of ESPP share options based on the length of each offering period, which is six months. The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected life of the ESPP share option. Expected volatility is based on our historical volatility. We use an expected dividend rate of zero as we currently have no history or expectation of paying dividends on our ordinary shares. The grant date fair value per ordinary share is based on the closing market value on the first day of each ESPP offering period.

Restricted Share Units (RSUs)

For restricted share units issued under our share-based compensation plans, the fair value of each grant is calculated based on the closing market value of our ordinary shares on the date of grant.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

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 foreign currency rates, although we also have some exposure due to potential changes in inflation or interest rates. We do not hold financial instruments for trading purposes.

Foreign Currency Risk

Our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the British pound and South African rand. Percentage of revenues and expenses in foreign currency is as follows:

	Year ended March 31,	
	2018	2017
Revenues generated in locations outside the United States	51%	51%
Revenues in currencies other than the United States dollar	49%	50%
Expenses in currencies other than the United States dollar	49%	47%

Percentage of revenues and expenses denominated in foreign currency for the years ended March 31, 2018 and 2017:

	Year ended March 31, 2018	
	Revenues	Expenses
British pound	29%	35%
South African Rand	15%	6%
Other currencies	5%	8%
Total	49%	49%

	Year ended March 31, 2017	
	Revenues	Expenses
British pound	31%	36%
South African Rand	15%	6%
Other currencies	4%	5%
Total	50%	47%

As of March 31, 2018 and 2017, we had \$35.3 million and \$24.0 million respectively, of receivables denominated in currencies other than the U.S. dollar. We also maintain cash accounts denominated in currencies other than the local currency, which exposes us to foreign exchange rate movements. As of March 31, 2018 and 2017, we had \$20.4 million and \$27.0 million respectively, of cash denominated in currencies other than the U.S. dollar. As of March 31, 2018, cash denominated in British pounds and South African rand was \$6.0 million and \$10.7 million, respectively. As of March 31, 2017, cash denominated in British pounds and South African rand was \$19.6 million and \$5.0 million, respectively.

In addition, although our foreign subsidiaries have intercompany accounts that are eliminated upon consolidation, these accounts expose us to foreign currency exchange rate fluctuations. Exchange rate fluctuations on short-term intercompany accounts are recorded in our consolidated statements of operations under "foreign exchange (expense) income."

Currently, our largest foreign currency exposures are to the British pound and South African rand. Relative to foreign currency exposures existing as of March 31, 2018, significant movements in foreign currency exchange rates may expose us to significant losses in earnings or cash flows or significantly diminish the fair value of our foreign currency financial instruments. For the year ended March 31, 2018, we estimate that a 10% decrease in foreign currency exchange rates against the U.S. dollar would have decreased revenue by \$13.0 million, decreased expenses by \$13.0 million and have no impact on our operating results. For the year ended March 31, 2017, we estimate that a 10% decrease in foreign currency exchange rates against the U.S. dollar would have decreased revenue by \$9.3 million, decreased expenses by \$9.3 million and have no impact on our operating results. The estimates used assume that all currencies move in the same direction at the same time and the ratio of non-U.S. dollar denominated revenue and expenses to U.S. dollar denominated revenue and expenses does not change from current levels. Since a portion of our revenue is deferred revenue that is recorded at different foreign currency exchange rates, the impact to revenue of a change in foreign currency exchange rates is recognized over time, and the impact to expenses is more immediate, as expenses are recognized at the current foreign currency exchange rate in effect at the time the expense is incurred. All of the potential changes noted above are based on sensitivity analyses performed on our financial results as of March 31, 2018 and 2017.

Inflation Risk

Inflationary factors, such as increases in our operating expenses, may adversely affect our results of operations, as our customers typically purchase services from us on a subscription basis over a period of time. Although we do not believe that inflation has had a material impact on our financial position or results of operations to date, an increase in the rate of inflation in the future may have an adverse effect on our levels of operating expenses as a percentage of revenue if we are unable to increase the prices for our subscription-based services to keep pace with these increased expenses.

Interest Rate Risk

We are exposed to market risk related to changes in interest rates. Our investments primarily consist of short-term investments and money market funds. As of March 31, 2018 and 2017, we had cash, cash equivalents and investments of \$137.2 million and \$111.7 million, respectively. The carrying amount of our cash equivalents reasonably approximates fair value, due to the short maturities of these investments. The primary objectives of our investment activities are the preservation of capital, the fulfillment of liquidity needs and the fiduciary control of cash and investments. We do not enter into investments for trading or speculative purposes. Our investments are exposed to market risk due to a fluctuation in interest rates, which may affect our interest income and the fair market value of our investments. Due to the short-term nature of our investment portfolio, we believe only dramatic fluctuations in interest rates would have a material effect on our investments. We do not believe that an immediate 10% increase in interest rates would have a material effect on the fair market value of our portfolio. As such we do not expect our operating results or cash flows to be materially affected by a sudden change in market interest rates.

Item 8. Financial Statements and Supplementary Data.

**MIMECAST LIMITED
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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Mimecast Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Mimecast Limited (the Company) as of March 31, 2018 and 2017, the related consolidated statements of operations, comprehensive loss, convertible preferred shares and shareholders' equity (deficit) and cash flows for each of the three years in the period ended March 31, 2018, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at March 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2018, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of March 31, 2018, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated May 29, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2015.

Boston, Massachusetts
May 29, 2018

MIMECAST LIMITED
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	As of March 31,	
	2018	2017
Assets		
Current assets		
Cash and cash equivalents	\$ 78,339	\$ 51,319
Short-term investments	58,871	60,347
Accounts receivable, net	65,392	44,358
Prepaid expenses and other current assets	15,302	10,054
Total current assets	217,904	166,078
Property and equipment, net	123,822	32,009
Intangible assets, net	9,819	1,590
Goodwill	5,631	5,363
Other assets	1,222	312
Total assets	<u>\$ 358,398</u>	<u>\$ 205,352</u>
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	\$ 6,052	\$ 3,558
Accrued expenses and other current liabilities	33,878	20,713
Deferred revenue	123,057	84,159
Current portion of capital lease obligations	1,125	233
Current portion of long-term debt	—	1,725
Total current liabilities	164,112	110,388
Deferred revenue, net of current portion	18,045	11,189
Long-term capital lease obligations	2,390	245
Construction financing lease obligation	67,205	—
Other non-current liabilities	4,954	1,538
Total liabilities	256,706	123,360
Commitments and contingencies (Note 12)		
Shareholders' equity		
Ordinary shares, \$0.012 par value, 300,000,000 shares authorized; 58,949,644 and 55,901,996 shares issued and outstanding as of March 31, 2018 and 2017, respectively	707	671
Additional paid-in capital	212,839	183,752
Accumulated deficit	(106,507)	(94,017)
Accumulated other comprehensive loss	(5,347)	(8,414)
Total shareholders' equity	101,692	81,992
Total liabilities and shareholders' equity	<u>\$ 358,398</u>	<u>\$ 205,352</u>

The accompanying notes are an integral part of these consolidated financial statements.

MIMECAST LIMITED
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	Year Ended March 31,		
	2018	2017	2016
Revenue	\$ 261,897	\$ 186,563	\$ 141,841
Cost of revenue	69,699	50,314	41,809
Gross profit	<u>192,198</u>	<u>136,249</u>	<u>100,032</u>
Operating expenses			
Research and development	38,373	22,593	17,663
Sales and marketing	121,246	96,154	65,187
General and administrative	36,989	27,875	19,756
Impairment of long-lived assets	1,712	—	—
Restructuring	832	—	—
Total operating expenses	<u>199,152</u>	<u>146,622</u>	<u>102,606</u>
Loss from operations	(6,954)	(10,373)	(2,574)
Other income (expense)			
Interest income	1,310	510	74
Interest expense	(598)	(268)	(690)
Foreign exchange (expense) income	(3,511)	6,892	811
Other income, net	72	—	—
Total other income (expense), net	<u>(2,727)</u>	<u>7,134</u>	<u>195</u>
Loss before income taxes	(9,681)	(3,239)	(2,379)
Provision for income taxes	2,705	2,202	865
Net loss	<u>\$ (12,386)</u>	<u>\$ (5,441)</u>	<u>\$ (3,244)</u>
Net loss per ordinary share			
Basic and diluted	\$ (0.22)	\$ (0.10)	\$ (0.08)
Weighted-average number of ordinary shares outstanding			
Basic and diluted	57,269	54,810	40,826

The accompanying notes are an integral part of these consolidated financial statements.

MIMECAST LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)

	Year ended March 31,		
	2018	2017	2016
Net loss	\$ (12,386)	\$ (5,441)	\$ (3,244)
Other comprehensive income (loss):			
Net unrealized gains (losses) on investments, net of tax	40	(129)	—
Change in foreign currency translation adjustment	2,839	(5,247)	(1,707)
Reclassification of cumulative translation adjustment to net loss upon liquidation of subsidiaries, net of tax	188	—	—
Total other comprehensive income (loss)	3,067	(5,376)	(1,707)
Comprehensive loss	<u>\$ (9,319)</u>	<u>\$ (10,817)</u>	<u>\$ (4,951)</u>

The accompanying notes are an integral part of these consolidated financial statements.

MIMECAST LIMITED
CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED SHARES AND
SHAREHOLDERS' EQUITY (DEFICIT)
(in thousands)

	Convertible Preferred Shares		Ordinary Shares		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Shareholders' (Deficit) Equity
	Number of Shares	Amount	Number of Shares	Amount				
Balance as of March 31, 2015	12,576	\$ 59,305	32,928	\$ 395	\$ 32,417	\$ (85,332)	\$ (1,331)	\$ (53,851)
Net loss	—	—	—	—	—	(3,244)	—	(3,244)
Foreign currency translation adjustment	—	—	—	—	—	—	(1,707)	(1,707)
Issuance of ordinary shares upon exercise of share options	—	—	941	12	873	—	—	885
Issuance of ordinary shares upon settlement of liability awards	—	—	50	—	523	—	—	523
Conversion of convertible preferred shares into ordinary shares	(12,576)	(59,305)	12,576	151	59,154	—	—	59,305
Class C ordinary shares lost upon conversion to Class A ordinary shares	—	—	(31)	—	—	—	—	—
Issuance of ordinary shares in relation to IPO, net of public offering issuance costs of \$9,172	—	—	7,750	93	68,235	—	—	68,328
Share-based compensation	—	—	—	—	7,835	—	—	7,835
Vesting of restricted share units	—	—	3	—	—	—	—	—
Balance as of March 31, 2016	—	—	54,217	651	169,037	(88,576)	(3,038)	78,074
Net loss	—	—	—	—	—	(5,441)	—	(5,441)
Foreign currency translation adjustment	—	—	—	—	—	—	(5,247)	(5,247)
Unrealized losses on investments	—	—	—	—	—	—	(129)	(129)
Issuance of ordinary shares upon exercise of share options	—	—	1,657	20	4,456	—	—	4,476
Share-based compensation	—	—	—	—	10,259	—	—	10,259
Vesting of restricted share units	—	—	28	—	—	—	—	—
Balance as of March 31, 2017	—	—	55,902	671	183,752	(94,017)	(8,414)	81,992
Cumulative effect adjustment ASU 2016-09	—	—	—	—	104	(104)	—	—
Excess tax benefits related to exercise of share options	—	—	—	—	217	—	—	217
Net loss	—	—	—	—	—	(12,386)	—	(12,386)
Foreign currency translation adjustment	—	—	—	—	—	—	3,027	3,027
Unrealized gains on investments	—	—	—	—	—	—	40	40
Issuance of ordinary shares upon exercise of share options	—	—	2,961	36	15,600	—	—	15,636
Share-based compensation	—	—	—	—	11,763	—	—	11,763
ESPP purchase	—	—	67	—	1,492	—	—	1,492
Tax withholdings on issuance of ordinary shares	—	—	(3)	—	(89)	—	—	(89)
Vesting of restricted share units	—	—	23	—	—	—	—	—
Balance as of March 31, 2018	—	\$ —	58,950	\$ 707	\$ 212,839	\$ (106,507)	\$ (5,347)	\$ 101,692

The accompanying notes are an integral part of these consolidated financial statements.

MIMECAST LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year ended March 31,		
	2018	2017	2016
Operating activities			
Net loss	\$ (12,386)	\$ (5,441)	\$ (3,244)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	18,960	11,881	10,527
Share-based compensation expense	11,734	10,294	7,886
Provision for doubtful accounts	185	87	91
Impairment of long-lived assets	1,712	—	—
Loss (gain) on disposal of fixed assets	181	(4)	(5)
Other non-cash items	184	132	106
Unrealized currency loss (gain) on foreign denominated transactions	2,958	(6,496)	(988)
Changes in assets and liabilities:			
Accounts receivable	(18,120)	(11,750)	(9,820)
Prepaid expenses and other current assets	(5,037)	(2,752)	(2,191)
Other assets	33	1,861	(437)
Accounts payable	(104)	758	(542)
Deferred revenue	39,042	29,072	18,588
Accrued expenses and other liabilities	7,070	4,872	4,672
Net cash provided by operating activities	46,412	32,514	24,643
Investing activities			
Purchases of investments	(76,948)	(67,550)	—
Maturities of investments	77,808	7,000	—
Purchases of property, equipment and capitalized software	(34,498)	(18,491)	(14,234)
Payments for acquisitions	(1,381)	(5,574)	—
Net cash used in investing activities	(35,019)	(84,615)	(14,234)
Financing activities			
Proceeds from issuance of ordinary shares	17,039	4,476	885
Payments on debt	(1,825)	(4,559)	(5,412)
Payments on capital lease obligations	(1,039)	(249)	—
Payments on construction financing lease obligation	(1,019)	—	—
Proceeds from initial public offering, net of issuance costs	—	—	68,328
Net cash provided by (used in) financing activities	13,156	(332)	63,801
Effect of foreign exchange rates on cash	2,471	(2,388)	(960)
Net increase (decrease) in cash and cash equivalents	27,020	(54,821)	73,250
Cash and cash equivalents at beginning of period	51,319	106,140	32,890
Cash and cash equivalents at end of period	\$ 78,339	\$ 51,319	\$ 106,140
Supplemental disclosure of cash flow information			
Cash paid during the period for interest	\$ 591	\$ 211	\$ 488
Cash paid during the period for income taxes	\$ 2,545	\$ 2,046	\$ 58
Supplemental disclosure of non-cash investing and financing activities			
Unpaid purchases of property and equipment	\$ 2,422	\$ 848	\$ 308
Property and equipment acquired under capital lease	\$ 4,000	\$ 713	\$ —
Unpaid purchases of capitalized software licenses	\$ 5,555	\$ —	\$ —
Conversion of convertible preferred shares to ordinary shares	\$ —	\$ —	\$ 59,305
Amounts due for acquisition of business	\$ —	\$ 600	\$ —
Construction costs capitalized under financing lease obligations	\$ 70,645	\$ —	\$ —

The accompanying notes are an integral part of these consolidated financial statements.

MIMECAST LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years ended March 31, 2018, 2017 and 2016
(in thousands, except share and per share data, unless otherwise noted)

1. Organization and Description of Business

Mimecast Limited (Mimecast Jersey) is a public limited company organized under the laws of the Bailiwick of Jersey on July 28, 2015. On November 4, 2015, Mimecast Jersey changed its corporate structure whereby it became the holding company of Mimecast Limited (Mimecast UK), a private limited company incorporated in 2003 under the laws of England and Wales, and its wholly-owned subsidiaries by way of a share-for-share exchange in which the shareholders of Mimecast UK exchanged their shares in Mimecast UK for an identical number of shares of the same class in Mimecast Jersey. Upon the exchange, the historical consolidated financial statements of Mimecast UK became the historical consolidated financial statements of Mimecast Jersey.

Mimecast Jersey and its subsidiaries (together the Group, the Company, Mimecast or we) is headquartered in London, England. The principal activity of the Group is the provision of email management services. Mimecast delivers a software-as-a-service (SaaS) enterprise email management service for archiving, continuity, and security. By unifying disparate and fragmented email environments into one holistic solution from the cloud, Mimecast minimizes risk and reduces cost and complexity while providing total end-to-end control of email. Mimecast's proprietary software platform provides a single system to address key email management issues. Mimecast operates principally in Europe, North America, Africa and Australia.

The Company is subject to a number of risks and uncertainties common to companies in similar industries and stages of development including, but not limited to, rapid technological changes, competition from substitute products and services from larger companies, customer concentration, management of international activities, protection of proprietary rights, patent litigation, and dependence on key individuals.

2. Summary of Significant Accounting Policies

The accompanying consolidated financial statements reflect the application of certain significant accounting policies as described below and elsewhere in these notes to the consolidated financial statements. The Company believes that a significant accounting policy is one that is both important to the portrayal of the Company's financial condition and results, and requires management's most difficult, subjective, or complex judgments, often as the result of the need to make estimates about the effect of matters that are inherently uncertain.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification (ASC) and Accounting Standards Update (ASU) of the Financial Accounting Standards Board (FASB).

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period.

Significant estimates relied upon in preparing these consolidated financial statements include revenue recognition, allowances for doubtful accounts, intangible asset valuations, amortization periods, expected future cash flows used to evaluate the recoverability of long-lived assets, contingent liabilities, construction financing lease obligations, restructuring liabilities, expensing and capitalization of research and development costs for internal-use software, the determination of the fair value of share-based awards issued, share-based compensation expense, and the recoverability of the Company's net deferred tax assets and related valuation allowance.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates. The Company bases its estimates on historical experience and various other assumptions that it believes to be reasonable under the circumstances. Actual results may differ from management's estimates if these results differ from historical experience, or other assumptions do not turn out to be substantially accurate, even if such assumptions are reasonable when made. Changes in estimates are recorded in the period in which they become known.

Subsequent Events Considerations

The Company considers events or transactions that occur after the balance sheet date but prior to the issuance of the financial statements to provide additional evidence for certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated as required. See Note 16.

Cash, Cash Equivalents and Investments

The Company considers all highly liquid instruments purchased with an original maturity date of 90 days or less from the date of purchase to be cash equivalents. Cash and cash equivalents consist of cash on deposit with banks, amounts held in interest-bearing money market funds and investments with maturities of 90 days or less from the date of purchase. Cash equivalents are carried at cost, which approximates their fair market value. Investments not classified as cash equivalents are presented as either short-term or long-term investments based on both their stated maturities as well as the time period the Company intends to hold such securities. The Company determines the appropriate classification of investments at the time of purchase and reevaluates such designation at each balance sheet date. The Company adjusts the cost of investments for amortization of premiums and accretion of discounts to maturity. The Company includes such amortization and accretion in interest income.

The Company has classified all of its investments as of March 31, 2018 as available-for-sale pursuant to ASC 320, *Investments – Debt and Equity Securities*. The Company records available-for-sale securities at fair value, with unrealized gains and losses included in accumulated other comprehensive loss in shareholders' equity. The Company includes interest and dividends on securities classified as available-for-sale in interest income. Realized gains and losses are recorded in the consolidated statements of operations and comprehensive loss based on the specific-identification method. There were no realized gains or losses on investments for the year ended March 31, 2018.

The Company reviews investments for other-than-temporary impairment whenever the fair value of an investment is less than the amortized cost and evidence indicates that an investment's carrying amount is not recoverable within a reasonable period of time. Other-than-temporary impairments of investments are recognized in the consolidated statements of operations if the Company has experienced a credit loss, has the intent to sell the investment, or if it is more likely than not that the Company will be required to sell the investment before recovery of the amortized cost basis. Evidence considered in this assessment includes reasons for the impairment, compliance with the Company's investment policy, the severity and the duration of the impairment and changes in value subsequent to the end of the period. The aggregate fair value of investments held by the Company in an unrealized loss position for less than twelve months as of March 31, 2018 was \$45.9 million. As of March 31, 2018, the Company determined that no other-than-temporary impairments were required to be recognized in the consolidated statements of operations.

The following is a summary of cash, cash equivalents and investments as of March 31, 2018 and March 31, 2017:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
March 31, 2018:				
Cash and cash equivalents due in 90 days or less	\$ 78,339	\$ —	\$ —	\$ 78,339
Investments:				
U.S. treasury securities due in one year or less	2,995	—	(5)	2,990
Non-U.S. government securities due in one year or less	5,996	1	(1)	5,996
Corporate securities due in one year or less	49,969	8	(92)	49,885
Total investments	58,960	9	(98)	58,871
Total cash, cash equivalents and investments	\$ 137,299	\$ 9	\$ (98)	\$ 137,210

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
March 31, 2017:				
Cash and cash equivalents due in 90 days or less	\$ 51,319	\$ —	\$ —	\$ 51,319
Investments:				
U.S. treasury securities due in one year or less	3,501	5	—	3,506
Non-U.S. government securities due in one year or less	14,515	2	(23)	14,494
Corporate securities due in one year or less	42,460	2	(115)	42,347
Total investments	60,476	9	(138)	60,347
Total cash, cash equivalents and investments	\$ 111,795	\$ 9	\$ (138)	\$ 111,666

Revenue Recognition

The Company derives its revenue from two sources: (1) subscription revenue, which is comprised of subscription fees from customers accessing the Company's cloud services and from customers purchasing additional support beyond the standard support that is included in the basic subscription fees; and (2) related professional services and other revenue, which consists primarily of set-up and ingestion fees as well as training fees.

The Company recognizes revenue when all of the following conditions are satisfied:

- there is persuasive evidence of an arrangement;
- the service has been or is being provided to the customer;
- the collection of the fees is probable; and
- the amount of fees to be paid by the customer is fixed or determinable.

The Company's subscription arrangements provide customers the right to access its hosted software applications. Customers do not have the right to take possession of the Company's software during the hosting arrangement. Accordingly, the Company recognizes revenue in accordance with ASC 605, *Revenue Recognition*, and Staff Accounting Bulletin (SAB) No. 104, *Revenue Recognition*.

The Company's products and services are sold directly by the Company's sales force and also indirectly by third-party resellers. In accordance with the provisions of ASC 605, the Company has considered certain factors in determining whether the end-user or the third-party reseller is the Company's customer in arrangements involving resellers. The Company has concluded that in the majority of transactions with resellers, the reseller is the Company's customer. In these arrangements, the Company considered that it is the reseller, and not the Company, that has the relationship with the end-user. Specifically, the reseller has the ability to set pricing with the end-user and the credit risk with the end-user is borne by the reseller. Further, the reseller is not obligated to report its transaction price with the end-user to the Company, and in the majority of transactions, the Company is unable to determine the amount paid by the end-user customer to the reseller in these transactions. As a result of such considerations, revenue for these transactions is presented in the accompanying consolidated statements of operations based upon the amount billed to the reseller. For transactions where the Company has determined that the end-user is the ultimate customer, revenue is presented in the accompanying consolidated statements of operations based on the transaction price with the end-user.

Subscription and support revenue is recognized ratably over the term of the contract, typically one year in duration, beginning on the commencement date of each contract.

Amounts that have been invoiced are recorded in accounts receivable and in deferred revenue or revenue, depending on whether the revenue recognition criteria have been met.

The Company's professional services contracts are on a time and material basis. When these services are not combined with subscription revenues as a single unit of accounting, as discussed below, these revenues are recognized as the services are rendered.

Revenue is presented net of any taxes collected from customers.

At times, the Company may enter into arrangements with multiple-deliverables that generally include multiple subscriptions, premium support and professional services. For arrangements with multiple deliverables, the Company evaluates each deliverable to determine whether it represents a separate unit of accounting based on the following criteria: (a) whether the delivered item has value to the customer on a stand-alone basis; and (b) if the contract includes a general right of return relative to the delivered item, whether delivery or performance of the undelivered items is considered probable and substantially within our control.

If the deliverables are determined to qualify as separate units of accounting, consideration is allocated to each unit of accounting based on the units' relative selling prices. The Company determines the relative selling price for a deliverable based on its vendor-specific objective evidence of fair value (VSOE), if available, or its best estimate of selling price (BESP), if VSOE is not available. The Company has determined that third-party evidence of selling price (TPE) is not a practical alternative due to differences in its service offerings compared to other parties and the availability of relevant third-party pricing information. The amount of revenue allocated to delivered items is limited by contingent revenue, if any.

Subscription services have standalone value as such services are often sold separately. In determining whether professional services sold together with the subscription services have standalone value, the Company considers the following factors for each professional services agreement: availability of the services from other vendors, the nature of the professional services, the determination that customers cannot resell the services that Mimecast provides, the timing of when the professional services contract was signed in comparison to the subscription service start date and the contractual dependence of the subscription service on the customer's satisfaction with the professional services work. Professional services sold at the time of the multiple-element subscription arrangement typically include customer set-up and ingestion services. To date, the Company has concluded that all of these professional services included in executed multiple-deliverable arrangements do not have standalone value and are therefore not considered separate units of accounting. These professional services are purchased by customers only in contemplation of, or in concert with, purchasing one of the hosted subscription solutions and, therefore, are not considered a substantive service, such that the provision of such service does not reflect the culmination of the earnings process. Mimecast does not sell these services without the related underlying primary subscription as there would be no practical interest or need on the behalf of a customer to buy these services without the underlying subscription. The Company does not have any knowledge of other vendors selling these services on a stand-alone basis and there is no way for an end-user to resell the deliverable. Accordingly, the deliverables within the arrangement including both subscription services and other professional services are accounted for as a single unit of accounting in accordance with the guidance in SAB No. 104. On these occasions, revenue for the professional services deliverables in the arrangement is recognized on a straight-line basis over the contractual term or the average customer life, as further described below.

Deferred Revenue

Deferred revenue primarily consists of billings or payments received in advance of revenue recognition from subscription services described above and is recognized as the revenue recognition criteria are met. In addition, deferred revenue consists of amounts paid by customers related to upfront set-up or ingestion fees. Revenue related to such services is recognized over the contractual term or the average customer life, whichever is longer. The estimated customer life has been determined to be six years.

Deferred revenue that is expected to be recognized during the succeeding twelve-month period is recorded as current deferred revenue and the remaining portion is recorded as noncurrent in the accompanying consolidated balance sheets.

Cost of Revenue

Cost of revenue primarily consists of expenses related to supporting and hosting the Company's product offerings and delivering professional services. These costs include salaries, benefits, incentive compensation and share-based compensation expense related to the management of the Company's data centers, customer support team and the Company's professional services team. In addition to these costs, the Company incurs third-party service provider costs such as data center and networking expenses, allocated overhead, amortization of intangible assets and depreciation expense.

Concentration of Credit Risk and Off-Balance Sheet Risk

The Company has no off-balance sheet risk, such as foreign exchange contracts, option contracts, or other foreign hedging arrangements. Financial instruments, which potentially subject us to concentrations of credit risk, consist primarily of cash and cash equivalents, investments and accounts receivable. We maintain our cash and cash equivalents with major financial institutions of high-credit quality. Although the Company deposits its cash with multiple financial institutions, its deposits, at times, may exceed federally insured limits.

Credit risk with respect to accounts receivable is dispersed due to our large number of customers. The Company's accounts receivable are derived from revenue earned from customers primarily located in the United Kingdom, the United States, and South Africa. The Company generally does not require its customers to provide collateral or other security to support accounts receivable. Credit losses historically have not been significant and the Company generally has not experienced any material losses related to receivables from individual customers, or groups of customers. Due to these factors, no additional credit risk beyond amounts provided for collection losses is believed by management to be probable in the Company's accounts receivable. As of March 31, 2018 and 2017, no individual customer represented more than 10% of our accounts receivable. During the years ended March 31, 2018, 2017 and 2016, no individual customer represented more than 10% of our revenue.

The Company's Board approved investment policy permits investments in fixed income securities denominated and payable in U.S. dollars including U.S. government and agency securities, non-U.S. government securities, money market instruments, commercial paper, certificates of deposit, corporate bonds and asset-backed securities. The Company diversifies its investment portfolio by investing in multiple types of investment-grade securities across various industries and issuers, limiting the amount invested in individual securities and limiting the average maturity to two years or less.

As of March 31, 2018, our investments consisted primarily of investment-grade fixed income corporate debt securities with maturities ranging from 1 to 8 months, non-U.S. government securities with maturities ranging from 2 to 6 months and U.S. treasury securities with maturities in approximately 4 months.

Allowance for Doubtful Accounts

We make judgments as to our ability to collect outstanding receivables and provide allowances for the portion of receivables when a loss is reasonably expected to occur. The allowance for doubtful accounts is established to represent the best estimate of the net realizable value of the outstanding accounts receivable. The development of the allowance for doubtful accounts is based on a review of past due amounts, historical write-off and recovery experience, as well as aging trends affecting specific accounts and general operational factors affecting all amounts. In addition, factors are developed utilizing historical trends in bad debts, returns and allowances.

We consider current economic trends when evaluating the adequacy of the allowance for doubtful accounts. If circumstances relating to specific customers change or unanticipated changes occur in the general business environment, our estimates of the recoverability of receivables could be further adjusted. For the years ended March 31, 2018, 2017 and 2016, bad debt expense was \$185, \$87 and \$91, respectively. The allowance for doubtful accounts as of March 31, 2018 and 2017 was not material.

Property and Equipment

Property and equipment are stated at cost, and are depreciated using the straight-line method over the estimated useful life of the assets. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the related asset. Property and equipment acquired under capital leases is amortized over the lease term or, in circumstances where ownership is transferred by the end of the lease or there is a bargain purchase option, over the useful life that would be assigned if the asset were owned. Upon retirement or sale, the cost of assets disposed of, and the related accumulated depreciation, are removed from the accounts, and any resulting gain or loss is included in the determination of net loss in the period of retirement or sale. The estimated useful lives of the Company's property and equipment are as follows:

	Estimated Useful Life
Buildings and building improvements (1)	10
Computer equipment	3 to 5
Leasehold improvements	Lesser of asset life or lease term
Furniture and fixtures	5
Office equipment	3

(1) Building and building improvement assets under build-to-suit accounting are depreciated over their useful lives during the lease period.

Expenditures for maintenance and repairs are charged to expense as incurred, whereas major betterments are capitalized as additions to property and equipment.

Business Combinations

In accordance with ASC 805, *Business Combinations* (ASC 805), we recognize the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values. Determining these fair values requires management to make significant estimates and assumptions, especially with respect to intangible assets.

We recognize identifiable assets acquired and liabilities assumed at their acquisition date fair value. Goodwill as of the acquisition date is measured as the excess of consideration transferred over the net of the acquisition date fair value of the assets acquired and the liabilities assumed and represents the expected future economic benefits arising from other assets acquired that are not individually identified and separately recognized. While we use our best estimates and assumptions as part of the purchase price allocation process to accurately value assets acquired and liabilities assumed at the acquisition date, our estimates are inherently uncertain and subject to refinement. Assumptions may be incomplete or inaccurate, and unanticipated events or circumstances may occur, which may affect the accuracy or validity of such assumptions, estimates or actual results. As a result, during the measurement period, which may be up to one year from the acquisition date, we record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill to the extent that we identify adjustments to the preliminary purchase price allocation. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the consolidated statements of operations.

Goodwill and acquired intangible assets

Goodwill is not amortized, but is evaluated for impairment annually, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. We have determined that there is a single reporting unit for the purpose of conducting this goodwill impairment assessment. For purposes of assessing potential impairment, we estimate the fair value of the reporting unit, based on our market capitalization, and compare this amount to the carrying value of the reporting unit. If we determine that the carrying value of the reporting unit exceeds its fair value, an impairment charge would be required. Our annual goodwill impairment test is performed as of January 1st of each year. To date, we have not identified any impairment to goodwill.

Intangible assets acquired in a business combination are recorded at their estimated fair values at the date of acquisition. We amortize acquired definite-lived intangible assets over their estimated useful lives based on the pattern of consumption of the economic benefits or, if that pattern cannot be readily determined, on a straight-line basis.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, including property and equipment and definite-lived intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. During this review, the Company re-evaluates the significant assumptions used in determining the original cost and estimated lives of long-lived assets. Although the assumptions may vary from asset to asset, they generally include operating results, changes in the use of the asset, cash flows, and other indicators of value. Management then determines whether the remaining useful life continues to be appropriate, or whether there has been an impairment of long-lived assets based primarily upon whether expected future undiscounted cash flows are sufficient to support the recoverability of these assets. Recoverability of these assets is measured by comparison of the carrying amount of the asset to the future undiscounted cash flows the asset is expected to generate. If the asset is considered to be impaired, the amount of any impairment is measured as the difference between the carrying value and the fair value of the impaired asset.

For the year ended March 31, 2018, the Company recorded an impairment of long-lived assets of \$1.7 million due to the exit of its Watertown facilities in the fourth quarter of fiscal 2018. See Note 3. For the years ended March 31, 2017 and 2016, the Company did not identify any impairment of its long-lived assets.

Fair Value Measurements

ASC 820, *Fair Value Measurements and Disclosures*, establishes a three-level valuation hierarchy for instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company's own assumptions (unobservable inputs). Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the inputs that market participants would use in pricing the asset or liability, and are developed based on the best information available in the circumstances.

ASC 820 identifies fair value as the exchange price, or exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants based on the highest and best use of the asset or liability. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. The Company uses valuation techniques to measure fair value that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized as follows:

- Level 1 inputs—Unadjusted observable quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2 inputs—Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs—Unobservable inputs for determining the fair values of assets or liabilities that reflect an entity's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Company evaluates assets and liabilities subject to fair value measurements on a recurring and nonrecurring basis to determine the appropriate level to classify them for each reporting period.

The Company measures eligible assets and liabilities at fair value, with changes in value recognized in earnings. Fair value treatment may be elected either upon initial recognition of an eligible asset or liability or, for an existing asset or liability, if an event triggers a new basis of accounting. The Company did not elect to remeasure any of its existing financial assets or liabilities, and did not elect the fair value option for any financial assets and liabilities transacted in the years ended March 31, 2018, 2017 and 2016.

Software Development Costs

Costs incurred to develop software applications used in the Company's SaaS platform consist of certain direct costs of materials and services incurred in developing or obtaining internal-use computer software, and payroll and payroll-related costs for employees who are directly associated with, and who devote time to, the project. These costs generally consist of internal labor during configuration, coding, and testing activities. Research and development costs incurred during the preliminary project stage or costs incurred for data conversion activities, training, maintenance and general and administrative or overhead costs are expensed as incurred. Once an application has reached the development stage, internal and external costs, if direct and incremental, are capitalized until the application is substantially complete and ready for its intended use. Qualified costs incurred during the operating stage of the Company's software applications relating to upgrades and enhancements are capitalized to the extent it is probable that they will result in added functionality, while costs incurred for maintenance of, and minor upgrades and enhancements to, internal-use software are expensed as incurred. During the years ended March 31, 2018, 2017 and 2016, the Company believes the substantial majority of its development efforts were either in the preliminary project stage of development or in the operation stage (post-implementation), and accordingly, no costs have been capitalized during these periods. These costs are included in the accompanying consolidated statements of operations as research and development expense.

Foreign Currency Translation

The reporting currency of the Company is the U.S. dollar. We determine the functional currency for our non-U.S. subsidiaries by reviewing the currencies in which its respective operating activities occur. The functional currency of the Company's non-U.S. subsidiaries is the local currency of each subsidiary. All assets and liabilities in the balance sheets of entities whose functional currency is a currency other than the U.S. dollar are translated into U.S. dollar equivalents at exchange rates as follows: (i) asset and liability accounts at period-end rates, (ii) income statement accounts at weighted-average exchange rates for the period, and (iii) shareholders' equity accounts at historical exchange rates. Foreign exchange transaction gains and losses are included in foreign exchange (expense) income in the accompanying consolidated statements of operations. The effects of foreign currency translation adjustments are included as a component of accumulated other comprehensive loss in the accompanying consolidated balance sheets.

Net Loss Per Share

The Company calculates basic and diluted net loss per ordinary share by dividing net loss by the weighted-average number of ordinary shares outstanding during the period. The Company has excluded other potentially dilutive shares, which include outstanding options to purchase ordinary shares and unvested restricted share units, from the weighted-average number of ordinary shares outstanding as their inclusion in the computation for all periods would be anti-dilutive due to net losses incurred.

The following potentially dilutive ordinary share equivalents have been excluded from the calculation of diluted weighted-average shares outstanding for the years ended March 31, 2018, 2017 and 2016 as their effect would have been anti-dilutive for the periods presented:

	Year Ended March 31,		
	2018	2017	2016
Share options outstanding	6,230	8,681	6,870
Unvested restricted share units	33	28	42
Convertible preferred shares	—	—	8,144

Advertising and Promotion Costs

Expenses related to advertising and promotion of solutions is charged to sales and marketing expense as incurred. We incurred advertising expenses of \$12.4 million, \$11.5 million and \$5.6 million during the years ended March 31, 2018, 2017 and 2016, respectively.

Income Taxes

We account for income taxes in accordance with ASC 740, *Income Taxes*. ASC 740 is an asset and liability approach that requires recognition of deferred tax assets and liabilities for the expected future tax consequences attributable to differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax basis, and for operating loss and tax credit carryforwards. ASC 740 requires a valuation allowance against net deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not the tax position will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such position are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. As of March 31, 2018 and 2017, we did not have any uncertain tax positions that would impact our net tax provision if recognized.

Share-Based Compensation

The Company accounts for share-based compensation awards in accordance with the provisions of ASC 718, *Compensation—Stock Compensation*, which requires the recognition of expense related to the fair value of share-based compensation awards in the statements of operations. For service-based awards, the Company recognizes share-based compensation expense on a straight-line basis over the requisite service period of the award.

See Note 11 for further description of the Company's share-based compensation plans and a summary of the share-based award activity for the year ended March 31, 2018.

Share Options

The Company estimates the fair value of employee share options on the date of grant using the Black-Scholes option-pricing model, which requires the use of highly subjective estimates and assumptions. The Company estimates the expected term of share options for service-based awards utilizing the "Simplified Method," as it does not have sufficient historical share option exercise information on which to base its estimate. The Simplified Method is based on the average of the vesting tranches and the contractual life of each grant. The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected life of the share option. Since there was no public market for the Company's ordinary shares prior to the IPO and as its shares have been publicly traded for a limited time, we determined the expected volatility for options granted based on an analysis of reported data for a peer group of companies that issue options with substantially similar terms. The expected volatility of options granted has been determined using an average of the historical volatility measures of this peer group of companies. The Company uses an expected dividend rate of zero as it currently has no history or expectation of paying dividends on its ordinary shares. The fair value of the Company's ordinary shares at the time of each share option grant is based on the closing market value of its ordinary shares on the grant date.

The fair value of each share option grant was estimated using the Black-Scholes option-pricing model that used the following weighted-average assumptions:

	Year ended March 31,		
	2018	2017	2016
Expected term (in years)	6.1	6.1	6.2
Risk-free interest rate	2.2%	2.1%	2.0%
Expected volatility	39.8%	41.0%	42.7%
Expected dividend yield	—%	—%	—%
Estimated grant date fair value per ordinary share	\$ 26.52	\$ 20.22	\$ 9.80

The weighted-average per share fair value of share options granted to employees during the years ended March 31, 2018, 2017 and 2016 was \$11.12, \$8.65 and \$4.69 per share, respectively.

Employee Stock Purchase Plan (ESPP)

The Company estimates the fair value of its ESPP share options on the date of grant using the Black-Scholes option-pricing model, which requires the use of highly subjective estimates and assumptions. The Company estimates the expected term of ESPP share options based on the length of each offering period, which is six months. The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected life of the ESPP share option. Expected volatility is based on the Company's historical volatility. The Company uses an expected dividend rate of zero as it currently has no history or expectation of paying dividends on its ordinary shares. The grant date fair value per ordinary share is based on the closing market value on the first day of each ESPP offering period. The first authorized offering period under the ESPP commenced on July 1, 2017.

The fair value of each ESPP option grant was estimated using the Black-Scholes option-pricing model that used the following weighted-average assumptions:

	Year ended March 31,
	2018
Expected term (in years)	0.5
Risk-free interest rate	1.4%
Expected volatility	29.9%
Expected dividend yield	—%
Grant date fair value per ordinary share	\$ 27.15

The weighted-average per share fair value of ESPP share options granted to employees during the year ended March 31, 2018, was \$6.41.

Restricted Share Units

For restricted share units issued under the Company's share-based compensation plans, the fair value of each grant is calculated based on the closing market value of its ordinary shares on the date of grant.

Leases

The Company categorizes leases at their inception as either operating or capital leases. On certain lease agreements, the Company may receive rent holidays and other incentives. The Company recognizes lease costs on a straight-line basis once control of the space is achieved, without regard to deferred payment terms, such as rent holidays that defer the commencement date of required payments or escalating payment amounts. The difference between required lease payments and rent expense has been recorded as deferred rent. Additionally, incentives received are treated as a reduction of costs over the term of the agreement, as they are considered an inseparable part of the lease agreement.

We generally lease office facilities under non-cancelable, operating lease agreements. We establish assets and liabilities for the estimated construction costs incurred under certain lease arrangements where we are considered the owner for accounting purposes only, or build-to-suit leases, to the extent we are involved in the construction of structural improvements or take construction risk prior to commencement of a lease. Accordingly, the Company records the estimated fair value of the building as of the lease inception date and its portion of project construction costs incurred by the landlord as an asset in "Property and equipment, net" and a related financing obligation in "Construction financing lease obligation" on the Company's consolidated balance sheet. Upon occupancy of facilities under build-to-suit leases, we assess whether these arrangements qualify for sales recognition under the sale-leaseback accounting guidance. If we continue to be the deemed owner, the facilities are accounted for as financing leases.

Comprehensive Loss

Comprehensive loss is defined as the change in equity of a business enterprise during a period from transactions, other events, and circumstances from non-owner sources. Comprehensive loss consists of net loss and other comprehensive income (loss), which includes certain changes in equity that are excluded from net loss. Specifically, cumulative foreign currency translation adjustments and unrealized gains and losses on investments are included in accumulated other comprehensive loss. As of March 31, 2018 and 2017, accumulated other comprehensive loss is presented separately on the consolidated balance sheets and consists of cumulative foreign currency translation adjustments and unrealized gains and losses on investments.

Recently Issued and Adopted Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies and adopted by the Company as of the specified effective date.

Recently Adopted Accounting Pronouncements

On April 1, 2017, the Company adopted ASU No. 2016-09, *Compensation – Stock Compensation* (ASU 2016-09). ASU 2016-09 identifies areas for simplification involving several aspects of accounting for share-based payments, including income tax consequences, classification of awards as either equity or liabilities, an option to make a policy election to recognize gross share-based compensation expense with actual forfeitures recognized as they occur as well as certain classification changes on the statement of cash flows. The Company changed its accounting policy to record actual forfeitures as they occur, rather than estimating forfeitures by applying a forfeiture rate. This change has been applied on a modified retrospective basis, resulting in a cumulative effect adjustment on the date of adoption, which increased accumulated deficit and additional paid-in-capital by \$0.1 million. In connection with the adoption of ASU 2016-09, the Company is required to recognize all excess tax benefits and tax deficiencies attributable to share-based compensation as either income tax expense or tax benefit in the income statement in the period when the awards vest or are settled. The company applied this amendment prospectively to excess tax benefits and tax deficiencies arising from vesting or settlement after the adoption date. ASU 2016-09 also requires excess tax benefits to be recognized, regardless as to whether the benefit reduces taxes payable in the current period. The Company adopted this guidance using a modified retrospective transition method and recorded a cumulative-effect adjustment for certain off-balance sheet net operating loss carryforwards to retained earnings and deferred tax asset of approximately \$7.4 million with an equal offsetting adjustment to the Company's valuation allowance. The Company also elected to prospectively apply the change in presentation of excess tax benefits wherein excess tax benefits recognized on share-based compensation expense is now classified as an operating activity in the Company's condensed consolidated statements of cash flows. The Company did not adjust the classification of excess tax benefits in its condensed consolidated statements of cash flows for the years ended March 31, 2017 and 2016.

In accordance with ASU 2015-05, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40), Customer's Accounting for Fees Paid in a Cloud Computing Arrangement* (ASU 2015-05) and the related technical corrections and improvements effective April 1, 2017, the Company accounts for acquired software licenses within the scope of ASC 350-40 as intangible assets. The Company adopted ASU 2015-05 and related technical corrections and improvements on a prospective basis. Acquired software licenses are recognized and measured at cost, which includes the present value of the license obligation if the license is to be paid for over time.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers: Topic 606* (ASU 2014-09), to supersede nearly all existing revenue recognition guidance under GAAP. The core principle of ASU 2014-09 is to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process than required under existing GAAP, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. This guidance is effective for annual reporting periods beginning after December 15, 2017 including interim reporting periods within that reporting period and allows for either full retrospective or modified retrospective application. Early adoption is permitted.

The Company will adopt ASU 2014-09 on April 1, 2018. The Company has elected to apply the modified retrospective method of adoption. The Company does not expect the adoption of ASU 2014-09 to have a material impact on its revenue recognition, however, the Company's preliminary assessment is that there will be a material impact relating to the accounting for costs to obtain a contract. Under ASU 2014-09, the Company will be required to capitalize certain costs, primarily commission expense to sales representatives, on its consolidated balance sheet and amortize such costs over the contractual term or the average customer life. The Company has not yet completed its assessment of costs to obtain a contract under ASU 2014-09 and is still evaluating the impact on its results of operations. However, the Company's preliminary assessment is that there will be a material impact to retained earnings upon adoption.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments - Overall: Recognition and Measurement of Financial Assets and Financial Liabilities* (ASU 2016-01). ASU 2016-01 requires equity investments that do not result in consolidation and are not accounted under the equity method to be measured at fair value with changes in fair value recognized in net income; simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment; requires an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments; requires separate presentation of financial assets and financial liabilities by measurement category and form of financial assets on the balance sheet or the accompanying notes to the financial statements; clarifies that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity's other deferred tax assets; and modifies certain fair value disclosure requirements. ASU 2016-01 is effective for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is not permitted. The Company will adopt ASU 2016-01 on April 1, 2018 and does not expect the adoption of this standard to have a material impact on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* (ASU 2016-02). ASU 2016-02 revises the accounting related to leases by requiring lessees to recognize a lease liability and a right-of-use asset for most leases. The new lease guidance also simplifies the accounting for sale and leaseback transactions. ASU 2016-02 is effective for financial statements issued for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted. The Company intends to adopt ASU 2016-02 on April 1, 2019 utilizing the modified retrospective transition method. The Company is currently in the process of evaluating the impact of ASU 2016-02 on its consolidated financial statements, however, expects it will have a material impact on the Company's consolidated financial statements, primarily the consolidated balance sheets and related disclosures.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326)*. The amendment changes the impairment model for most financial assets and certain other instruments. Entities will be required to use an expected loss model that will result in the earlier recognition of allowances for losses for trade and other receivables, held-to-maturity debt securities, loans, and other instruments. For available-for-sale debt securities with unrealized losses, the losses will be recognized as allowances rather than as reductions in the amortized cost of the securities. The ASU is effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2019. Early adoption is permitted. The Company is currently evaluating the impact of ASU 2016-13 on its consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* (ASU 2016-15). ASU 2016-15 is intended to add or clarify guidance on the classification of certain cash receipts and payments in the statement of cash flows and to eliminate the diversity in practice related to such classifications. The guidance in ASU 2016-15 is required for annual reporting periods beginning after December 15, 2017, with early adoption permitted. The Company will adopt ASU 2016-15 on April 1, 2018 and does not expect the adoption of this standard to have a material impact on its consolidated financial statements.

In October 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory* (ASU 2016-16). The purpose of ASU 2016-16 is to simplify the income tax accounting of an intra-entity transfer of an asset other than inventory and to record its effect when the transfer occurs. The guidance is effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within those annual reporting periods and early adoption is permitted. The Company will adopt ASU 2016-16 on April 1, 2018 and does not expect the adoption of this standard to have a material impact on its consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* (ASU 2016-18). ASU 2016-18 requires that the statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Entities will also be required to reconcile such total to amounts on the balance sheet and disclose the nature of the restrictions. The guidance is effective for annual reporting periods beginning after December 15, 2017 and interim periods within those fiscal years and early adoption is permitted. The Company will adopt ASU 2016-18 on April 1, 2018 and does not expect the adoption of this standard to have a material impact on its consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, *Simplifying the Test for Goodwill Impairment (Topic 350)* (ASU 2017-04). The standard eliminates the second step in the goodwill impairment test which requires an entity to determine the implied fair value of the reporting unit's goodwill. The standard is effective for annual and interim goodwill impairment tests conducted in fiscal years beginning after December 15, 2019, with early adoption permitted. The Company is currently evaluating the impact of ASU 2017-04 on its consolidated financial statements.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805) - Clarifying the Definition of a Business* (ASU 2017-01). The amendment changes the definition of a business to assist entities in evaluating when a set of transferred assets and activities constitutes a business. The ASU is effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2017. Early adoption is permitted. The Company will adopt ASU 2017-01 on April 1, 2018 and does not expect the adoption of this standard to have a material impact on its consolidated financial statements.

In May 2017, the FASB issued ASU 2017-09, *Compensation-Stock Compensation (Topic 718): Scope of Modification Accounting* (ASU 2017-09). This guidance clarifies when companies would apply modification accounting to changes to the terms or conditions of a share-based payment award. The guidance narrows the definition of a modification. This guidance is effective for annual and interim periods beginning after December 15, 2017. The Company will adopt ASU 2017-09 on April 1, 2018 and does not expect the adoption of this standard to have a material impact on its consolidated financial statements.

3. Balance Sheet Components

Prepaid expenses and other current assets consists of the following:

	As of March 31,	
	2018	2017
Prepaid Expenses	\$ 10,766	\$ 7,095
Research and development investment tax credits	3,353	2,102
Other current assets	1,183	857
Total prepaid expenses and other current assets	<u>\$ 15,302</u>	<u>\$ 10,054</u>

Property and equipment, net, consists of the following:

	As of March 31,	
	2018	2017
Building and building improvements (1)	\$ 75,165	\$ —
Computer equipment (2)	102,821	69,996
Leasehold improvements	6,504	5,015
Furniture and fixtures	4,187	2,232
Office equipment	1,172	267
	189,849	77,510
Less: Accumulated depreciation and amortization (2)	(66,027)	(45,501)
Property and equipment, net	<u>\$ 123,822</u>	<u>\$ 32,009</u>

- (1) Includes construction costs capitalized related to our U.S. and U.K. build-to-suit facilities of \$39.4 million and \$31.2 million, respectively, and \$4.5 million of Company funded building improvements related to our U.S. build-to-suit facility.
- (2) Includes property and equipment acquired under capital leases:

	As of March 31, 2018	As of March 31, 2017
Computer equipment	\$ 4,713	\$ 713
Less: Accumulated amortization	(990)	(59)
	<u>\$ 3,723</u>	<u>\$ 654</u>

Depreciation and amortization expense was \$17.5 million, \$11.8 million, and \$10.5 million for the years ended March 31, 2018, 2017 and 2016, respectively. Depreciation and amortization expense in the year ended March 31, 2018 included \$0.9 million related to property and equipment acquired under capital leases.

In the fourth quarter of fiscal 2018, upon the exit of our Watertown, MA corporate office space, we recorded a non-cash impairment charge of \$1.7 million primarily related to leasehold improvements.

Accrued expenses and other current liabilities consists of the following:

	<u>As of March 31,</u>	
	<u>2018</u>	<u>2017</u>
Accrued payroll and related benefits	\$ 15,325	\$ 11,661
Accrued taxes payable	4,029	3,490
Construction financing lease obligation	2,421	—
Restructuring liability	851	—
Other accrued expenses	11,252	5,562
Total accrued expenses and other current liabilities	<u>\$ 33,878</u>	<u>\$ 20,713</u>

Other non-current liabilities consists of the following:

	<u>As of March 31,</u>	
	<u>2018</u>	<u>2017</u>
Deferred rent	\$ 840	\$ 981
Restructuring liability	74	—
Other non-current liabilities	4,040	557
Total other non-current liabilities	<u>\$ 4,954</u>	<u>\$ 1,538</u>

4. Restructuring

In the fourth quarter of fiscal 2018, the Company ceased use of its Watertown, MA corporate office space and recorded a restructuring charge of \$0.8 million. The fair value of the restructuring liability at the cease-use date of \$1.1 million was determined by discounting estimated future cash flows, which consisted of remaining lease rentals and estimated sublease rentals that could be reasonably obtained for the property and was adjusted for the effects of deferred rent liabilities recognized under the lease of \$0.3 million. The Company's estimate of sublease rentals was based on a sublease agreement executed subsequent to year-end. See Note 16. The restructuring liability and any future changes in the estimate will be recorded in Restructuring in the consolidated statements of operations. The fair value measurement is classified within Level 3 of the fair value hierarchy wherein fair value is estimated using significant unobservable inputs.

5. Acquisitions

iSheriff, Inc.

On November 21, 2016, the Company entered into an Asset Purchase Agreement (APA) to purchase substantially all of the assets of iSheriff, Inc. (iSheriff), a cloud-based security provider. This acquisition is expected to provide Mimecast's customers additional real-time email threat intelligence and detection expertise and complements the Company's existing portfolio of email security, continuity and archiving solutions.

The purchase price of \$6.2 million consisted of a cash payment of approximately \$5.6 million, subject to certain adjustments, and \$0.6 million in purchase price held back in respect of claims for indemnification for one year from the purchase date. The Company made the \$0.6 million payment in the Company's third quarter 2018, net of amounts respective to certain unresolved claims.

In addition, the APA included contingent consideration related to a discretionary purchase price in the amount of \$2.0 million, which was payable at the sole and absolute discretion of the Company on the one-year anniversary of the purchase date. In November 2017, on the one-year anniversary of the purchase, the Company determined that payment of this contingent consideration was not warranted.

The acquisition of iSheriff has been accounted for as a business combination and, in accordance with ASC 805, *Business Combinations*, the Company has recorded the assets acquired and liabilities assumed at their respective fair values as of the acquisition date. The following table summarizes the estimated fair value of assets acquired and liabilities assumed:

Fair value of assets acquired and liabilities assumed:	
Prepaid expenses	\$ 65
Accounts receivable	218
Intangible assets	1,654
Goodwill	5,142
Total assets acquired	7,079
Deferred revenue	(796)
Accrued liabilities	(78)
Total fair value of assets acquired and liabilities assumed	<u>\$ 6,205</u>

In the year ended March 31, 2017, acquisition-related expenses of \$0.7 million were expensed as incurred and included in general and administrative expenses in the consolidated statements of operations. The operating results of iSheriff have been included in the consolidated statements of operations beginning on the acquisition date.

The significant intangible assets identified in the purchase price allocation discussed above include developed technology and customer relationships, which are amortized over their respective useful lives on a straight-line basis. To value the developed technology asset, the Company utilized the income approach, specifically a discounted cash-flow method known as the multi-period excess earnings method. Customer relationships represent the underlying relationships with certain customers to provide ongoing services for products sold. The Company utilized the income approach, specifically the distribution method which is a subset of the excess-earnings method, to value the customer relationships.

A portion of the purchase price has been allocated to intangible assets and goodwill, respectively, and is reflected in the tables above. The fair value of the assets acquired and liabilities assumed is less than the purchase price, resulting in the recognition of goodwill. The goodwill reflects the value of the synergies we expect to realize and the assembled workforce and is not deductible for tax purposes. The purchase price has been allocated to the tangible and intangible assets acquired and liabilities assumed based upon the respective estimates of fair value as of the date of the acquisition and using assumptions that the Company's management believes are reasonable.

Pro Forma Financial Information (unaudited)

The following unaudited pro forma information presents the condensed combined results of operations of the Company and iSheriff for the years ended March 31, 2017 and 2016 as if the acquisition of iSheriff had been completed on April 1, 2015. These pro forma condensed consolidated financial results have been prepared for comparative purposes only and include certain adjustments that reflect pro forma results of operations such as fair value adjustments (step-downs) for deferred revenue, reversal of revenues and costs directly attributable to products not acquired, increased amortization for the fair value of acquired intangible assets and adjustments to eliminate transaction costs incurred by the Company and iSheriff.

The unaudited pro forma results do not reflect any operating efficiencies or potential cost savings which may result from the consolidation of the operations of the Company and iSheriff. Accordingly, these unaudited pro forma results are presented for informational purposes only and are not necessarily indicative of the results of operations that would have been achieved had the acquisition occurred as of April 1, 2015, nor are they intended to represent or be indicative of future results of operations:

	Year ended March 31,	
	2017	2016
Revenue	\$ 187,577	\$ 142,951
Net loss	(6,842)	(8,690)
Basic and diluted net loss per share	\$ (0.12)	\$ (0.21)
Weighted average number of ordinary shares used in computing basic and diluted net loss per share	54,810	40,826

Other Acquisitions

On November 20, 2017, the Company entered into an agreement with two individuals to purchase a prototype of a machine learning-based malware detection technology for \$750 thousand in cash, as well as, retain two employees for \$750 thousand in cash. The payment to the employees is to be paid on the second anniversary of the transaction contingent on their employment as of that date. The estimated fair value of the prototype is approximately \$0.5 million, with the remaining amount of the initial consideration attributed to goodwill. The goodwill is not expected to be deductible for tax purposes. Pro forma results of operations for the acquisition have not been presented as it is not material to the Company's consolidated results of operations.

6. Goodwill and Intangible Assets

The following table reflects goodwill activity in each of the periods presented:

	Year ended March 31,	
	2018	2017
Beginning balance	\$ 5,363	\$ 254
Goodwill acquired	226	5,151
Goodwill adjustment	—	(9)
Effect of foreign exchange rates	42	(33)
Ending balance	<u>\$ 5,631</u>	<u>\$ 5,363</u>

Purchased intangible assets consist of the following:

	Weighted-Average Remaining Useful Life (in years)	March 31, 2018		
		Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Developed technology	9	\$ 1,546	\$ (213)	\$ 1,333
Customer relationships	6	108	(21)	87
Capitalized software	3	9,171	(1,329)	7,842
		10,825	(1,563)	9,262
In-process research and development (1)		557	—	557
		<u>\$ 11,382</u>	<u>\$ (1,563)</u>	<u>\$ 9,819</u>

	Weighted-Average Remaining Useful Life (in years)	March 31, 2017		
		Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Developed technology	10	\$ 1,546	\$ (58)	\$ 1,488
Customer relationships	7	108	(6)	102
		<u>\$ 1,654</u>	<u>\$ (64)</u>	<u>\$ 1,590</u>

(1) In-process research and development assets are assigned an indefinite life until project completion or date placed in service.

The Company recorded amortization expense of \$1.5 million and \$0.1 million for the years ended March 31, 2018 and 2017, respectively. Amortization relating to developed technology and capitalized software is recorded within cost of revenue and amortization of customer relationships is recorded within sales and marketing expenses.

Future estimated amortization expense of acquired intangibles as of March 31, 2018 is as follows:

	Purchased Intangible Assets	Capitalized Software
2019	170	3,061
2020	170	2,841
2021	170	1,725
2022	170	215
Thereafter	740	—
Total	\$ 1,420	\$ 7,842

7. Fair Value Measurement

The Company's financial instruments include cash, cash equivalents, accounts receivable, investments, accounts payable, accrued expenses, capital lease obligations and long-term debt. The carrying amount of the Company's long-term debt and capital lease obligations approximates its fair value due to the interest rates the Company believes it could obtain for arrangements with similar terms. The Company's investments are classified as available-for-sale and reported at fair value in accordance with the market approach utilizing quoted prices that were directly or indirectly observable. The carrying amount of the remainder of the Company's financial instruments approximated their fair values as of March 31, 2018 and 2017, due to the short-term nature of those instruments.

The Company has evaluated the estimated fair value of financial instruments using available market information. The use of different market assumptions and/or estimation methodologies could have a significant effect on the estimated fair value amounts.

Fair values determined using "Level 1 inputs" utilize unadjusted quoted prices in active markets for identical assets or liabilities that we have the ability to access. Fair values determined using "Level 2 Inputs" utilize quoted prices that are directly or indirectly observable. Fair values determined using "Level 3 inputs" utilize unobservable inputs for determining fair values of assets or liabilities that reflect an entity's own assumptions in pricing assets or liabilities. As of March 31, 2018 and 2017, we did not have any assets or liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3), other than the restructuring liability disclosed in Note 4.

The following table summarizes financial assets measured and recorded at fair value on a recurring basis in the accompanying consolidated balance sheets as of March 31, 2018 and 2017, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

	March 31, 2018		
	Quoted Prices in Active Markets for Identical Assets (Level 1 Inputs)	Significant Other Observable Inputs (Level 2 Inputs)	Total
Assets:			
Money market funds	\$ 10,143	\$ —	\$ 10,143
U.S. treasury securities	—	2,990	2,990
Non-U.S. government securities	—	5,996	5,996
Corporate securities	—	49,885	49,885
Total assets	\$ 10,143	\$ 58,871	\$ 69,014

	March 31, 2017		
	Quoted Prices in Active Markets for Identical Assets (Level 1 Inputs)	Significant Other Observable Inputs (Level 2 Inputs)	Total
Assets:			
Money market funds	\$ 7,478	\$ —	\$ 7,478
U.S. treasury securities	—	3,506	3,506
Non-U.S. government securities	—	14,494	14,494
Corporate securities	—	42,347	42,347
Total assets	<u>\$ 7,478</u>	<u>\$ 60,347</u>	<u>\$ 67,825</u>

8. Debt

Since January 2012, we have entered into various term loan borrowings with Silicon Valley Bank. The term loans had fixed interest rates of 4.5% and principal repayment periods of 36 equal monthly installments which matured in January 2018. As of March 31, 2018, the Company had fully repaid its debt. As of March 31, 2017, the aggregate principal balance of the term loans was \$1.7 million. As of March 31, 2018 and March 31, 2017, there were no amounts available for future borrowings under the term loans. We were in compliance with all covenants under the agreement through March 31, 2018.

9. Related Party Transactions

Certain of the Company's shareholders were also customers of the Company during the periods included in the consolidated financial statements. Revenue recognized during the years ended March 31, 2018, 2017 and 2016 and accounts receivable outstanding as of March 31, 2018 and 2017 related to these transactions was not material.

On October 4, 2016, the Company completed a registered secondary public offering in which 4,600,000 ordinary shares were sold at a public offering price of \$16.50 per share. All of the shares sold in the secondary offering were sold by the Company's existing shareholders and the Company did not receive any proceeds from the sale of these shares. The Company incurred approximately \$0.6 million in offering expenses on behalf of the selling shareholders in connection with the secondary offering which were included in general and administrative expenses in the consolidated statements of operations for the year ended March 31, 2017.

10. Shareholders' Equity

As of March 31, 2018, the following ordinary shares were reserved for future issuance under the 2015 Plan, Historical Plans and ESPP (as defined below in Note 11):

	As of March 31, 2018
Options outstanding under share option plans	6,229,860
Unvested restricted share units	32,763
Options and awards available for future grant under the 2015 Plan	8,761,886
Shares reserved for issuance under ESPP	1,035,729
Total authorized ordinary shares reserved for future issuance	<u>16,060,238</u>

11. Share-Based Compensation

As of March 31, 2018, the Company has four share-based compensation plans and an employee stock purchase plan. Prior to the Company's initial public offering (IPO) in November 2015, the Company granted share-based awards under three share option plans, which are the Mimecast Limited 2007 Key Employee Share Option Plan (the 2007 Plan), the Mimecast Limited 2010 EMI Share Option Scheme (the 2010 Plan), and the Mimecast Limited Approved Share Option Plan (the Approved Plan) (the 2007 Plan, the 2010 Plan and the Approved Plan, collectively, the Historical Plans). Upon the closing of the IPO, the Mimecast Limited 2015 Share Option and Incentive Plan (the 2015 Plan) and the 2015 Employee Stock Purchase Plan (the ESPP) became effective. Subsequent to the IPO, grants of share-based awards have been made under the 2015 Plan and no further grants under the Historical Plans are permitted.

The 2015 Plan allows the compensation committee to make equity-based incentive awards to our officers, employees, non-employee directors and consultants. Initially a total of 5.5 million ordinary shares were reserved for the issuance of awards under the 2015 Plan. This number is subject to adjustment in the event of a share split, share dividend or other change in our capitalization. The 2015 Plan provides that the number of shares reserved and available for issuance under the plan will automatically increase each January 1st by 5% of the outstanding number of ordinary shares on the immediately preceding December 31 or such lesser number of shares as determined by the Board.

Under the 2015 Plan, the share option price may not be less than the fair market value of the ordinary shares on the date of grant and the term of each share option may not exceed 10 years from the date of grant. Share options typically vest over 4 years, but vesting provisions can vary based on the discretion of the Board. The Company settles share option exercises under the 2015 Plan through newly issued shares. The Company's ordinary shares underlying any awards that are forfeited, canceled, withheld upon exercise of an option, or settlement of an award to cover the exercise price or tax withholding, or otherwise terminated other than by exercise will be added back to the shares available for issuance under the 2015 Plan.

Initially, a total of 1.1 million shares of the Company's ordinary shares were reserved for future issuance under the ESPP. This number is subject to change in the event of a share split, share dividend or other change in capitalization. The ESPP may be terminated or amended by the board of directors at any time.

The ESPP permits eligible employees to purchase shares by authorizing payroll deductions from 1% to 10% of his or her eligible compensation during an offering period, a duration of six months. Unless an employee has previously withdrawn from the offering, his or her accumulated payroll deductions will be used to purchase shares on the last day of the offering period at a price equal to 85% of the fair market value of the shares on the first business day or last business day of the offering period, whichever is lower. The first authorized offering period under the ESPP commenced on July 1, 2017.

Share-based compensation expense recognized under the 2015 Plan, Historical Plans and ESPP in the accompanying consolidated statements of operations was as follows:

	Year ended March 31,		
	2018	2017	2016
Cost of revenue	\$ 1,053	\$ 1,353	\$ 633
Research and development	2,555	1,873	1,711
Sales and marketing	4,477	4,719	3,180
General and administrative	3,649	2,349	2,362
Total share-based compensation expense	\$ 11,734	\$ 10,294	\$ 7,886

In certain situations, the Board has approved modifications to employee share option agreements which has resulted in additional share-based compensation expense. The total modification expense in the years ended March 31, 2018, 2017 and 2016 was \$0.5 million, \$3.0 million and \$1.4 million, respectively.

Share Options

Share option activity under the 2015 Plan and Historical Plans for the year ended March 31, 2018 was as follows:

	Number of Awards	Weighted Average Exercise Price (2)	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands) (1)
Outstanding as of March 31, 2017	8,681,261	\$ 9.58	7.44	\$ 111,178
Options granted	958,000	\$ 26.52		
Options exercised	2,960,859	\$ 5.28		
Options forfeited and cancelled	448,542	\$ 16.44		
Outstanding as of March 31, 2018	6,229,860	\$ 13.78	7.40	\$ 134,859
Exercisable as of March 31, 2018	2,411,167	\$ 7.50	5.71	\$ 67,334

- (1) As of March 31, 2018 and 2017, the aggregate intrinsic value was calculated based on the positive difference, if any, between the closing price of our ordinary shares on the NASDAQ exchange on March 31, 2018 and 2017 respectively, and the exercise price of the underlying options.

- (2) Certain of the Company's option grants have an exercise price denominated in British pounds. The weighted-average exercise price at the end of each reporting period was translated into U.S. dollars using the exchange rate at the end of the period. The weighted-average exercise price for the options granted, exercised, forfeited and cancelled was translated into U.S. dollars using the exchange rate at the applicable date of grant, exercise, forfeiture or cancellation, as appropriate.

The total intrinsic value of options exercised was \$74.2 million, \$24.8 million and \$8.2 million for the years ended March 31, 2018, 2017 and 2016, respectively. Total cash proceeds from such option exercises were \$15.6 million, \$4.5 million and \$0.9 million for the years ended March 31, 2018, 2017 and 2016, respectively.

As of March 31, 2018, there was approximately \$26.5 million of unrecognized share-based compensation expense related to unvested share-based awards subject to service-based vesting conditions, which is expected to be recognized over a weighted-average period of 2.75 years.

ESPP

The first authorized offering period under the ESPP commenced on July 1, 2017 and closed on December 29, 2017. The Company issued 64 thousand shares in connection with the offering and received cash proceeds of \$1.4 million. In the year ended March 31, 2018, the Company recognized \$0.7 million of share-based compensation expense under the ESPP.

RSUs

Since the Company's IPO, RSUs have been granted to the Company's Non-Employee Directors. Each Non-Employee Director receives an initial grant that vests over 3 years on an annual basis. Additionally, Non-Employee Directors receive an annual grant that vests fully on the one-year anniversary of the grant. RSU activity under the 2015 Plan for the year ended March 31, 2018 was as follows:

	Number of Shares	Weighted Average Grant Date Fair Value	Intrinsic Value (in thousands)
Unvested restricted share units as of March 31, 2017	28,086	\$ 15.63	\$ 629
Restricted share units granted	33,694	\$ 26.71	900
Restricted share units vested	(22,518)	\$ 17.02	690
Restricted share units canceled	(6,499)	\$ 30.77	(230)
Unvested restricted share units as of March 31, 2018	<u>32,763</u>	<u>\$ 23.06</u>	<u>\$ 1,161</u>

As of March 31, 2018, there was approximately \$0.5 million of unrecognized share-based compensation expense related to unvested RSUs, which is expected to be recognized over a weighted-average period of 1.80 years.

12. Commitments and Contingencies

The Company leases its facilities under non-cancelable operating leases and build-to-suit leases with various expiration dates through January 2028. Rent expense was \$4.8 million, \$3.2 million and \$2.8 million for the years ended March 31, 2018, 2017 and 2016, respectively. The Company has also entered into various capital lease agreements for computer equipment with non-cancelable terms through January 2022 and has non-cancelable commitments related to its data centers.

Future minimum payments for our capital leases, operating leases, build-to-suit leases and data centers as of March 31, 2018 are as follows:

Year Ending March 31,	Capital Leases	Operating Leases	Data Centers
2019	\$ 1,248	\$ 9,470	\$ 19,707
2020	1,102	7,590	19,626
2021	1,102	5,194	19,331
2022	326	4,270	14,110
2023	—	4,264	3,314
Thereafter	—	18,771	119
Total minimum lease payments	\$ 3,778	\$ 49,559	\$ 76,207
Less: Amount representing interest	(263)		
Present value of capital lease obligations	3,515		
Less: Current portion	(1,125)		
Long-term portion of capital lease obligations	\$ 2,390		

Certain amounts included in the table above relating to co-location leases for the Company's servers include usage based charges in addition to base rent.

Future lease payments in the table above do not include amounts due to the Company for future minimum sublease rental income of \$1.1 million under non-cancelable subleases through 2020.

The Company has outstanding letters of credit of \$3.8 million and \$3.8 million related to certain operating leases as of March 31, 2018 and 2017, respectively.

Construction financing lease obligations

Lexington, MA - U.S. Headquarters

In February 2017, the Company entered into a lease agreement for a new U.S. headquarters located in a building (the "Building") under construction at 191 Spring Street, Lexington, Massachusetts (191 Spring Lease). Under the terms of the 191 Spring Lease, the Company will initially lease approximately 79,145 square feet of office space for 10 years after initial occupancy commencing in January 2018. The Company executed a \$1.3 million letter of credit upon signing the 191 Spring Lease. Pursuant to the work agreement entered into in connection with the 191 Spring Lease, the landlord is responsible for all costs associated with Base Building Work as defined under the 191 Spring Lease and will provide an allowance for normal tenant improvements up to an aggregate of \$5.5 million. The Company has the option to extend the 191 Spring Lease for two successive five-year terms.

During the Company's first fiscal quarter of 2018, the Company determined that it should have accounted for the 191 Spring Lease as a build-to-suit lease as of March 31, 2017. The Company evaluated the impact of the error on the prior period consolidated financial statements and determined that the effect was not material to the consolidated financial statements as of and for the year ended March 31, 2017 and recorded the effect of the error in the December 31, 2017 interim condensed consolidated financial statements. The correction of the prior period balance sheet error had no impact on the previously reported results of operations or cash flows for the year ended March 31, 2017.

Beginning in February 2017 and until construction was completed, the Company recorded certain estimated construction costs incurred and reported to it by the landlord for the Building as an asset and corresponding construction financing lease obligation on the consolidated balance sheets because the Company is deemed to be the owner of the building during the construction period for accounting purposes. Since the Company's unit of account is related only to its portion of the Building, the Company determined that it does not have a land lease and has not recorded rent expense attributable to the land. Any incremental costs incurred directly by the Company are also capitalized. In each reporting period, the landlord estimates and reports to the Company construction costs incurred to date for the Building and the Company records its portion using allocation estimates. The Company periodically meets with the landlord and its construction manager to review these estimates and observe construction progress before recording such amounts.

The construction of the 191 Spring lease was substantially completed during the quarter ended March 31, 2018, and because the Company concluded it had a collateralized letter of credit of \$1.3 million, the Company did not meet the sale-leaseback criteria for derecognition of the building asset and liability. As a result, the Company continues to be the deemed owner of the Building and will treat the 191 Spring Lease as a financing obligation and depreciate the asset in accordance with the Company's accounting policy.

The monthly rent payments made to the lessor under the lease agreement are recorded in the Company's financial statements as principal and interest on the financing obligation. For the year ended March 31, 2018, interest expense on lease financing obligations was \$0.4 million. As of March 31, 2018, the future estimated commitments related to the financing obligations were \$39.0 million and \$10.4 million for principal and interest, respectively, through January 31, 2028.

London, U.K. - U.K. Headquarters

In January 2018, the Company entered into an Agreement for Lease (AFL) for its new U.K. headquarters located in London, England (UK Building). The AFL was entered into around the time the landlord had commenced a construction project to refurbish the UK Building and includes terms and conditions that are in effect during the construction project. Additionally, the AFL includes Leases in Agreed Form (Leases) to be executed upon completion of the construction project, which is expected in or around February 2019. Under the terms of the AFL and Leases, the Company will initially lease approximately 113,000 square feet of space for 56.50 British pounds per square foot per year over an initial noncancelable term of 10 years after initial occupancy, which is expected in the Company's third fiscal quarter of 2020. The Company determined that it will account for the AFL as a build-to-suit lease as of March 31, 2018.

Beginning in the fourth quarter 2018 and until construction is completed, the Company will record certain estimated construction costs incurred and reported to it by the landlord for the UK Building as an asset and corresponding construction financing lease obligation on the consolidated balance sheets because the Company is deemed to be the owner of the UK Building during the construction period for accounting purposes. Accordingly, the Company has recorded the estimated fair value of the UK Building as of the date of the AFL and its portion of project construction costs incurred by the landlord as an asset in "Property and equipment, net" and a related financing obligation in "Construction financing lease obligation" on the Company's consolidated balance sheet. Since the Company's unit of account is related only to its portion of the UK Building, the Company determined that it does not have a land lease and has not recorded rent expense attributable to the land. Any incremental costs incurred directly by the Company are also capitalized. In each reporting period, the landlord estimates and reports to the Company construction costs incurred to date for the UK Building and the Company records its portion using allocation estimates. The Company periodically meets with the landlord and its construction manager to review these estimates and observe construction progress before recording such amounts.

As of March 31, 2018, Property and equipment, net, includes \$31.2 million related to the UK Building and construction costs for the UK Building. The construction financing lease obligation related to the UK Building was \$30.6 million and was incurred by the landlord only and no cash was paid to the landlord by us related to the UK Building since lease inception.

Once the landlord completes the construction of the UK Building, the Company will evaluate the AFL and Leases in order to determine whether or not the AFL and Leases meet the criteria for "sale-leaseback" treatment. If the AFL and Leases meet the "sale-leaseback" criteria, the Company will remove the asset and the related liability from its consolidated balance sheet and treat the Leases as either an operating or a capital lease based on the Company's assessment of the accounting guidance. If the Company continues to be the deemed owner, the Company will treat the AFL and Leases as a financing obligation and will depreciate the asset in accordance with the Company's accounting policy.

Litigation

The Company, from time to time, may be party to litigation arising in the ordinary course of its business. The Company was not subject to any material legal proceedings during the years ended March 31, 2018, 2017 and 2016, and, to the best of its knowledge, no material legal proceedings are currently pending or threatened.

Indemnification

The Company typically enters into indemnification agreements with customers in the ordinary course of business. Pursuant to these agreements, the Company indemnifies and agrees to reimburse the indemnified party for losses suffered or incurred as a result of claims of intellectual property infringement. These indemnification agreements are provisions of the applicable customer agreement. Based on when clients first sign an agreement for the Company's service, the maximum potential amount of future payments the Company could be required to make under certain of these indemnification agreements is unlimited. Based on historical experience and information known as of March 31, 2018, the Company has not incurred any costs for the above guarantees and indemnities.

In certain circumstances, the Company warrants that its services will perform in all material respects in accordance with its standard published specification documentation in effect at the time of delivery of the services to the customer for the term of the agreement. To date, the Company has not incurred significant expense under its warranties and, as a result, the Company believes the estimated fair value of these agreements is immaterial.

13. Employee Benefit Plans

We maintain a defined contribution savings plan under Section 401(k) of the Internal Revenue Code (the 401(k) Plan) covering all U.S. employees who satisfy certain eligibility requirements. The 401(k) Plan allows each participant to defer a percentage of their eligible compensation subject to applicable annual limits pursuant to the limits established by the Internal Revenue Service. We may, at our discretion, make contributions in the form of matching contributions or profit-sharing contributions. To date, we have not made any matching or profit-sharing contributions.

In addition, we contribute to a defined contribution savings plan for our employees in the United Kingdom who satisfy certain eligibility requirements. The plan allows each participant to defer a percentage of their compensation, and the Company contributes an additional 1% of all wages for those employees in the scheme on a monthly basis. The Company's contributions have not been material to any individual year.

14. Segment and Geographic Information

Disclosure requirements about segments of an enterprise and related information establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information of those segments to be presented in interim financial reports issued to shareholders. Operating segments are defined as components of an enterprise about which separate discrete financial information is available that is evaluated regularly by the chief operating decision maker, or decision making group, in deciding how to allocate resources and in assessing performance. Our chief operating decision maker is the chief executive officer. The Company and the chief executive officer view the Company's operations and manage its business as one operating segment.

Geographic Data

The Company allocates, for the purpose of geographic data reporting, its revenue based upon the location of the contracting subsidiary. Total revenue by geographic area was as follows:

	Year ended March 31,		
	2018	2017	2016
United States	\$ 128,503	\$ 90,932	\$ 60,970
United Kingdom	81,720	61,188	55,276
South Africa	39,425	27,890	22,342
Other	12,249	6,553	3,253
Total revenue	<u>\$ 261,897</u>	<u>\$ 186,563</u>	<u>\$ 141,841</u>

Property and equipment, net by geographic location consists of the following:

	As of March 31,	
	2018	2017
United States (1)	\$ 62,064	\$ 14,904
United Kingdom (1)	46,664	9,007
Australia	3,953	3,867
South Africa	6,512	3,815
Other	4,629	416
Total	<u>\$ 123,822</u>	<u>\$ 32,009</u>

(1) Includes construction costs capitalized related to our U.S. and U.K. build-to-suit facilities of \$39.4 million and \$31.2 million, respectively.

15. Income Taxes

Loss before income taxes consists of the following:

	Year ended March 31,		
	2018	2017	2016
United Kingdom	\$ (15,939)	\$ (8,162)	\$ 942
Foreign	6,258	4,923	(3,321)
Loss before income taxes	<u>\$ (9,681)</u>	<u>\$ (3,239)</u>	<u>\$ (2,379)</u>

The provision for income taxes in the accompanying consolidated financial statements is comprised of the following:

	As of March 31,		
	2018	2017	2016
Current tax expense:			
Domestic	\$ —	\$ —	\$ 154
Foreign	2,597	2,202	711
Total current tax expense	<u>2,597</u>	<u>2,202</u>	<u>865</u>
Deferred tax expense:			
Domestic	—	—	—
Foreign	108	—	—
Total deferred tax expense	<u>108</u>	<u>—</u>	<u>—</u>
Total provision for income taxes	<u>\$ 2,705</u>	<u>\$ 2,202</u>	<u>\$ 865</u>

The reconciliation of the United Kingdom statutory tax rate to the Company's effective tax rate included in the accompanying consolidated statements of operations is as follows:

	Year ended March 31,		
	2018	2017	2016
Tax at statutory rate	19.0%	20.0%	20.0%
U.S. state taxes, net of federal	14.1	(1.0)	(1.9)
Foreign rate differential	36.8	(39.3)	18.0
Meals and entertainment	(3.1)	(7.4)	(7.9)
Branch income / loss	0.4	0.9	0.3
Share-based compensation	105.3	(4.0)	(7.3)
Foreign exchange	—	(24.8)	7.4
Non-deductible interest expense	—	(3.3)	(13.9)
Tax credits	8.1	15.6	7.9
Unremitted earnings	(1.2)	—	—
Change in valuation allowance	(110.7)	124.7	48.1
Deferred tax true-ups	8.4	(12.4)	(61.0)
Tax reserves	(21.5)	(117.7)	(23.8)
Provision to return	0.4	(0.7)	(6.5)
Withholding taxes	(3.5)	—	—
Other foreign taxes	—	(6.7)	—
Non-deductible expenses	(2.4)	(10.6)	(3.9)
Deferred tax rate change	(77.8)	(1.3)	(12.8)
Other	(0.2)	—	0.9
Effective Tax Rate	<u>(27.9)%</u>	<u>(68.0)%</u>	<u>(36.4)%</u>

Although the Company's parent entity is organized under Jersey law, our affairs are, and are intended to be, managed and controlled ongoing in the United Kingdom. Therefore, the Company is resident in the United Kingdom for tax purposes. The Company's parent entity is domiciled in the United Kingdom and its earnings are subject to 19%, 20% and 20% statutory tax rate for the years ended March 31, 2018, 2017 and 2016, respectively. The Company's effective tax rate differs from the statutory rate each year primarily due to windfall tax benefits on equity award exercises, the valuation allowance maintained against the Company's net deferred tax assets, the effect of tax rate changes primarily related to the U.S. Tax Cuts and Jobs Act enacted during the third quarter 2018, the jurisdictional earnings mix, tax reserves for uncertain tax positions, tax credits, withholding taxes, and other permanent differences primarily related to non-deductible expenses.

Deferred tax assets and liabilities reflect the net tax effects of net operating loss carryovers and the temporary differences between the assets and liabilities carrying value for financial reporting and the amounts used for income tax purposes. The Company's significant deferred tax assets (liabilities) components are as follows:

	As of March 31,	
	2018	2017
Deferred tax assets:		
Net operating loss carryforwards	\$ 24,159	\$ 7,835
Share-based compensation	2,760	3,406
Deferred revenue	2,237	2,184
Fixed assets	4,516	1,715
Lease liability	16,101	—
Accrued compensation	742	1,062
Accrued costs	1,362	144
Deferred rent	473	243
Income tax credits	1,151	578
Other	109	462
Gross deferred tax assets	53,610	17,629
Deferred tax liabilities:		
Prepaid expenses	(315)	(8)
Fixed assets	(19,280)	(2,891)
Unremitted earnings	(115)	—
Gross deferred tax liabilities	(19,710)	(2,899)
Valuation allowance	(34,008)	(14,730)
Deferred tax (liabilities) assets, net	\$ (108)	\$ —

In assessing the ability to realize the Company's net deferred tax assets, management considers various factors including taxable income in carryback years, future reversals for existing taxable temporary differences, tax planning strategies, and future taxable income projections to determine whether it is more likely than not that some portion or all of the net deferred tax assets will not be realized. Based on the negative evidence, including the worldwide cumulative losses that the Company has incurred, the Company has determined that the uncertainty regarding realizing its deferred tax assets is sufficient to warrant the need for a full valuation allowance against its worldwide net deferred tax assets. The \$19.3 million net increase in the valuation allowance from 2017 to 2018 is primarily due to operating losses incurred, windfall tax benefits on equity awards, and recording deferred tax assets associated with the adoption of ASU 2016-09, partially offset by the reduction in valuation allowance as a result of the enactment of the reduction of the U.S. statutory tax rate during 2018.

During the third quarter of fiscal 2018, the Tax Cuts and Jobs Act (the Act) was enacted in the United States. This legislation makes significant changes in U.S. tax law including a reduction in the corporate tax rates, changes to net operating loss carryforwards and carrybacks, and a repeal of the corporate alternative minimum tax. The Act reduced the U.S. federal corporate tax rate from 35% to 21% effective on January 1, 2018. As a result of the enacted law, the Company was required to revalue deferred tax assets and liabilities at the newly enacted 21% rate. Changes in tax rates and tax laws are accounted for in the period of enactment. Therefore, during the year ended March 31, 2018, the Company recorded a charge offset with a change in valuation allowance of approximately \$6.6 million related to the Company's current estimate of the provisions of the Act.

Additionally, during the third quarter of fiscal 2018, Staff Accounting Bulletin No. 118 ("SAB 118") was issued to address the application of US GAAP in situations when a registrant does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Act. The Company will continue to refine its calculations as additional analysis is completed during the measurement period. In addition, the Company's estimates may also be affected as the Company gains a more thorough understanding of changes to the tax law resulting from the passage of the Act. The Company anticipates completing its assessment of the impact of the Act during the third quarter 2019.

As of March 31, 2018, the Company had U.K. net operating loss carryforwards of approximately \$52.6 million that do not expire. As of March 31, 2018, the Company had U.S. federal net operating loss carryforwards of approximately \$56.4 million. U.S. federal net operating loss carryforwards generated through March 31, 2017 of approximately \$31.5 million expire at various dates through 2037, and U.S. federal net operating loss carryforwards generated during the year ended March 31, 2018 of approximately \$24.9 million do not expire. As of March 31, 2018, the Company had U.S. state net operating loss carryforwards of approximately \$39.5 million that expire at various dates through 2038. As of March 31, 2018, the Company had Australian net operating loss carryforwards of approximately \$17.3 million that do not expire. As of March 31, 2018, the Company had Germany net operating loss carryforwards of approximately \$2.4 million that do not expire. As of March 31, 2018, the Company had a U.K. income tax credit carryforward of \$1.2 million that does not expire.

Under Section 382 of the U.S. Internal Revenue Code, if a corporation undergoes an ownership change, the corporation's ability to use its pre-change net operating loss carryforwards to offset its post-change income and taxes may be limited. In general, an ownership change occurs if there is a 50 percent cumulative change in ownership of the Company over a rolling three-year period. Similar rules may apply under U.S. state tax laws. The Company believes that it has experienced an ownership change in the past and may experience ownership changes in the future resulting from future transactions in our share capital, some of which may be outside the Company's control. The Company's ability to utilize its net operating loss carryforwards or other tax attributes to offset U.S. federal and state taxable income in the future may be subject to future limitations.

As of March 31, 2018 and 2017, the Company had liabilities for uncertain tax positions of \$6.2 million and \$4.9 million, respectively, none of which, if recognized, would impact the Company's effective tax rate.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	Year ended March 31,	
	2018	2017
Beginning balance	\$ 4,931	\$ 2,326
Additions based on tax positions related to current year	142	4,200
Additions for tax positions of prior years	1,444	—
Reductions for tax positions of prior years	—	(1,311)
Reductions due to change in tax rate	(353)	—
Expiration of statutes of limitation	—	(284)
Ending balance	<u>\$ 6,164</u>	<u>\$ 4,931</u>

Interest and penalty charges, if any, related to uncertain tax positions are classified as income tax expense in the accompanying consolidated statements of operations. As of March 31, 2018 and 2017, the Company had immaterial accrued interest or penalties related to uncertain tax positions.

The Company is subject to taxation in the United Kingdom and several foreign jurisdictions. As of March 31, 2018, the Company is no longer subject to examination by taxing authorities in the United Kingdom for years prior to March 31, 2016. The significant foreign jurisdictions in which the Company operates are no longer subject to examination by taxing authorities for years prior to March 31, 2015. In addition, net operating loss carryforwards in certain jurisdictions may be subject to adjustments by taxing authorities in future years when they are utilized.

The majority of the Company's foreign subsidiaries have incurred losses since inception and do not have any undistributed earnings as of March 31, 2018. Income taxes have not been provided on approximately \$8.1 million in undistributed foreign earnings because they are considered to be indefinitely reinvested. The tax payable on the earnings that are indefinitely reinvested in foreign operations would be immaterial.

16. Subsequent Events

Share Option and RSU Grant

On April 2, 2018, the Company granted approximately 1.3 million share options and 0.2 million RSUs to its employees as part of its annual share-based award grant. The grant date fair value per share for share options and RSUs was \$15.20 and \$34.82, respectively.

On May 18, 2018, the Company executed a sublease for a portion of its Watertown, MA corporate office space and on May 22, 2018, the Company received the required consent to the sublease from the landlord of the Watertown office. Future minimum sublease rental income under the sublease, net of incentives, is approximately \$1.8 million.

17. Quarterly results of operations data (unaudited)

The following tables set forth our unaudited quarterly consolidated statements of operations for each of the eight quarters in the period ended March 31, 2018. We have prepared the quarterly consolidated statements of operations data on a basis consistent with the audited consolidated financial statements included elsewhere in this Annual Report on Form 10-K. In the opinion of management, the financial information reflects all adjustments, consisting only of normal recurring adjustments, which we consider necessary for a fair presentation of this data. This information should be read in conjunction with the audited consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K. The results of historical periods are not necessarily indicative of the results to be expected for any future period.

	Quarter ended							
	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016
	(in thousands, except per share amounts)							
Revenue	\$ 73,401	\$ 67,272	\$ 63,066	\$ 58,158	\$ 52,409	\$ 48,333	\$ 44,361	\$ 41,460
Gross profit	53,225	49,544	46,523	42,906	38,955	35,189	31,984	30,121
Loss from operations	(4,206)	(1,129)	(508)	(1,111)	(1,969)	(3,030)	(2,427)	(2,947)
Net (loss) income	(6,554)	(2,593)	(1,339)	(1,900)	(2,618)	(3,370)	303	244
Net (loss) income applicable to ordinary shareholders—basic	\$ (6,554)	\$ (2,593)	\$ (1,339)	\$ (1,900)	\$ (2,618)	\$ (3,370)	\$ 303	\$ 244
Net (loss) income applicable to ordinary shareholders—diluted	\$ (6,554)	\$ (2,593)	\$ (1,339)	\$ (1,900)	\$ (2,618)	\$ (3,370)	\$ 303	\$ 244
Net (loss) income per share applicable to ordinary shareholders:								
Basic	\$ (0.11)	\$ (0.05)	\$ (0.02)	\$ (0.03)	\$ (0.05)	\$ (0.06)	\$ 0.01	\$ 0.00
Diluted	\$ (0.11)	\$ (0.05)	\$ (0.02)	\$ (0.03)	\$ (0.05)	\$ (0.06)	\$ 0.01	\$ 0.00
Weighted-average number of ordinary shares used in computing net (loss) income per share applicable to ordinary shareholders:								
Basic	58,264	57,505	57,027	56,292	55,375	54,949	54,636	54,287
Diluted	58,264	57,505	57,027	56,292	55,375	54,949	58,513	57,655

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal 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 on Form 10-K. Based on such evaluation, our principal executive officer and principal financial officer have concluded that as of such date, our disclosure controls and procedures were effective.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) or 15d-15(f) of the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of March 31, 2018 using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its Internal Control-Integrated Framework (2013). Based on this assessment and those criteria, management concluded that our internal control over financial reporting was effective as of March 31, 2018.

The effectiveness of our internal control over financial reporting as of March 31, 2018 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Mimecast Limited

Opinion on Internal Control over Financial Reporting

We have audited Mimecast Limited's internal control over financial reporting as of March 31, 2018, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), (the COSO criteria). In our opinion, Mimecast Limited (the Company) maintained, in all material respects, effective internal control over financial reporting as of March 31, 2018, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of March 31, 2018 and 2017, the related consolidated statements of operations, comprehensive loss, convertible preferred shares and shareholders' equity (deficit) and cash flows for each of the three years in the period ended March 31, 2018, and the related notes and our report dated May 29, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Boston, Massachusetts

May 29, 2018

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this item will be set forth in the definitive Proxy Statement for our 2018 Annual General Meeting of Shareholders, or the Proxy Statement, and is incorporated into this report by reference.

We have adopted a Code of Business Conduct and Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The text of our Code of Business Conduct and Ethics is posted under Corporate Governance in the Investor Relations section of our website, www.mimecast.com. We intend to disclose on our website any amendments to, or waivers from, our Code of Business Conduct and Ethics that are required to be disclosed pursuant to the disclosure requirements of Item 5.05 of Form 8-K.

Item 11. Executive Compensation.

The information required by this item will be set forth in the Proxy Statement and is incorporated into this report by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this item, including the information required by Item 5. “Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities” related to our equity plans, will be set forth in the Proxy Statement and is incorporated into this report by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this item will be set forth in the Proxy Statement and is incorporated into this report by reference.

Item 14. Principal Accounting Fees and Services.

The information required by this item will be set forth in the Proxy Statement and is incorporated into this report by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) Documents Filed as Part of this Annual Report on Form 10-K

(1) Financial Statements (included in Item 8 of this Annual Report on Form 10-K):

	Page
Report of Independent Registered Public Accounting Firm	57
Consolidated Balance Sheets as of March 31, 2018 and 2017	58
Consolidated Statements of Operations for the Years Ended March 31, 2018, 2017 and 2016	59
Consolidated Statements of Comprehensive Loss for the Years Ended March 31, 2018, 2017 and 2016	60
Consolidated Statements of Convertible Preferred Shares and Shareholders' Equity (Deficit) for the Years Ended March 31, 2018, 2017 and 2016	61
Consolidated Statements of Cash Flows for the Years Ended March 31, 2018, 2017 and 2016	62
Notes to Consolidated Financial Statements	63

(2) Financial Statement Schedules

Financial statements schedules are omitted as they are either not required or the information is otherwise included in the consolidated financial statements.

(3) Exhibits

The exhibits required by Item 601 of Regulation S-K are listed in the Exhibit List on the following page.

EXHIBIT LIST

Exhibit	Description	Incorporated by Reference			File Date (mm/dd/yyyy)
		Schedule/ Form	File Number	Exhibit	
3.1	Memorandum and Articles of Association of the Registrant	F-1/A	333-207454	3.2	11/06/2015
4.1	Specimen certificate evidencing ordinary shares of the Registrant	F-1/A	333-207454	4.1	11/06/2015
4.2	Subscription and Shareholders' Agreement, dated September 18, 2012, by and among Mimecast UK and the other parties thereto	F-1	333-207454	4.2	10/16/2015
4.3	Shareholders Agreement, dated November 5, 2015, by and among the Registrant, Mimecast UK and the other parties thereto	F-1/A	333-207454	4.2.1	11/06/2015
4.4	Registration Rights Agreement, dated September 18, 2012, by and among Mimecast UK and the other parties thereto	F-1	333-207454	4.3	10/16/2015
4.5	Registration Rights Agreement, dated November 5, 2015, by and among the Registrant, Mimecast UK and the other parties thereto	F-1/A	333-207454	4.3.1	11/06/2015
10.1	Form of Indemnification Agreement	F-1	333-207454	10.1	10/16/2015
10.2#	Mimecast UK 2007 Key Employee Share Option Plan and Form of Share Option Agreement	F-1	333-207454	10.6	10/16/2015
10.3#	Mimecast UK 2010 EMI Share Option Scheme	F-1	333-207454	10.7	10/16/2015
10.4#	Mimecast UK Approved Share Option Plan and Form of Share Option Certificate	F-1	333-207454	10.8	10/16/2015
10.5#	Mimecast Limited 2015 Share Option and Incentive Plan	F-1/A	333-207454	10.9	11/06/2015
10.6*#	German Sub-Plan to the Mimecast Limited 2015 Share Option and Incentive Plan				
10.7*#	Form of Agreements under the Mimecast Limited 2015 Share Option and Incentive Plan				
10.8#	Mimecast Limited 2015 Employee Share Purchase Plan	F-1/A	333-207454	10.10	11/06/2015
10.9*#	German Sub-Plan to the Mimecast Limited 2015 Employee Share Purchase Plan				
10.10	Third Amended and Restated Loan Agreement, dated May 22, 2015, by and among Mimecast Services Limited, Mimecast North America, Inc. and Silicon Valley Bank, as amended	F-1	333-207454	10.5	10/16/2015
10.11	Amendment Letter and Confirmation, dated November 13, 2015, by and among Mimecast Services Limited, Mimecast North America, Inc. and Silicon Valley Bank	F-1/A	333-207454	10.5.1	11/13/2015
10.12	Underlease, dated August 7, 2013, by and between Mimecast Services Limited and Sands Service Company (No.2)	F-1	333-207454	10.2	10/16/2015

Exhibit	Description	Incorporated by Reference			File Date (mm/dd/yyyy)
		Schedule/ Form	File Number	Exhibit	
10.13	Lease, dated November 12, 2012, by and between Mimecast North America, Inc. and Farley White Aetna Mills, LLC	F-1	333-207454	10.3	10/16/2015
10.14	First Amendment to Lease, dated October 19, 2015, by and between Mimecast North America, Inc. and Riverworks Watertown Holdings, LLC (as successor in interest to Farley White Aetna Mills, LLC)	20-F	001-37637	4.9.1	05/25/2016
10.15*	Second Amendment to Lease dated as of May 26, 2017 by and between Mimecast North America, Inc. and Whetstone Riverworks Holdings, LLC (as successor in interest to Riverworks Watertown Holdings, LLC and Farley White Aetna Mills, LLC)				
10.16	Agreement of Lease, dated June 24, 2013, by and between Mimecast South Africa (Pty) Ltd and City Square Trading 522 (Pty) Ltd	F-1	333-207454	10.4	10/16/2015
10.17	Lease dated February 17, 2017 by and between Mimecast North America, Inc. and 191 Spring Street Trust	20-F	001-37637	4.11	05/26/2017
10.18	Underlease dated April 21, 2017 by and between Simmons & Simmons LLP, Mimecast Services Limited and Mimecast Limited	20-F	001-37637	4.12	05/26/2017
10.19	Lease Agreement dated January 4, 2013 between PCPI UT Owner, LP, as successor-in-interest, and Mimecast North America, Inc., as amended by Amendment No. 1 dated March 24, 2016 and Amendment No. 2 dated April 18, 2017	20-F	001-37637	4.13	05/26/2017
10.20*	Agreement for Lease dated as of January 2, 2018 by and between Bluebutton Developer Company (2012) Limited, Bluebutton Properties UK Limited, B.L.C.T. (PHC 15A) Limited, Mimecast Services Limited, and the Company, and the related Underleases				
10.21*#	Amended and Restated Employment Agreement dated as of September 2, 2015 between Mimecast North America, Inc. and Peter C. Bauer				
10.22*#	Service Agreement dated as of 22 December 2009 between Mimecast UK Limited (formerly Mimecast Limited) and Neil Murray, as amended by that certain Deed of Amendment dated as of June 12, 2015				
10.23*#	Employment Agreement dated as of June 12, 2015 between Mimecast North America, Inc. and Peter Campbell				
10.24*#	Offer Letter dated July 9, 2015 between Mimecast North America, Inc. and Edward Jennings				
10.25*#	Offer Letter dated July 22, 2016 between Mimecast North America, Inc. and Robert P. Nault				

Exhibit	Description	Incorporated by Reference			
		Schedule/ Form	File Number	Exhibit	File Date (mm/dd/yyyy)
10.26*#	Offer Letter dated October 12, 2017 between Mimecast North America, Inc. and Janet Bishop Levesque				
10.27*#	Mimecast Limited Executive Incentive Plan – FY2019				
21.1*	Subsidiaries of the Registrant				
23.1*	Consent of Ernst & Young LLP, Registered Public Accounting Firm				
31.1*	Certification by the Principal Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) under the Securities and Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
31.2*	Certification by the Principal Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
32.1@	Certification by the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
32.2@	Certification by the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
101.INS*	XBRL Instance Document				
101.SCH*	XBRL Taxonomy Extension Schema Document				
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document				
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document				

* Filed herewith.

@ Furnished herewith. The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Annual Report on Form 10-K and will not be deemed “filed” for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filings under the Securities Act or the Exchange Act, except to the extent that the Registrant specifically incorporates it by reference.

Management contract or compensatory plan or arrangement.

Item 16. Form 10-K Summary.

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Mimecast Limited

Date: May 29, 2018

By: _____ /s/ Peter Bauer

Peter Bauer
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Peter Bauer</u> Peter Bauer	Chairman and Chief Executive Officer (Principal Executive Officer)	May 29, 2018
<u>/s/ Peter Campbell</u> Peter Campbell	Chief Financial Officer (Principal Financial and Accounting Officer)	May 29, 2018
<u>/s/ Aron Ain</u> Aron Ain	Director	May 29, 2018
<u>/s/ Christopher FitzGerald</u> Christopher FitzGerald	Director	May 29, 2018
<u>/s/ Jeffrey Lieberman</u> Jeffrey Lieberman	Director	May 29, 2018
<u>/s/ Neil Murray</u> Neil Murray	Director	May 29, 2018
<u>/s/ Hagi Schwartz</u> Hagi Schwartz	Director	May 29, 2018
<u>/s/ Stephen M. Ward</u> Stephen M. Ward	Director	May 29, 2018

GERMAN SUB-PLAN TO THE MIMICAST LIMITED

2015 SHARE OPTION AND INCENTIVE PLAN

SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the German sub-plan to the Mimecast Limited 2015 Share Option and Incentive Plan (the "German Sub-Plan"). The German Sub-Plan is designed to be a sub-plan under the Mimecast Limited 2015 Share Option and Incentive Plan (the "US Plan" and, together with the German Sub-Plan and any other sub-plans under the US Plan, the "Plan"). The purpose of the Plan is to encourage and enable the officers, employees, Non-Employee Directors and Consultants of Mimecast Limited (the "Company") and its Subsidiaries, including Mimecast Germany GmbH ("Mimecast Germany"), upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business to acquire a proprietary interest in the Company. It is anticipated that providing such persons with a direct stake in the Company's welfare will assure a closer identification of their interests with those of the Company and its shareholders, thereby stimulating their efforts on the Company's behalf and strengthening their desire to remain with the Company.

The following terms shall be defined as set forth below:

"*Act*" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

"*Administrator*" means either the Board or the compensation committee of the Board or a similar committee performing the functions of the compensation committee and which is comprised of not less than two Non-Employee Directors who are independent.

"*Award*" or "*Awards*," except where referring to a particular category of grant under the Plan, shall include Incentive Share Options, Non-Qualified Share Options, Share Appreciation Rights, Restricted Share Units, Restricted Share Awards, Unrestricted Share Awards, Performance Share Awards and Dividend Equivalent Rights.

"*Award Certificate*" means a written or electronic document setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Certificate is subject to the terms and conditions of the Plan.

"*Board*" means the Board of Directors of the Company.

"*Code*" means the U.S. Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

"*Consultant*" means any natural person that provides bona fide services to the Company, and such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities.

"*Covered Employee*" means an employee who is a "Covered Employee" within the meaning of Section 162(m) of the Code.

"*Dividend Equivalent Right*" means an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the Shares specified in the Dividend Equivalent Right (or other award to which it relates) if such Shares had been issued to and held by the grantee.

"*Effective Date*" means the date on which the German Sub-Plan becomes effective as set forth in Section 21.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

“*Fair Market Value*” of the Shares on any given date means the fair market value of the Shares determined in good faith by the Administrator; provided, however, that if the Shares are admitted to quotation on the National Association of Securities Dealers Automated Quotation System (“NASDAQ”), NASDAQ Global Market or another national securities exchange, the determination shall be made by reference to market quotations. If there are no market quotations for such date, the determination shall be made by reference to the last date preceding such date for which there are market quotations; provided further, however, that if the date for which Fair Market Value is determined is the first day when trading prices for the Shares are reported on a national securities exchange, the Fair Market Value shall be the “Price to the Public” (or equivalent) set forth on the cover page for the final prospectus relating to the Company’s Initial Public Offering.

“*Incentive Share Option*” means any Share Option designated and qualified as an “incentive stock option” as defined in Section 422 of the Code.

“*Initial Public Offering*” means the first underwritten, firm commitment public offering pursuant to an effective registration statement under the Act covering the offer and sale by the Company of its equity securities, or such other event as a result of or following which the Shares shall be publicly held.

“*Non-Employee Director*” means a member of the Board who is not also an employee of the Company or any Subsidiary.

“*Non-Qualified Share Option*” means any Share Option that is not an Incentive Share Option.

“*Option*” or “*Share Option*” means any option to purchase Shares granted pursuant to Section 6.

“*Ordinary Shares*” means the ordinary shares of the Company.

“*Performance-Based Award*” means any Restricted Share Award, Restricted Share Units or Performance Share Award granted to a Covered Employee that is intended to qualify as “performance-based compensation” under Section 162(m) of the Code and the regulations promulgated thereunder.

“*Performance Criteria*” means the criteria that the Administrator selects for purposes of establishing the Performance Goal or Performance Goals for an individual for a Performance Cycle. The Performance Criteria (which shall be applicable to the organizational level specified by the Administrator, including, but not limited to, the Company or a unit, division, group, or Subsidiary of the Company) that will be used to establish Performance Goals are limited to the following: total shareholder return; expense levels; cash flow (including, but not limited to, operating cash flow and free cash flow); business development and financing milestones; earnings before interest, taxes, depreciation and amortization, or any elements thereof; net income (loss) (either before or after interest, taxes, depreciation and/or amortization); changes in the market price of the Company’s ordinary shares; economic value-added; sales or revenue; acquisitions or strategic transactions; operating income (loss); return on capital, assets, equity, or investment; shareholder returns; return on sales; gross or net profit levels; productivity; expense; margins; operating efficiency; customer satisfaction; working capital; earnings (loss) per Share; sales or market shares and number of customers; annual spend estimate for new customers signed; number of billable awards; billings and billings retention rate, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group. The Committee may appropriately adjust any evaluation performance under a Performance Criterion to exclude any of the following events that occurs during a Performance Cycle: (i) asset write-downs or impairments, (ii) litigation or claim judgments or settlements, (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reporting results, (iv) accruals for reorganizations and restructuring programs, and (v) any item of an unusual nature or of a type that indicates infrequency of occurrence, or both, including those described in the Financial Accounting Standards Board’s authoritative guidance and/or in management’s discussion and analysis of financial condition of operations appearing the Company’s annual report to shareholders for the applicable year.

“*Performance Cycle*” means one or more periods of time, which may be of varying and overlapping durations, as the Administrator may select, over which the attainment of one or more Performance Criteria will be measured for the purpose of determining a grantee’s right to and the payment of a Restricted Share Award, Restricted Share Units, Performance Share Award or Cash-Based Award, the vesting and/or payment of which is subject to the attainment of one or more Performance Goals. Each such period shall not be less than 12 months.

“*Performance Goals*” means, for a Performance Cycle, the specific goals established in writing by the Administrator for a Performance Cycle based upon the Performance Criteria.

“*Performance Share Award*” means an Award entitling the recipient to acquire Shares upon the attainment of specified performance goals.

“*Restricted Shares*” means the Shares underlying a Restricted Share Award that remain subject to a risk of forfeiture or the Company’s right of repurchase.

“*Restricted Share Award*” means an Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant.

“*Restricted Share Units*” means an Award of share units subject to such restrictions and conditions as the Administrator may determine at the time of grant.

“*Sale Event*” means (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company’s outstanding voting power and outstanding shares immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding shares or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Shares of the Company to an unrelated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company’s outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

“*Sale Price*” means the value as determined by the Administrator of the consideration payable, or otherwise to be received by shareholders, per Share pursuant to a Sale Event.

“*Section 409A*” means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

“*Shares*” means the Ordinary Shares, subject to adjustments pursuant to Section 3.

“*Share Appreciation Right*” means an Award entitling the recipient to receive Shares having a value equal to the excess of the Fair Market Value of the Shares on the date of exercise over the exercise price of the Share Appreciation Right multiplied by the number of Shares with respect to which the Share Appreciation Right shall have been exercised.

“*Subsidiary*” means any corporation or other entity (other than the Company) in which the Company has at least a 50 percent interest, either directly or indirectly.

“*Ten Percent Owner*” means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of shares of the Company or any parent or subsidiary corporation.

“*Unrestricted Share Award*” means an Award of Shares free of any restrictions.

SECTION 2. ADMINISTRATION OF PLAN; ADMINISTRATOR AUTHORITY TO SELECT GRANTEES AND DETERMINE AWARDS

(a) Administration of Plan. The Plan shall be administered by the Administrator.

(b) Powers of Administrator. The Administrator shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

(i) to select the individuals to whom Awards may from time to time be granted;

(ii) to determine the time or times of grant, and the extent, if any, of Incentive Share Options, Non-Qualified Share Options, Share Appreciation Rights, Restricted Share Awards, Restricted Share Units, Unrestricted Share Awards, Performance Share Awards and Dividend Equivalent Rights, or any combination of the foregoing, granted to any one or more grantees;

(iii) to determine the number of Shares to be covered by any Award;

(iv) to determine and modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and conditions may differ among individual Awards and grantees, and to approve the forms of Award Certificates;

(v) to accelerate at any time the exercisability or vesting of all or any portion of any Award;

(vi) subject to the provisions of Section 6(c), to extend at any time the period in which Share Options may be exercised;

(vii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable;

(viii) to interpret the terms and provisions of the Plan and any Award (including related written instruments);

(ix) to make all determinations it deems advisable for the administration of the Plan; and

(x) to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Administrator shall be binding on all persons, including the Company and Plan grantees.

(c) Delegation of Authority to Grant Awards. Subject to applicable law, the Administrator, in its discretion, may delegate to the Chief Executive Officer of the Company all or part of the Administrator's authority and duties with respect to the granting of Awards to individuals who are (i) not subject to the reporting and other provisions of Section 16 of the Exchange Act and (ii) not Covered Employees. Any such delegation by the Administrator shall include a limitation as to the number of Shares underlying Awards that may be granted during the period of the delegation and shall contain guidelines as to the determination of the exercise price and the vesting criteria. The Administrator may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Administrator's delegate or delegates that were consistent with the terms of the Plan.

(d) Award Certificate. Awards under the Plan shall be evidenced by Award Certificates that set forth the terms, conditions and limitations for each Award which may include, without limitation, the term of an Award and the provisions applicable in the event employment or service terminates.

(e) Indemnification. Neither the Board nor the Administrator, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and the Administrator (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company's articles or bylaws or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

SECTION 3. SHARES ISSUABLE UNDER THE PLAN; MERGERS; SUBSTITUTION

(a) Shares Issuable. The maximum number of Shares reserved and available for issuance under the US Plan (together with the German Sub-Plan and all other sub-plans under the Plan) shall be 5,500,000 Shares (the "Initial Limit"), subject to adjustment as provided in this Section 3, plus on January 1, 2016 and each January 1 thereafter, the number of Shares reserved and available for issuance under the US Plan (together with the German Sub-Plan and all other sub-plans under the Plan) shall be cumulatively increased by five percent of the number of Shares issued and outstanding on the immediately preceding December 31 or such lesser number of Shares determined by the Administrator (the "Annual Increase"). The Shares underlying any Awards that are forfeited, canceled, held back upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding, reacquired by the Company prior to vesting, satisfied without the issuance of Shares or otherwise terminated under the US Plan (together with the German Sub-Plan and all other sub-plans under the Plan) (other than by exercise) shall be added back to the Shares available for issuance under the US Plan (together with the German Sub-Plan and all other sub-plans under the Plan). In the event the Company repurchases Shares on the open market, such Shares shall not be added to the Shares available for issuance under the US Plan (together with the German Sub-Plan and all other sub-plans under the Plan). Subject to the overall limitation, (a) the maximum aggregate number of Shares that may be issued in the form of Incentive Share Options shall not exceed the Initial Limit cumulatively increased on January 1, 2016 and on each January 1 thereafter by the lesser of the Annual Increase for such year or 2,750,000 Shares and (b) Shares may be issued up to the maximum number of Shares available under the US Plan (together with the German Sub-Plan and all other sub-plans under the Plan) pursuant to any type or types of Award; provided, however, that Share Options or Share Appreciation Rights with respect to no more than 2,750,000 Shares may be granted to any one individual grantee during any one calendar year period. The Shares available for issuance under the US Plan (together with the German Sub-Plan and all other sub-plans under the Plan) may be authorized but unissued Shares or Shares reacquired by the Company.

(b) Changes in Shares. Subject to Section 3(c) hereof, if, as a result of any reorganization, recapitalization, reclassification, share dividend, share split, reverse share split or other similar change in the Company's share capital, the outstanding Shares are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such Shares or other securities, or, if, as a result of any merger or consolidation, sale of all or substantially all of the assets of the Company, the outstanding Shares are converted into or exchanged for securities of the Company or any successor entity (or a parent or subsidiary thereof), the Administrator shall make an appropriate or proportionate adjustment in (i) the maximum number of Shares reserved for issuance under the Plan, including the maximum number of Shares that may be issued in the form of Incentive Share Options, (ii) the number of Share Options or Share Appreciation Rights that can be granted to any one individual grantee and the maximum number of Shares that may be granted under a Performance-Based Award, (iii) the number and kind of Shares or other securities subject to any then outstanding Awards under the Plan, (iv) the repurchase price, if any, per Share subject to each outstanding Restricted Share Award, and (v) the exercise price for each Share subject to any then outstanding Share Options and Share Appreciation Rights under the Plan, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of Share Options and Share Appreciation Rights) as to which such Share Options and Share Appreciation Rights remain exercisable. The Administrator shall also make equitable or proportionate adjustments in the number of Shares subject to outstanding Awards and the exercise price and the terms of outstanding Awards to take into consideration cash dividends paid other than in the ordinary course or any other extraordinary corporate event. The adjustment by the Administrator shall be final, binding and conclusive. No fractional Shares shall be issued under the Plan resulting from any such adjustment, but the Administrator in its discretion may make a cash payment in lieu of fractional Shares.

(c) Mergers and Other Transactions. In the case of and subject to the consummation of a Sale Event, the parties thereto may cause the assumption or continuation of Awards theretofore granted by the successor entity, or the substitution of such Awards with new Awards of the successor entity or parent thereof, with appropriate adjustment as to the number and kind of shares and, if appropriate, the per Share exercise prices, as such parties shall agree. To the extent the parties to such Sale Event do not provide for the assumption, continuation or substitution of Awards, upon the effective time of the Sale Event, the Plan and all outstanding Awards granted hereunder shall terminate. In such case, except as may be otherwise provided in the relevant Award Certificate, all Options and Share Appreciation Rights that are not exercisable immediately prior to the effective time of the Sale Event shall become fully exercisable as of the effective time of the Sale Event, all other Awards with time-based vesting, conditions or restrictions shall become fully vested and nonforfeitable as of the effective time of the Sale Event, and all Awards with conditions and restrictions relating to the attainment of performance goals may become vested and nonforfeitable in connection with a Sale Event in the Administrator's discretion or to the extent specified in the relevant Award Certificate. In the event of such termination, (i) the Company shall have the option (in its sole discretion) to make or provide for a cash payment to the grantees holding Options and Share Appreciation Rights, in exchange for the cancellation thereof, in an amount equal to the difference between (A) the Sale Price multiplied by the number of Shares subject to outstanding Options and Share Appreciation Rights (to the extent then exercisable at prices not in excess of the Sale Price) and (B) the aggregate exercise price of all such outstanding Options and Share Appreciation Rights; or (ii) each grantee shall be permitted, within a specified period of time prior to the consummation of the Sale Event as determined by the Administrator, to exercise all outstanding Options and Share Appreciation Rights (to the extent then exercisable) held by such grantee.

SECTION 4. MAXIMUM AWARDS TO NON-EMPLOYEE DIRECTORS

Notwithstanding anything to the contrary in this Plan, the value of all Awards awarded under this Plan and all other cash compensation paid by the Company to any Non-Employee Director in any calendar year shall not exceed \$1,000,000. For the purpose of this limitation, the value of any Award shall be its grant date fair value, as determined in accordance with Financial Accounting Standards Board Accounting Standards Codification 718, but excluding the impact of estimated forfeitures related to service-based vesting provisions.

SECTION 5. ELIGIBILITY

Grantees under the Plan will be such full or part-time officers and other employees, Non-Employee Directors and Consultants of the Company and its Subsidiaries as are selected from time to time by the Administrator in its sole discretion.

SECTION 6. SHARE OPTIONS

(a) Award of Share Options. The Administrator may grant Share Options under the Plan. Any Share Option granted under the Plan shall be in such form as the Administrator may from time to time approve.

Share Options granted under the Plan may be either Incentive Share Options or Non-Qualified Share Options. Incentive Share Options may be granted only to employees of the Company or any Subsidiary that is a "subsidiary corporation" within the meaning of Section 424(f) of the Code. To the extent that any Option does not qualify as an Incentive Share Option, it shall be deemed a Non-Qualified Share Option.

Share Options granted pursuant to this Section 6 shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Administrator shall deem desirable. If the Administrator so determines, Share Options may be granted in lieu of cash compensation at the optionee's election, subject to such terms and conditions as the Administrator may establish.

(b) Exercise Price. The exercise price per share for the Shares covered by a Share Option granted pursuant to this Section 6 shall be determined by the Administrator at the time of grant but shall not be less than 100 percent of the Fair Market Value on the date of grant. In the case of an Incentive Share Option that is granted to a Ten Percent Owner, the option price of such Incentive Share Option shall be not less than 110 percent of the Fair Market Value on the grant date.

(c) Option Term. The term of each Share Option shall be fixed by the Administrator, but no Share Option shall be exercisable more than ten years after the date the Share Option is granted. In the case of an Incentive Share Option that is granted to a Ten Percent Owner, the term of such Share Option shall be no more than five years from the date of grant.

(d) Exercisability; Rights of a Shareholder. Share Options shall become exercisable at such time or times, whether or not in installments, as shall be determined by the Administrator at or after the grant date. The Administrator may at any time accelerate the exercisability of all or any portion of any Share Option. An optionee shall have the rights of a shareholder only as to shares acquired upon the exercise of a Share Option and not as to unexercised Share Options.

(e) Method of Exercise. Share Options may be exercised in whole or in part, by giving written or electronic notice of exercise to the Company, specifying the number of Shares to be purchased. Payment of the purchase price may be made by one or more of the following methods except to the extent otherwise provided in the Option Award Certificate:

(i) In cash, by certified or bank check or other instrument acceptable to the Administrator;

(ii) Through the delivery (or attestation to the ownership following such procedures as the Company may prescribe) of Shares that are not then subject to restrictions under any Company plan. Such surrendered Shares shall be valued at Fair Market Value on the exercise date;

(iii) By the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company for the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Company shall prescribe as a condition of such payment procedure; or

(iv) With respect to Share Options that are not Incentive Share Options, by a “net exercise” arrangement pursuant to which the Company will reduce the number of Shares issuable upon exercise by the largest whole number of Shares with a Fair Market Value that does not exceed the aggregate exercise price.

Payment instruments will be received subject to collection. The transfer to the optionee on the records of the Company or of the transfer agent of the Shares to be purchased pursuant to the exercise of a Share Option will be contingent upon receipt from the optionee (or a purchaser acting in his stead in accordance with the provisions of the Share Option) by the Company of the full purchase price for such shares and the fulfillment of any other requirements contained in the Option Award Certificate or applicable provisions of laws (including the satisfaction of any withholding taxes that the Company is obligated to withhold with respect to the optionee). In the event an optionee chooses to pay the purchase price by previously-owned Shares through the attestation method, the number of Shares transferred to the optionee upon the exercise of the Share Option shall be net of the number of attested Shares. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the exercise of Share Options, such as a system using an internet website or interactive voice response, then the paperless exercise of Share Options may be permitted through the use of such an automated system.

(f) Annual Limit on Incentive Share Options. To the extent required for “incentive stock option” treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the time of grant) of the Shares with respect to which Incentive Share Options granted under this Plan and any other plan of the Company or its parent and subsidiary corporations become exercisable for the first time by an optionee during any calendar year shall not exceed \$100,000. To the extent that any Share Option exceeds this limit, it shall constitute a Non-Qualified Share Option.

SECTION 7. SHARE APPRECIATION RIGHTS

(a) Award of Share Appreciation Rights. The Administrator may grant Share Appreciation Rights under the Plan. A Share Appreciation Right is an Award entitling the recipient to receive Shares having a value equal to the excess of the Fair Market Value of a Share on the date of exercise over the exercise price of the Share Appreciation Right multiplied by the number of Shares with respect to which the Share Appreciation Right shall have been exercised.

(b) Exercise Price of Share Appreciation Rights. The exercise price of a Share Appreciation Right shall not be less than 100 percent of the Fair Market Value of the Shares on the date of grant.

(c) Grant and Exercise of Share Appreciation Rights. Share Appreciation Rights may be granted by the Administrator independently of any Share Option granted pursuant to Section 6 of the Plan.

(d) Terms and Conditions of Share Appreciation Rights. Share Appreciation Rights shall be subject to such terms and conditions as shall be determined from time to time by the Administrator. The term of a Share Appreciation Right may not exceed ten years.

SECTION 8. RESTRICTED SHARE AWARDS

(a) Nature of Restricted Share Awards. The Administrator may grant Restricted Share Awards under the Plan. A Restricted Share Award is any Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives. The terms and conditions of each such Award shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees.

(b) Rights as a Shareholder. Upon the grant of the Restricted Share Award and payment of any applicable purchase price, a grantee shall have the rights of a shareholder with respect to the voting of the Restricted Shares and receipt of dividends; provided that if the lapse of restrictions with respect to the Restricted Share Award is tied to the attainment of performance goals, any dividends paid by the Company during the performance period shall accrue and shall not be paid to the grantee until and to the extent the performance goals are met with respect to the Restricted Share Award. Unless the Administrator shall otherwise determine, (i) uncertificated Restricted Shares shall be accompanied by a notation on the records of the Company or the transfer agent to the effect that they are subject to forfeiture until such Restricted Shares are vested as provided in Section 8(d) below, and (ii) certificated Restricted Shares shall remain in the possession of the Company until such Restricted Shares are vested as provided in Section 8(d) below, and the grantee shall be required, as a condition of the grant, to deliver to the Company such instruments of transfer as the Administrator may prescribe.

(c) Restrictions. Restricted Shares may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Restricted Share Award Certificate. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 18 below, in writing after the Award is issued, if a grantee's employment (or other service relationship) with the Company and its Subsidiaries terminates for any reason, any Restricted Shares that have not vested at the time of termination shall automatically and without any requirement of notice to such grantee from or other action by or on behalf of, the Company be deemed to have been reacquired by the Company at its original purchase price (if any) from such grantee or such grantee's legal representative simultaneously with such termination of employment (or other service relationship), and thereafter shall cease to represent any ownership of the Company by the grantee or rights of the grantee as a shareholder. Following such deemed reacquisition of Restricted Shares that are represented by physical certificates, a grantee shall surrender such certificates to the Company upon request without consideration.

(d) Vesting of Restricted Shares. The Administrator at the time of grant shall specify the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the non-transferability of the Restricted Shares and the Company's right of repurchase or forfeiture shall lapse. Subsequent to such date or dates and/or the attainment of such pre-established performance goals, objectives and other conditions, the shares on which all restrictions have lapsed shall no longer be Restricted Shares and shall be deemed "vested."

SECTION 9. RESTRICTED SHARE UNITS

(a) Nature of Restricted Share Units. The Administrator may grant Restricted Share Units under the Plan. A Restricted Share Unit is an Award of share units that may be settled in Shares upon the satisfaction of such restrictions and conditions at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives. The terms and conditions of each such Award shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees. Except in the case of Restricted Share Units with a deferred settlement date that complies with Section 409A, at the end of the vesting period, the Restricted Share Units, to the extent vested, shall be settled in the form of Shares. Restricted Share Units with deferred settlement dates are subject to Section 409A and shall contain such additional terms and conditions as the Administrator shall determine in its sole discretion in order to comply with the requirements of Section 409A.

(b) Election to Receive Restricted Share Units in Lieu of Compensation. The Administrator may, in its sole discretion, permit a grantee to elect to receive a portion of future cash compensation otherwise due to such grantee in the form of an award of Restricted Share Units. Any such election shall be made in writing and shall be delivered to the Company no later than the date specified by the Administrator and in accordance with Section 409A and such other rules and procedures established by the Administrator. Any such future cash compensation that the grantee elects to defer shall be converted to a fixed number of Restricted Share Units based on the Fair Market Value of the Shares on the date the compensation would otherwise have been paid to the grantee if such payment had not been deferred as provided herein. The Administrator shall have the sole right to determine whether and under what circumstances to permit such elections and to impose such limitations and other terms and conditions thereon as the Administrator deems appropriate. Any Restricted Share Units that are elected to be received in lieu of cash compensation shall be fully vested, unless otherwise provided in the Award Certificate.

(c) Rights as a Shareholder. A grantee shall have the rights as a shareholder only as to Shares acquired by the grantee upon settlement of Restricted Share Units; provided, however, that the grantee may be credited with Dividend Equivalent Rights with respect to the share units underlying his Restricted Share Units, subject to the provisions of Section 13 and such terms and conditions as the Administrator may determine.

(d) Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 18 below, in writing after the Award is issued, a grantee's right in all Restricted Share Units that have not vested shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

SECTION 10. UNRESTRICTED SHARE AWARDS

Grant or Sale of Unrestricted Shares. The Administrator may grant (or sell at par value or such higher purchase price determined by the Administrator) an Unrestricted Share Award under the Plan. An Unrestricted Share Award is an Award pursuant to which the grantee may receive Shares free of any restrictions under the Plan. Unrestricted Share Awards may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to such grantee.

SECTION 11. PERFORMANCE SHARE AWARDS

(a) Nature of Performance Share Awards. The Administrator may grant Performance Share Awards under the Plan. A Performance Share Award is an Award entitling the grantee to receive Shares upon the attainment of performance goals. The Administrator shall determine whether and to whom Performance Share Awards shall be granted, the performance goals, the periods during which performance is to be measured, which may not be less than one year except in the case of a Sale Event, and such other limitations and conditions as the Administrator shall determine.

(b) Rights as a Shareholder. A grantee receiving a Performance Share Award shall have the rights of a shareholder only as to Shares actually received by the grantee under the Plan and not with respect to Shares subject to the Award but not actually received by the grantee. A grantee shall be entitled to receive Shares under a Performance Share Award only upon satisfaction of all conditions specified in the Performance Share Award Certificate (or in a performance plan adopted by the Administrator).

(c) Termination. Except as may otherwise be provided by the Administrator either in the Award agreement or, subject to Section 18 below, in writing after the Award is issued, a grantee's rights in all Performance Share Awards shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

SECTION 12. PERFORMANCE-BASED AWARDS TO COVERED EMPLOYEES

(a) Performance-Based Awards. The Administrator may grant one or more Performance-Based Awards in the form of a Restricted Share Award, Restricted Share Units or Performance Share Awards payable upon the attainment of Performance Goals that are established by the Administrator and relate to one or more of the Performance Criteria, in each case on a specified date or dates or over any period or periods determined by the Administrator. The Administrator shall define in an objective fashion the manner of calculating the Performance Criteria it selects to use for any Performance Cycle. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of a division, business unit, or an individual. Each Performance-Based Award shall comply with the provisions set forth below.

(b) Grant of Performance-Based Awards. With respect to each Performance-Based Award granted to a Covered Employee, the Administrator shall select, within the first 90 days of a Performance Cycle (or, if shorter, within the maximum period allowed under Section 162(m) of the Code) the Performance Criteria for such grant, and the Performance Goals with respect to each Performance Criterion (including a threshold level of performance below which no amount will become payable with respect to such Award). Each Performance-Based Award will specify the amount payable, or the formula for determining the amount payable, upon achievement of the various applicable performance targets. The Performance Criteria established by the Administrator may be (but need not be) different for each Performance Cycle and different Performance Goals may be applicable to Performance-Based Awards to different Covered Employees.

(c) Payment of Performance-Based Awards. Following the completion of a Performance Cycle, the Administrator shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the Performance Cycle have been achieved and, if so, to also calculate and certify in writing the amount of the Performance-Based Awards earned for the Performance Cycle. The Administrator shall then determine the actual size of each Covered Employee's Performance-Based Award.

(d) Maximum Award Payable. The maximum Performance-Based Award payable to any one Covered Employee under the Plan for a Performance Cycle is 2,500,000 Shares (subject to adjustment as provided in Section 3(b) hereof).

SECTION 13. DIVIDEND EQUIVALENT RIGHTS

(a) Dividend Equivalent Rights. The Administrator may grant Dividend Equivalent Rights under the Plan. A Dividend Equivalent Right is an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the Shares specified in the Dividend Equivalent Right (or other Award to which it relates) if such Shares had been issued to the grantee. A Dividend Equivalent Right may be granted hereunder to any grantee as a component of an award of Restricted Share Units, Restricted Share Award or Performance Share Award or as a freestanding award. The terms and conditions of Dividend Equivalent Rights shall be specified in the Award Certificate. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently or may be deemed to be reinvested in additional Shares, which may thereafter accrue additional equivalents. Any such reinvestment shall be at Fair Market Value on the date of reinvestment or such other price as may then apply under a dividend reinvestment plan sponsored by the Company, if any. Dividend Equivalent Rights may be settled in cash or Shares or a combination thereof, in a single installment or installments. A Dividend Equivalent Right granted as a component of an Award of Restricted Share Units or Performance Share Award shall provide that such Dividend Equivalent Right shall be settled only upon settlement or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such other Award.

(b) Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 18 below, in writing after the Award is issued, a grantee's rights in all Dividend Equivalent Rights shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

SECTION 14. TRANSFERABILITY OF AWARDS

(a) Transferability. Except as provided in Section 14(b) below, during a grantee's lifetime, his or her Awards shall be exercisable only by the grantee, or by the grantee's legal representative or guardian in the event of the grantee's incapacity. No Awards shall be sold, assigned, transferred or otherwise encumbered or disposed of by a grantee other than by will or by the laws of descent and distribution or pursuant to a domestic relations order. No Awards shall be subject, in whole or in part, to attachment, execution, or levy of any kind, and any purported transfer in violation hereof shall be null and void.

(b) Administrator Action. Notwithstanding Section 14(a), the Administrator, in its discretion, may provide either in the Award Certificate regarding a given Award or by subsequent written approval that the grantee (who is an employee or director) may transfer his or her Non-Qualified Share Options to his or her immediate family members, to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners, provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Award. In no event may an Award be transferred by a grantee for value.

(c) Family Member. For purposes of Section 14(b), "family member" shall mean a grantee's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the grantee's household (other than a tenant of the grantee), a trust in which these persons (or the grantee) have more than 50 percent of the beneficial interest, a foundation in which these persons (or the grantee) control the management of assets, and any other entity in which these persons (or the grantee) own more than 50 percent of the voting interests.

(d) Designation of Beneficiary. To the extent permitted by the Company, each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award or receive any payment under any Award payable on or after the grantee's death. Any such designation shall be on a form provided for that purpose by the Administrator and shall not be effective until received by the Administrator. If no beneficiary has been designated by a deceased grantee, or if the designated beneficiaries have predeceased the grantee, the beneficiary shall be the grantee's estate.

SECTION 15. TAX WITHHOLDING

(a) Payment by Grantee. Each grantee shall, no later than the date as of which the value of an Award or of any Shares or other amounts received thereunder first becomes includable in the gross income of the grantee for U.S. Federal or German income tax purposes, pay to the Company, or make arrangements satisfactory to the Administrator regarding payment of, any U.S. Federal, state, or local taxes or German taxes of any kind required by any applicable law to be withheld by the Company with respect to such income. The Company and its Subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company's obligation to deliver evidence of book entry (or share certificates) to any grantee is subject to and conditioned on tax withholding obligations being satisfied by the grantee. In case that the payments to be made to the grantee are insufficient to pay the taxes, the Company or the respective Subsidiary can request from such grantee the payment of an amount equal to the sum necessary to pay such taxes.

(b) Payment in Shares. Subject to approval by the Administrator, a grantee may elect to have the Company's minimum required tax withholding obligation satisfied, in whole or in part, by authorizing the Company to withhold from Shares to be issued pursuant to any Award a number of shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due. The Administrator may also require Awards to be subject to mandatory share withholding up to the required withholding amount. For purposes of share withholding, the Fair Market Value of withheld shares shall be determined in the same manner as the value of Shares includable in income of the Participants.

SECTION 16. SECTION 409A AWARDS

To the extent that any Award is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "409A Award"), the Award shall be subject to such additional rules and requirements as specified by the Administrator from time to time in order to comply with Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to a grantee who is then considered a "specified employee" (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the grantee's separation from service, or (ii) the grantee's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. Further, the settlement of any such Award may not be accelerated except to the extent permitted by Section 409A.

SECTION 17. TERMINATION OF EMPLOYMENT, TRANSFER, LEAVE OF ABSENCE, ETC.

(a) Termination of Employment. If the grantee's employer ceases to be a Subsidiary, the grantee shall be deemed to have terminated employment for purposes of the Plan.

(b) For purposes of the Plan, the following events shall not be deemed a termination of employment:

(i) a transfer to the employment of the Company from a Subsidiary or from the Company to a Subsidiary, or from one Subsidiary to another; or

(ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the employee's right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Administrator otherwise so provides in writing.

SECTION 18. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Administrator may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall adversely affect rights under any outstanding Award without the holder's consent. Except as provided in Section 3(b) or 3(c), without prior shareholder approval, in no event may the Administrator exercise its discretion to reduce the exercise price of outstanding Share Options or Share Appreciation Rights or effect repricing through cancellation and re-grants or cancellation of Share Options or Share Appreciation Rights in exchange for cash or other Awards. To the extent required under the rules of any securities exchange or market system on which the Shares are listed, to the extent determined by the Administrator to be required by the Code to ensure that Incentive Share Options granted under the Plan are qualified under Section 422 of the Code, or to ensure that compensation earned under Awards qualifies as performance-based compensation under Section 162(m) of the Code, Plan amendments shall be subject to approval by the Company shareholders entitled to vote at a meeting of shareholders. Nothing in this Section 18 shall limit the Administrator's authority to take any action permitted pursuant to Section 3(b) or 3(c).

SECTION 19. STATUS OF PLAN

With respect to the portion of any Award that has not been exercised and any payments in cash, Shares or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Administrator shall otherwise expressly determine in connection with any Award or Awards. In its sole discretion, the Administrator may authorize the creation of trusts or other arrangements to meet the Company's obligations to deliver Shares or make payments with respect to Awards hereunder, provided that the existence of such trusts or other arrangements is consistent with the foregoing sentence.

SECTION 20. GENERAL PROVISIONS

(a) No Distribution. The Administrator may require each person acquiring Shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to distribution thereof.

(b) Delivery of Share Certificates. Share certificates to grantees under this Plan shall be deemed delivered for all purposes when the Company or a Share transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the grantee, at the grantee's last known address on file with the Company. Uncertificated Shares shall be deemed delivered for all purposes when the Company or a Share transfer agent of the Company shall have given to the grantee by electronic mail (with proof of receipt) or by United States mail, addressed to the grantee, at the grantee's last known address on file with the Company, notice of issuance and recorded the issuance in its records (which may include electronic "book entry" records). Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing Shares pursuant to the exercise of any Award, unless and until the Administrator has determined, with advice of counsel (to the extent the Administrator deems such advice necessary or advisable), that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the Shares are listed, quoted or traded. All Share certificates delivered pursuant to the Plan shall be subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with federal, state or foreign jurisdiction, securities or other laws, rules and quotation system on which the Shares are listed, quoted or traded. The Administrator may place legends on any Share certificate to reference restrictions applicable to the Shares. In addition to the terms and conditions provided herein, the Administrator may require that an individual make such reasonable covenants, agreements, and representations as the Administrator, in its discretion, deems necessary or advisable in order to comply with any such laws, regulations, or requirements. The Administrator shall have the right to require any individual to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Administrator.

(c) Shareholder Rights. Until Shares is deemed delivered in accordance with Section 20(b), no right to vote or receive dividends or any other rights of a shareholder will exist with respect to Shares to be issued in connection with an Award, notwithstanding the exercise of a Share Option or any other action by the grantee with respect to an Award.

(d) Other Compensation Arrangements; No Employment Rights. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, including trusts, and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of this Plan and the grant of Awards do not confer upon any employee any right to continued employment with the Company or any Subsidiary.

(e) Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to the Company's insider trading policies and procedures, as in effect from time to time.

(f) Clawback Policy. Awards under the Plan shall be subject to the Company's clawback policy, as in effect from time to time.

SECTION 21. EFFECTIVE DATE OF PLAN

This German Sub-Plan shall become effective on the date the German Sub-Plan is approved by the Board. No grants of Share Options and other Awards may be made hereunder after the tenth anniversary of the Effective Date of the U.S. Plan and no grants of Incentive Share Options may be made hereunder after the tenth anniversary of the date the U.S. Plan is approved by the Board.

SECTION 22. GOVERNING LAW

This Plan and all Awards and actions taken thereunder shall be governed by, and construed in accordance with, the laws of the State of Delaware applied without regard to conflict of law principles.

SECTION 23. NO CLAIMS AGAINST THIRD PARTIES

The grantee acknowledges and accepts that any rights and obligations in connection with the Plan are only created between the Company and the grantee and that the grantee has no direct rights or claims against Mimecast Germany GmbH.

DATE GERMAN SUB-PLAN APPROVED BY BOARD OF DIRECTORS: February 7, 2018

**NON-QUALIFIED SHARE OPTION AGREEMENT
FOR COMPANY EMPLOYEES
UNDER THE MIMICAST LIMITED
2015 SHARE OPTION AND INCENTIVE PLAN**

Name of Optionee: #####PARTICIPANT_NAME###
 No. of Option Shares: #####TOTAL_AWARDS###
 Option Exercise Price per Share: #####GRANT_PRICE###
 Grant Date: #####GRANT_DATE###
 Expiration Date: #####EXPIRY_DATE###

Pursuant to the Mimecast Limited 2015 Share Option and Incentive Plan as amended through the date hereof (the "Plan"), Mimecast Limited (the "Company") hereby grants to the Optionee named above an option (the "Share Option") to purchase on or prior to the Expiration Date specified above all or part of the number of Ordinary Shares of the Company (the "Shares") specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Share Option is not intended to be an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended.

1. Vesting and Exercisability Schedule. No portion of this Share Option may be exercised until such portion shall have become vested and exercisable. Except as set forth in Appendix A, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the vesting and exercisability schedule, this Share Option shall be vested and exercisable with respect to the number of Option Shares on the dates indicated so long as Optionee remains an employee of the Company or a Subsidiary on the dates as listed in Appendix A.

Once vested and exercisable, this Share Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. Manner of Exercise.

(a) The Optionee may exercise this Share Option only in the following manner: from time to time on or prior to the Expiration Date of this Share Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of Shares that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; (iv) by a "net exercise" arrangement pursuant to which the Company will reduce the number of Shares issuable upon exercise by the largest whole number of Shares with a Fair Market Value that does not exceed the aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company's receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence

that the Company may require to satisfy itself that the issuance of Shares to be purchased pursuant to the exercise of Share Options under the Plan and any subsequent resale of the Shares will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned Shares through the attestation method, the number of Shares transferred to the Optionee upon the exercise of the Share Option shall be net of the Shares attested to.

(b) The Shares purchased upon exercise of this Share Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Shares subject to this Share Option unless and until this Share Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been entered as the shareholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such Shares.

(c) The minimum number of Shares with respect to which this Share Option may be exercised at any one time shall be 100 Shares, unless the number of shares with respect to which this Share Option is being exercised is the total number of Shares subject to exercise under this Share Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Share Option shall be exercisable after the Expiration Date hereof.

3. Termination of Employment. If the Optionee's employment by the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the Shares Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's employment terminates by reason of the Optionee's death, any portion of this Share Option outstanding on such date, to the extent vested and exercisable on the date of death, may thereafter be exercised by the Optionee's legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Share Option that is not vested and exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Termination Due to Disability. If the Optionee's employment terminates by reason of the Optionee's disability (as determined by the Administrator), any portion of this Share Option outstanding on such date, to the extent vested and exercisable on the date of such termination of employment, may thereafter be exercised by the Optionee for a period of 12 months from the date of disability or until the Expiration Date, if earlier. Any portion of this Share Option that is not vested and exercisable on the date of disability shall terminate immediately and be of no further force or effect.

(c) Termination for Cause. If the Optionee's employment terminates for Cause, any portion of this Share Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall mean, unless otherwise provided in an employment agreement between the Company and the Optionee, a determination by the Administrator that the Optionee shall be dismissed as a result of (i) any material breach by the Optionee of any agreement between the Optionee and the Company; (ii) the conviction of, indictment for or plea of nolo contendere by the Optionee to a felony or a crime involving moral turpitude; or (iii) any material misconduct or willful and deliberate non-performance (other than by reason of disability) by the Optionee of the Optionee's duties to the Company.

(d) Other Termination. If the Optionee's employment terminates for any reason other than the Optionee's death, the Optionee's disability or Cause, and unless otherwise determined by the Administrator, any portion of this Share Option outstanding on such date may be exercised, to the extent vested and exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Share Option that is not vested and exercisable on the date of termination shall terminate immediately and be of no further force or effect.

The Administrator's determination of the reason for termination of the Optionee's employment shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Share Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.
 5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Share Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.
 6. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of this Share Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the minimum required tax withholding obligation to be satisfied, in whole or in part, by withholding from Shares to be issued to the Optionee a number of Shares with an aggregate Fair Market Value that would satisfy the minimum withholding amount due.
 7. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Optionee at any time.
 8. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Share Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.
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9. Data Privacy Consent: Requirements for Administering the Agreement. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information and acknowledges that it is in the Company's legitimate business interests to collect, process, register and transfer the Relevant Information as described herein; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

10. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

MIMECAST LIMITED

By: ###SIGNATURE###
Title: Chief Executive Officer

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Optionee (including through an online acceptance process) is acceptable.

I, ###PARTICIPANT_NAME###, hereby certify that I have read the agreement set forth above and acknowledge receipt of the Mimecast Limited 2015 Share Option and Incentive Plan Summary and Prospectus.

###PARTICIPANT_NAME### ###HOME_ADDRESS###

Appendix A

###VEST_SCHEDULE_TABLE###

**RESTRICTED SHARE UNIT AWARD AGREEMENT
FOR COMPANY EMPLOYEES
UNDER THE MIMICAST LIMITED
2015 SHARE OPTION AND INCENTIVE PLAN**

Name of Grantee: #####PARTICIPANT_NAME###
No. of Restricted Share Units: #####TOTAL_AWARDS###
Grant Date: #####GRANT_DATE###

Pursuant to the Mimecast Limited 2015 Share Option and Incentive Plan as amended through the date hereof (the "Plan"), Mimecast Limited (the "Company") hereby grants an award of the number of Restricted Share Units listed above (an "Award") to the Grantee named above. Each Restricted Share Unit shall relate to one Ordinary Shares of the Company (the "Shares").

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any Shares issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Share Units have vested as provided in Paragraph 2 of this Agreement and (ii) Shares have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.
 2. Vesting of Restricted Share Units. The restrictions and conditions of Paragraph 1 of this Agreement shall lapse on the Vesting Date or Dates specified in Appendix A to this agreement so long as the Grantee remains an employee of the Company or a Subsidiary on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 1 shall lapse only with respect to the number of Restricted Share Units specified as vested on such date.

The Administrator may at any time accelerate the vesting schedule specified in Appendix A to this Agreement.
 3. Termination of Employment. If the Grantee's employment with the Company and its Subsidiaries terminates for any reason (including death or disability) prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Share Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Share Units.
 4. Issuance of Shares. As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of Shares equal to the aggregate number of Restricted Share Units that have vested pursuant to Appendix A to this Agreement on such date and the Grantee shall thereafter have all the rights of a shareholder of the Company with respect to such Shares.
 5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.
 6. Tax Withholding. The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the required tax withholding obligation to be satisfied, in whole or in part, by withholding from Shares to be issued to the Grantee a number of Shares with an aggregate fair market value that would satisfy the withholding amount due.
-

7. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as “short-term deferrals” as described in Section 409A of the Code.

8. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Grantee at any time.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

10. Data Privacy Consent; Required for Administering the Agreement. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the “Relevant Companies”) may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information and acknowledges that it is with the Company’s legitimate business interests to collect, process, register and transfer the Relevant Information as described herein; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

11. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

MIMECAST LIMITED

By:
Title:

###SIGNATURE###
Chief Executive Officer

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company’s instructions to the Grantee (including through an online acceptance process) is acceptable.

I, ###PARTICIPANT_NAME###, hereby certify that I have read the agreement set forth above and acknowledge receipt of the Mimecast Limited 2015 Share Option and Incentive Plan Summary and Prospectus.

###PARTICIPANT_NAME###

###HOME_ADDRESS###

Appendix A

###VEST_SCHEDULE_TABLE###

**UNAPPROVED SHARE OPTION AGREEMENT
FOR COMPANY EMPLOYEES
UNDER THE UK SUB-PLAN TO THE MIMICAST LIMITED
2015 SHARE OPTION AND INCENTIVE PLAN**

Name of Optionee: #####PARTICIPANT_NAME###
No. of Option Shares: #####TOTAL_AWARDS###
Option Exercise Price per Share: #####GRANT_PRICE###
Grant Date: #####GRANT_DATE###
Expiration Date: #####EXPIRY_DATE###

Pursuant to the UK Sub-Plan to the Mimecast Limited 2015 Share Option and Incentive Plan as amended through the date hereof (the "Plan"), Mimecast Limited (the "Company") hereby grants to the Optionee named above an option (the "Share Option") to purchase on or prior to the Expiration Date specified above all or part of the number of Ordinary Shares of the Company (the "Shares") specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan.

1. Vesting and Exercisability Schedule. No portion of this Share Option may be exercised until such portion shall have become vested and exercisable. Except as set forth in Appendix A, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the vesting and exercisability schedule, this Share Option shall be vested and exercisable with respect to the number of Option Shares on the dates indicated so long as Optionee remains an employee of the Company or a Subsidiary on the dates as listed in Appendix A.

Once vested and exercisable, this Share Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. Manner of Exercise.

(a) The Optionee may exercise this Share Option only in the following manner: from time to time on or prior to the Expiration Date of this Share Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank cheque or other instrument acceptable to the Administrator; (ii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a cheque payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; a combination of (i), and (ii) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company's receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Shares to be purchased pursuant to the exercise of Share Options under the Plan and any subsequent resale of the Shares will be in compliance with applicable laws and regulations.

(b) The Shares purchased upon exercise of this Share Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the

Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Shares subject to this Share Option unless and until this Share Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been entered as the shareholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such Shares.

(c) The minimum number of Shares with respect to which this Share Option may be exercised at any one time shall be 100 Shares, unless the number of shares with respect to which this Share Option is being exercised is the total number of Shares subject to exercise under this Share Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Share Option shall be exercisable after the Expiration Date hereof.

3. Termination of Employment. If the Optionee's employment by the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the Shares Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's employment terminates by reason of the Optionee's death, any portion of this Share Option outstanding on such date, to the extent vested and exercisable on the date of death, may thereafter be exercised by the Optionee's Personal Representative for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Share Option that is not vested and exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Termination Due to Disability. If the Optionee's employment terminates by reason of the Optionee's disability (as determined by the Administrator), any portion of this Share Option outstanding on such date, to the extent vested and exercisable on the date of such termination of employment, may thereafter be exercised by the Optionee for a period of 12 months from the date of disability or until the Expiration Date, if earlier. Any portion of this Share Option that is not vested and exercisable on the date of disability shall terminate immediately and be of no further force or effect.

(c) Termination for Cause. If the Optionee's employment terminates for Cause, any portion of this Share Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall mean, unless otherwise provided in an employment agreement between the Company and the Optionee, a determination by the Administrator that the Optionee shall be dismissed as a result of (i) any material breach by the Optionee of any agreement between the Optionee and the Company; (ii) the conviction of the Optionee to a crime involving moral turpitude; or (iii) any material misconduct or willful and deliberate non-performance (other than by reason of disability) by the Optionee of the Optionee's duties to the Company.

(d) Other Termination. If the Optionee's employment terminates for any reason other than the Optionee's death, the Optionee's disability or Cause, and unless otherwise determined by the Administrator, any portion of this Share Option outstanding on such date may be exercised, to the extent vested and exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Share Option that is not vested and exercisable on the date of termination shall terminate immediately and be of no further force or effect.

The Administrator's determination of the reason for termination of the Optionee's employment shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Share Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Share

Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's Personal Representative.

6. Tax Obligations

(a) Withholding. In the event that the Company determines that it or any Subsidiary is required to account to HM Revenue & Customs for the Award Tax Liability and any Secondary NIC Liability or to withhold any other tax as a result of the exercise of this Option, the Optionee, as a condition to the exercise of the Option, shall make arrangements satisfactory to the Company to enable it or any Subsidiary to satisfy all withholding liabilities. The Optionee shall also make arrangements satisfactory to the Company to enable it to satisfy any withholding requirements that may arise in connection with the vesting or disposition of Shares purchased by exercising this Option.

(b) Tax Consultation. The Optionee understands that he or she may suffer adverse tax consequences as a result of the Optionee's purchase or disposition of the Shares. The Optionee represents that he or she will consult with any tax advisors the Optionee deems appropriate in connection with the purchase or disposition of the Shares and that the Optionee is not relying on the Company or any Affiliate for any tax advice.

(c) Section 431 Election. As a further condition of the exercise of this Option, the Optionee may be required to sign a Section 431 Election in in such other form as may be determined by HM Revenue & Customs from time to time.

(d) Employer's National Insurance Charges. As a further condition of the exercise of an Option under the Plan the Optionee agrees with the Company or any other company or person who is or becomes a Secondary Contributor to reimburse such Secondary Contributor the whole of any Secondary NIC Liability. The Optionee agrees that such agreement takes effect as a Joint Agreement. If requested to do so by the Company, the Optionee also agrees to sign a Joint Election with the Company or any other company or person who is or becomes a Secondary Contributor, for the transfer of the whole of any Secondary NIC Liability.

(e) Optionee's Tax Indemnity.

(i) Indemnity. To the extent permitted by law, the Optionee hereby agrees to indemnify and keep indemnified the Company, and the Company as trustee for and on behalf of any related corporation, for any Award Tax Liability and Secondary NIC Liability.

(ii) No Obligation to Issue Shares. The Company shall not be obliged to allot and issue any Shares or any interest in Shares pursuant to the exercise of this Option unless and until the Optionee has paid to the Company such sum as is, in the opinion of the Company, sufficient to indemnify the Company in full against the Award Tax Liability and the Secondary NIC Liability, or the Optionee has made such other arrangement as in the opinion of the Company will ensure that the full amount of any Award Tax Liability and any Secondary NIC Liability will be recovered from the Optionee within such period as the Company may then determine.

(iii) Right of Retention. In the absence of any such other arrangement being made, the Company shall have the right to retain out of the aggregate number of shares to which the Optionee would have otherwise been entitled upon the exercise of this Option, such number of Shares as, in the opinion of the Company, will enable the Company to sell as agent for the Optionee (at the best price which can reasonably expect to be obtained at the time of the sale) and to pay over to the Company sufficient monies out of the net proceeds of sale, after deduction of all fees, commissions and expenses incurred in relation to such sale, to satisfy the Optionee's liability under such indemnity.

7. Additional terms

(a) The Optionee has no right to compensation or damages for any loss in respect of the Option where such loss arises (or is claimed to arise), in whole or in part, from the termination of the Optionee's employment; or notice to terminate employment given by or to the Optionee. This exclusion of liability shall apply however termination of

employment, or the giving of notice, is caused other than in a case where a competent tribunal or court, from which there can be no appeal (or which the relevant employing company has decided not to appeal), has found that the cessation of the Optionee's employment amounted to unfair or constructive dismissal of the Optionee and however compensation or damages may be claimed.

(b) The Optionee has no right to compensation or damages for any loss in respect of an Option where such loss arises (or is claimed to arise), in whole or in part, from any company ceasing to be a Subsidiary of the Company; or the transfer of any business from a Subsidiary of the Company to any person which is not a Subsidiary of the Company. This exclusion of liability shall apply however the change of status of the relevant company, or the transfer of the relevant business, is caused, and however compensation or damages may be claimed.

8. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Optionee at any time.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Share Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

10. Data protection

(a) By entering into this Option Agreement, and as a condition of the grant of the Option, the Optionee consents to the collection, use, and transfer of personal and professional data for the administration of this agreement and Plan (collectively "Data") as described in this paragraph to the full extent permitted by and in full compliance with applicable laws.

(b) The Optionee understands that the Company and its Subsidiaries hold Data about the Optionee for the purpose of managing and administering the Plan and acknowledges that it is in the Company's legitimate business interests to collect, use and transfer the Data as described herein.

(i) The Optionee further understands that the Company and/or its Subsidiaries will transfer Data among themselves, which may include transfers of Data outside the Optionee's country of residence, the United Kingdom or the European Economic Area as necessary for the purposes of implementation, administration, and management of the Optionee's participation in the Plan, and that the Company and/or its Subsidiary may each further transfer Data to any third party who assist in the administration and management of the Plan and this Agreement (a "Data Recipient").

(ii) The Optionee understands that these Data Recipients may be located in the Optionee's country of residence or elsewhere, such as the United States. The Optionee authorizes the Data Recipients to receive, possess, use, retain, and transfer Data in electronic or other form, for the purposes of implementing, administering, and managing the Optionee's participation in the Plan, including any transfer of such Data, as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Optionee's behalf, to a broker or third party with whom the Shares acquired on exercise may be deposited. Where the transfer is to be to a destination outside the European Economic Area, the Company shall take reasonable steps to ensure that the Optionee's personal data continues to be adequately protected and securely held.

(iii) The Optionee understands that the Optionee may, at any time, review the Data, request that any necessary amendments be made to it, or withdraw the Optionee's consent herein in writing by contacting the Company. The Optionee further understands that withdrawing consent may affect the Optionee's ability to participate in the Plan.

11. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

MIMECAST LIMITED

By:
Title:

###SIGNATURE###
Chief Executive Officer

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Optionee (including through an online acceptance process) is acceptable.

I, ###PARTICIPANT_NAME###, hereby certify that I have read the agreement set forth above and acknowledge receipt of the UK Sub-Plan to the Mimecast Limited 2015 Share Option and Incentive Plan Summary and Prospectus.

###PARTICIPANT_NAME###

###HOME_ADDRESS###

Appendix A

###VEST_SCHEDULE_TABLE###

**RESTRICTED SHARE UNIT AWARD AGREEMENT
FOR COMPANY EMPLOYEES
UNDER THE UK SUB-PLAN TO THE MIMICAST LIMITED
2015 SHARE OPTION AND INCENTIVE PLAN**

Name of Grantee: #####PARTICIPANT_NAME###
No. of Restricted Share Units: #####TOTAL_AWARDS###
Grant Date: #####GRANT_DATE###

Pursuant to the UK Sub-Plan to the Mimecast Limited 2015 Share Option and Incentive Plan as amended through the date hereof (the "Plan"), Mimecast Limited (the "Company") hereby grants an award of the number of Restricted Share Units listed above (an "Award") to the Grantee named above. Each Restricted Share Unit shall relate to one Ordinary Shares of the Company (the "Shares").

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any Shares issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Share Units have vested as provided in Paragraph 2 of this Agreement and (ii) Shares have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Share Units. The restrictions and conditions of Paragraph 1 of this Agreement shall lapse on the Vesting Date or Dates specified in Appendix A to this agreement so long as the Grantee remains an employee of the Company or a Subsidiary on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 1 shall lapse only with respect to the number of Restricted Share Units specified as vested on such date.

The Administrator may at any time accelerate the vesting schedule specified in Appendix A to this Agreement.

3. Termination of Employment. If the Grantee's employment with the Company and its Subsidiaries terminates for any reason (including death or disability) prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Share Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor his Personal Representative will thereafter have any further rights or interests in such unvested Restricted Share Units.

4. Issuance of Shares. As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of Shares equal to the aggregate number of Restricted Share Units that have vested pursuant to Appendix A to this Agreement on such date and the Grantee shall thereafter have all the rights of a shareholder of the Company with respect to such Shares.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Tax Obligations

(a) Withholding. In the event that the Company determines that it or any Subsidiary is required to account to HM Revenue & Customs for the Award Tax Liability and any Secondary NIC Liability or to withhold any other tax as a result of the vesting of the Restricted Share Units and the issuance of Shares, the Grantee shall make arrangements satisfactory to the Company to enable it or any Subsidiary to satisfy all withholding liabilities. The Company shall have the authority to cause the required tax withholding obligation to be satisfied, in whole or in part, by withholding from Shares to be issued to the Grantee a number of Shares with an Aggregate Fair Market Value that would satisfy the withholding amount due.

(b) Tax Consultation. The Grantee understands that he or she may suffer adverse tax consequences as a result of the vesting of the Restricted Share Units and the issuance of Shares. The Grantee represents that he or she will consult with any tax advisors the Grantee deems appropriate in connection with the purchase or disposition of the Shares and that the Grantee is not relying on the Company or any Affiliate for any tax advice.

(c) Section 431 Election. The Grantee may be required to sign a Section 431 Election in such other form as may be determined by HM Revenue & Customs from time to time.

(d) Employer's National Insurance Charges. The Grantee agrees with the Company or any other company or person who is or becomes a Secondary Contributor to reimburse such Secondary Contributor the whole of any Secondary NIC Liability. The Grantee agrees that such agreement takes effect as a Joint Agreement. If requested to do so by the Company, the Grantee also agrees to sign a Joint Election with the Company or any other company or person who is or becomes a Secondary Contributor, for the transfer of the whole of any Secondary NIC Liability.

(e) Grantee's Tax Indemnity.

(i) Indemnity. To the extent permitted by law, the Grantee hereby agrees to indemnify and keep indemnified the Company, and the Company as trustee for and on behalf of any related corporation, for any Award Tax Liability and Secondary NIC Liability.

(ii) No Obligation to Issue Shares. The Company shall not be obliged to issue any Shares unless and until the Grantee has paid to the Company such sum as is, in the opinion of the Company, sufficient to indemnify the Company in full against the Award Tax Liability and the Secondary NIC Liability, or the Grantee has made such other arrangement as in the opinion of the Company will ensure that the full amount of any Award Tax Liability and any Secondary NIC Liability will be recovered from the Grantee within such period as the Company may then determine.

(iii) Right of Retention. In the absence of any such other arrangement being made, the Company shall have the right to retain out of the aggregate number of shares to which the Grantee would have otherwise been entitled upon the vesting of the Restricted Share Units, such number of Shares as, in the opinion of the Company, will enable the Company to sell as agent for the Grantee (at the best price which can reasonably expect to be obtained at the time of the sale) and to pay over to the Company sufficient monies out of the net proceeds of sale, after deduction of all fees, commissions and expenses incurred in relation to such sale, to satisfy the Grantee's liability under such indemnity.

7. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as "short-term deferrals" as described in Section 409A of the Code.

8. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Grantee at any time.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

10. Data Protection

(a) By entering into this Agreement, the Grantee consents to the collection, use, and transfer of personal and professional data for the administration of this agreement and the Plan (collectively "Data") as described in this paragraph to the full extent permitted by and in full compliance with applicable laws.

(b) The Grantee understands that the Company and its Subsidiaries hold Data about the Grantee for the purpose of managing and administering the Plan and acknowledges that it is in the Company's legitimate business interests to collect, use and transfer the Data as described herein.

(c) The Grantee further understands that the Company and/or its Subsidiaries will transfer Data among themselves, which may include transfers of Data outside the Grantee's country of residence, United Kingdom or the European Economic Area as necessary for the purposes of implementation, administration, and management of the Grantee's participation in the Plan, and that the Company and/or its Subsidiary may each further transfer Data to any third party who assist in the administration and management of the Plan and this Agreement (a "Data Recipient").

(d) The Grantee understands that these Data Recipients may be located in the Grantee's country of residence or elsewhere, such as the United States. The Grantee authorizes the Data Recipients to receive, possess, use, retain, and transfer Data in electronic or other form, for the purposes of implementing, administering, and managing the Grantee's participation in the Plan, including any transfer of such Data, as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Grantee's behalf, to a broker or third party with whom the Shares acquired on exercise may be deposited. Where the transfer is to be to a destination outside the European Economic Area, the Company shall take reasonable steps to ensure that the Grantee's personal data continues to be adequately protected and securely held.

(e) The Grantee understands that the Grantee may, at any time, review the Data, request that any necessary amendments be made to it, or withdraw the Grantee's consent herein in writing by contacting the Company. The Grantee further understands that withdrawing consent may affect the Grantee's ability to participate in the Plan.

11. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

MIMECAST LIMITED

By:
Title

###SIGNATURE###
Chief Executive Officer

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Grantee (including through an online acceptance process) is acceptable.

I, ###PARTICIPANT_NAME###, hereby certify that I have read the agreement set forth above and acknowledge receipt of the UK Sub-plan to the Mimecast Limited 2015 Share Option and Incentive Plan Summary and Prospectus.

###PARTICIPANT_NAME###

###HOME_ADDRESS###

Appendix A

###VEST_SCHEDULE_TABLE###

**NON-QUALIFIED SHARE OPTION AGREEMENT
FOR AUSTRALIAN COMPANY EMPLOYEES
UNDER THE MIMICAST LIMITED
2015 SHARE OPTION AND INCENTIVE PLAN**

Name of Optionee: ###PARTICIPANT_NAME###
No. of Option Shares: ###TOTAL_AWARDS###
Option Exercise Price per Share: ###GRANT_PRICE###
Grant Date: ###GRANT_DATE###
Expiration Date: ###EXPIRY_DATE###

Pursuant to the Mimecast Limited 2015 Share Option and Incentive Plan as amended through the date hereof (the "Plan"), Mimecast Limited (the "Company") hereby grants to the Optionee named above an option (the "Share Option") to purchase on or prior to the Expiration Date specified above all or part of the number of Ordinary Shares of the Company (the "Shares") specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Share Option is not intended to be an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended.

1. Vesting and Exercisability Schedule. No portion of this Share Option may be exercised until such portion shall have become vested and exercisable. Except as set forth in Appendix A, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the vesting and exercisability schedule, this Share Option shall be vested and exercisable with respect to the number of Option Shares on the dates indicated so long as Optionee remains an employee of the Company or a Subsidiary on the dates as listed in Appendix A.

Once vested and exercisable, this Share Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. Manner of Exercise.

(a) The Optionee may exercise this Share Option only in the following manner: from time to time on or prior to the Expiration Date of this Share Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of Shares that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; (iv) by a "net exercise" arrangement pursuant to which the Company will reduce the number of Shares issuable upon exercise by the largest whole number of Shares with a Fair Market Value that does not exceed the aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company's receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Shares to be purchased pursuant to the exercise of Share Options under the Plan and any subsequent resale of the Shares will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned Shares through

the attestation method, the number of Shares transferred to the Optionee upon the exercise of the Share Option shall be net of the Shares attested to.

(b) The Shares purchased upon exercise of this Share Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Shares subject to this Share Option unless and until this Share Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been entered as the shareholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such Shares.

(c) The minimum number of Shares with respect to which this Share Option may be exercised at any one time shall be 100 Shares, unless the number of shares with respect to which this Share Option is being exercised is the total number of Shares subject to exercise under this Share Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Share Option shall be exercisable after the Expiration Date hereof.

3. Termination of Employment. If the Optionee's employment by the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the Shares Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's employment terminates by reason of the Optionee's death, any portion of this Share Option outstanding on such date, to the extent vested and exercisable on the date of death, may thereafter be exercised by the Optionee's legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Share Option that is not vested and exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Termination Due to Disability. If the Optionee's employment terminates by reason of the Optionee's disability (as determined by the Administrator), any portion of this Share Option outstanding on such date, to the extent vested and exercisable on the date of such termination of employment, may thereafter be exercised by the Optionee for a period of 12 months from the date of disability or until the Expiration Date, if earlier. Any portion of this Share Option that is not vested and exercisable on the date of disability shall terminate immediately and be of no further force or effect.

(c) Termination for Cause. If the Optionee's employment terminates for Cause, any portion of this Share Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall mean, unless otherwise provided in an employment agreement between the Company and the Optionee, a determination by the Administrator that the Optionee shall be dismissed as a result of (i) any material breach by the Optionee of any agreement between the Optionee and the Company; (ii) the conviction of, indictment for or plea of nolo contendere by the Optionee to a felony or a crime involving moral turpitude; or (iii) any material misconduct or willful and deliberate non-performance (other than by reason of disability) by the Optionee of the Optionee's duties to the Company.

(d) Other Termination. If the Optionee's employment terminates for any reason other than the Optionee's death, the Optionee's disability or Cause, and unless otherwise determined by the Administrator, any portion of this Share Option outstanding on such date may be exercised, to the extent vested and exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Share Option that is not vested and exercisable on the date of termination shall terminate immediately and be of no further force or effect.

The Administrator's determination of the reason for termination of the Optionee's employment shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Share Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.
5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Share Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.
6. Tax Withholding. In the event that the Optionee doesn't provide the Company with his or her Tax File Number or Australian Business Number, as relevant, the Company will have an obligation to remit withholding tax to the Australian Taxation Office. The Optionee shall, upon request by the Company, pay to the Company or make arrangements satisfactory to the Administrator for payment of any amount required by law to be withheld on account of not having provided the Company with the Optionee's Tax File Number or Australian Business Number, as relevant. The Company shall have the authority to cause the minimum required tax withholding obligation to be satisfied, in whole or in part, by withholding from Shares to be issued to the Optionee a number of Shares with an aggregate Fair Market Value that would satisfy the withholding amount due.
7. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Optionee at any time.
8. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Share Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.
9. Data Privacy Notice and Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents or service providers who administer the Plan on behalf of the Company (together, the "Relevant Companies") may collect, hold, store, use, process and disclose any and all personal or professional data relating to the Optionee, including but not limited to the Optionee's name, Tax File Number or Australian Business Number (as relevant) or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). If the Relevant Information is not provided, then the Optionee may not be able to participate in the Plan or be eligible to receive Share Options. In some cases, collection of the Relevant Information may be required or authorized by law, including under the applicable corporations or taxation laws. By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) authorizes the Relevant Companies to collect, store, use and transmit such information in electronic form; (iii) acknowledges being informed that the Relevant Companies (together with their service providers engaged for the purpose of administering the Plan) may hold the Relevant Information in, or disclose the Relevant Information to their third party IT service providers located in, the United States of America, the United Kingdom, Canada and any other countries that the Relevant Companies notifies the Optionee of from time to time, and the Optionee consents to their Relevant Information being transferred, held and disclosed in this manner; and (iv) acknowledges that the Company has taken reasonable steps to ensure that the Relevant Companies will handle the Optionee's personal information in a manner that does not breach the Privacy Act 1988 (Cth).

The Optionee shall have access to, and the right to correct or update, the Relevant information. For more information on how the Company collects, holds, uses and discloses personal information, please see the Company's Privacy Policy (available at: <https://www.mimecast.com/privacy-policy/>), which sets out how the Optionee may access and correct the personal information that the Company holds and how to lodge a complaint relating to the Company's treatment of personal information. Relevant Information will only be used in accordance with applicable law.

10. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

11. Tax Deferral. This scheme is a scheme to which Subdivision 83A-C of the Income Tax Assessment Act 1997 applies (subject to the conditions in that Act).

MIMECAST LIMITED

By:
Title:

###SIGNATURE###
Chief Executive Officer

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Optionee (including through an online acceptance process) is acceptable.

I, ###PARTICIPANT_NAME###, hereby certify that I have read the agreement set forth above and acknowledge receipt of the Mimecast Limited 2015 Share Option and Incentive Plan Summary and Prospectus.

###PARTICIPANT_NAME###

###HOME_ADDRESS###

Appendix A

###VEST_SCHEDULE_TABLE###

**RESTRICTED SHARE UNIT AWARD AGREEMENT
FOR AUSTRALIAN COMPANY EMPLOYEES
UNDER THE MIMICAST LIMITED
2015 SHARE OPTION AND INCENTIVE PLAN**

Name of Grantee: #####PARTICIPANT_NAME###
No. of Restricted Share Units: #####TOTAL_AWARDS###
Grant Date: #####GRANT_DATE###

Pursuant to the Mimecast Limited 2015 Share Option and Incentive Plan as amended through the date hereof (the "Plan"), Mimecast Limited (the "Company") hereby grants an award of the number of Restricted Share Units listed above (an "Award") to the Grantee named above. Each Restricted Share Unit shall relate to one Ordinary Shares of the Company (the "Shares").

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any Shares issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Share Units have vested as provided in Paragraph 2 of this Agreement and (ii) Shares have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Share Units. The restrictions and conditions of Paragraph 1 of this Agreement shall lapse on the Vesting Date or Dates specified in Appendix A to this agreement so long as the Grantee remains an employee of the Company or a Subsidiary on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 1 shall lapse only with respect to the number of Restricted Share Units specified as vested on such date.

The Administrator may at any time accelerate the vesting schedule specified in Appendix A to this Agreement.

3. Termination of Employment. If the Grantee's employment with the Company and its Subsidiaries terminates for any reason (including death or disability) prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Share Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Share Units.

4. Issuance of Shares. As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of Shares equal to the aggregate number of Restricted Share Units that have vested pursuant to Appendix A to this Agreement on such date and the Grantee shall thereafter have all the rights of a shareholder of the Company with respect to such Shares.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Tax Withholding. In the event that the Grantee doesn't provide the Company with his or her Tax File Number or Australian Business Number, as relevant, the Company will have an obligation to remit withholding tax to the Australian Taxation Office. The Grantee shall, upon request by the Company, pay to the Company or make arrangements satisfactory to the Administrator for payment of any amount required by law to be withheld on account of not having provided the Company with the Grantee's Tax File Number or Australian Business Number, as relevant. The Company shall have the authority to cause the required minimum tax withholding obligation to be satisfied, in whole or in part, by withholding from Shares to be issued to the Grantee a number of Shares with an aggregate Fair Market Value that would satisfy the withholding amount due.

7. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as “short-term deferrals” as described in Section 409A of the Code.

8. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Grantee at any time.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

10. Data Privacy Notice and Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents or service providers who administer the Plan on behalf of the Company (together, the “Relevant Companies”) may collect, hold, store, use, process and disclose any and all personal or professional data relating to the Grantee, including but not limited to the Grantee’s name, Tax File Number or Australian Business Number (as relevant) or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). If the Relevant Information is not provided, then the Grantee may not be able to participate in the Plan or be eligible to receive an Award. In some cases, collection of the Relevant Information may be required or authorized by law, including under the applicable corporations or taxation laws. By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) authorizes the Relevant Companies to collect, store, use and transmit such information in electronic form; (iii) acknowledges being informed that the Relevant Companies (together with their service providers engaged for the purpose of administering the Award) may hold the Relevant Information in, or disclose the Relevant Information to their third party IT service providers located in, the United States of America, the United Kingdom, Canada and any other countries that the Relevant Companies notify the Grantee of from time to time, and the Grantee consents to their Relevant Information being transferred, held and disclosed in this manner; and (iv) acknowledges that the Company has taken reasonable steps to ensure that the Relevant Companies will handle the Grantee’s personal information in a manner that does not breach the Privacy Act 1988 (Cth).

The Grantee shall have access to, and the right to correct or update, the Relevant Information. For more information on how the Company collects, holds, uses and discloses personal information, please see the Company’s Privacy Policy (available at: <https://www.mimecast.com/privacy-policy/>), which sets out how the Grantee may access and correct the personal information that the Company holds and how to lodge a complaint relating to the Company’s treatment of personal information. Relevant Information will only be used in accordance with applicable law.

11. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

12. Tax Deferral. This scheme is a scheme to which Subdivision 83A-C of the Income Tax Assessment Act 1997 applies (subject to the conditions in that Act).

MIMECAST LIMITED

By:
Title:

###SIGNATURE###
Chief Executive Officer

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company’s instructions to the Grantee (including through an online acceptance process) is acceptable.

I, ###PARTICIPANT_NAME###, hereby certify that I have read the agreement set forth above and acknowledge receipt of the Mimecast Limited 2015 Share Option and Incentive Plan Summary and Prospectus.

###PARTICIPANT_NAME###

###HOME_ADDRESS###

Appendix A

###VEST_SCHEDULE_TABLE###

**NON-QUALIFIED SHARE OPTION AGREEMENT
FOR COMPANY EMPLOYEES
UNDER THE GERMAN SUB-PLAN TO THE MIMECAST LIMITED
2015 SHARE OPTION AND INCENTIVE PLAN**

Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price per Share: \$ _____

Grant Date: _____

Expiration Date: _____

Pursuant to the German Sub-Plan to the Mimecast Limited 2015 Share Option and Incentive Plan as amended through the date hereof (the "Plan"), Mimecast Limited (the "Company") hereby grants to the Optionee named above an option (the "Share Option") to purchase on or prior to the Expiration Date specified above all or part of the number of Ordinary Shares of the Company (the "Shares") specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Share Option is not intended to be an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended.

1. Vesting and Exercisability Schedule. No portion of this Share Option may be exercised until such portion shall have become vested and exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the vesting and exercisability schedule hereunder, this Share Option shall be vested and exercisable with respect to the number of Option Shares on the dates indicated in the attached schedule so long as Optionee remains an employee of the Company or a Subsidiary on such dates.

Once vested and exercisable, this Share Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. Manner of Exercise.

(a) The Optionee may exercise this Share Option only in the following manner: from time to time on or prior to the Expiration Date of this Share Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of Shares that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; (iv) by a "net exercise" arrangement pursuant to which the Company will reduce the number of Shares issuable upon exercise by the largest whole number of Shares with a Fair Market Value that does not exceed the aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company's receipt from the Optionee of the full purchase price for the Option Shares, as

set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Shares to be purchased pursuant to the exercise of Share Options under the Plan and any subsequent resale of the Shares will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned Shares through the attestation method, the number of Shares transferred to the Optionee upon the exercise of the Share Option shall be net of the Shares attested to.

(b) The Shares purchased upon exercise of this Share Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Shares subject to this Share Option unless and until this Share Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee's name shall have been entered as the shareholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such Shares.

(c) The minimum number of Shares with respect to which this Share Option may be exercised at any one time shall be 100 Shares, unless the number of shares with respect to which this Share Option is being exercised is the total number of Shares subject to exercise under this Share Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Share Option shall be exercisable after the Expiration Date hereof.

3. Termination of Employment. If the Optionee's employment by the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the Shares Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee's employment terminates by reason of the Optionee's death, any portion of this Share Option outstanding on such date, to the extent vested and exercisable on the date of death, may thereafter be exercised by the Optionee's legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Share Option that is not vested and exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Termination Due to Disability. If the Optionee's employment terminates by reason of the Optionee's disability (as determined by the Administrator), any portion of this Share Option outstanding on such date, to the extent vested and exercisable on the date of such termination of employment, may thereafter be exercised by the Optionee for a period of 12 months from the date of disability or until the Expiration Date, if earlier. Any portion of this Share Option that is not vested and exercisable on the date of disability shall terminate immediately and be of no further force or effect.

(c) Termination for Cause. If the Optionee's employment is terminated by the employing entity for good cause in accordance with Sec. 626 para (1) of the German Civil Code (*wichtiger Grund nach § 626 Abs. 1 BGB*), any portion of this Share Option outstanding on such date shall terminate immediately and be of no further force and effect.

(d) Other Termination. If the Optionee's employment terminates for any reason other than the Optionee's death, the Optionee's disability or Cause, and unless otherwise determined by the Administrator, any portion of this Share Option outstanding on such date may be exercised, to the extent vested and exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Share Option that is not vested and exercisable on the date of termination shall terminate immediately and be of no further force or effect.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Share Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.
5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Share Option is exercisable, during the Optionee's lifetime, only by the Optionee, and thereafter, only by the Optionee's legal representative or legatee.
6. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of this Share Option becomes a taxable event for U.S. Federal or German income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any U.S. Federal, state, and local taxes or German taxes of any kind required by law to be withheld on account of such taxable event. The Company and its Subsidiaries shall have the authority to cause the minimum required tax withholding obligation to be satisfied, in whole or in part, by withholding from Shares to be issued to the Optionee a number of Shares with an aggregate Fair Market Value that would satisfy the minimum withholding amount due.
7. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Optionee at any time.
8. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Share Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.
9. Data Privacy Consent; Requirements for Administering the Agreement. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information and acknowledges that it is in the Company's legitimate business interests to collect, process, register and transfer the Relevant Information as described herein; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.
10. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.
11. Governing Law.

This Share Option Agreement and actions taken thereunder shall be governed by, and construed in accordance with, the laws of the State of Delaware applied without regard to conflict of law principles.

12. No Claims Against Third Parties.

The Optionee acknowledges and accepts that any rights and obligations in connection with the Share Option Agreement are only created between the Company and the Optionee and that the Optionee has no direct rights or claims against Mimecast Germany GmbH.

MIMECAST LIMITED

By: _____
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: _____

Optionee's Signature

Optionee's name and address:

**RESTRICTED SHARE UNIT AWARD AGREEMENT
FOR COMPANY EMPLOYEES
UNDER THE GERMAN SUB-PLAN TO THE MIMICAST LIMITED
2015 SHARE OPTION AND INCENTIVE PLAN**

Name of Grantee: _____
No. of Restricted Share Units: _____
Grant Date: _____

Pursuant to the German Sub-Plan to the Mimecast Limited 2015 Share Option and Incentive Plan as amended through the date hereof (the "Plan"), Mimecast Limited (the "Company") hereby grants an award of the number of Restricted Share Units listed above (an "Award") to the Grantee named above. Each Restricted Share Unit shall relate to one Ordinary Shares of the Company (the "Shares").

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any Shares issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Share Units have vested as provided in this Agreement and (ii) Shares have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Share Units. The restrictions and conditions of Paragraph 1 of this Agreement shall lapse on the Vesting Date or Dates specified in the attached schedule so long as the Grantee remains an employee of the Company or a Subsidiary on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 1 shall lapse only with respect to the number of Restricted Share Units specified as vested on such date.

The Administrator may at any time accelerate the vesting schedule specified in this Agreement.

3. Termination of Employment. If the Grantee's employment with the Company and its Subsidiaries terminates for any reason (including death or disability) prior to the satisfaction of the vesting conditions set forth in this Agreement, any Restricted Share Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Share Units.

4. Issuance of Shares. As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of Shares equal to the aggregate number of Restricted Share Units that have vested pursuant to this Agreement on such date and the Grantee shall thereafter have all the rights of a shareholder of the Company with respect to such Shares.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Tax Withholding. The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for U.S. Federal or German income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any U.S. Federal, state, and local taxes or German taxes of any kind required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the required minimum tax withholding obligation to be satisfied, in whole or in part, by withholding from Shares to be issued to the Grantee a number of Shares with an aggregate Fair Market Value that would satisfy the withholding amount due.

7. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as “short-term deferrals” as described in Section 409A of the Code.
8. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Grantee at any time.
9. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.
10. Data Privacy Consent; Requirements for Administering the Agreement. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the “Relevant Companies”) may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the “Relevant Information”). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information and acknowledges that it is in the Company’s legitimate business interests to collect, process, register and transfer the Relevant Information as described herein; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.
11. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.
12. Governing Law.
- This Restricted Share Unit Award Agreement and actions taken thereunder shall be governed by, and construed in accordance with, the laws of the State of Delaware applied without regard to conflict of law principles.
-

13. No Claims Against Third Parties.

The Grantee acknowledges and accepts that any rights and obligations in connection with the Restricted Share Unit Award Agreement are only created between the Company and the Grantee and that the Grantee has no direct rights or claims against Mimecast Germany GmbH.

MIMECAST LIMITED

By: _____
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company's instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: _____

Grantee's Signature

Grantee's name and address:

**GERMAN SUB-PLAN TO THE
MIMECAST LIMITED**

2015 EMPLOYEE SHARE PURCHASE PLAN

The purpose of the German Sub-Plan to the Mimecast Limited 2015 Employee Share Purchase Plan (the "German Sub-Plan") is to provide eligible employees of Mimecast Germany GmbH ("Mimecast Germany") with opportunities to purchase Ordinary Shares of Mimecast Limited (the "Ordinary Shares").

1,100,000 Ordinary Shares have been approved and reserved under the Mimecast Limited 2015 Employee Share Purchase Plan (the "US Plan" and, together with the German Sub-Plan and any other sub-plans under the US Plan, the "Plan"). The Plan is intended to constitute an "employee stock purchase plan" within the meaning of Section 423(b) of the Internal Revenue Code of 1986, as amended (the "Code"), and shall be interpreted in accordance with that intent.

1. Administration. The Plan will be administered by the person or persons (the "Administrator") appointed by the Board of Directors (the "Board") of Mimecast Limited (the "Company") for such purpose. The Administrator has authority at any time to: (i) adopt, alter and repeal such rules, guidelines and practices for the administration of the Plan and for its own acts and proceedings as it shall deem advisable; (ii) interpret the terms and provisions of the Plan; (iii) make all determinations it deems advisable for the administration of the Plan; (iv) decide all disputes arising in connection with the Plan; and (v) otherwise supervise the administration of the Plan. All interpretations and decisions of the Administrator shall be binding on all persons, including the Company and the Participants. No member of the Board or individual exercising administrative authority with respect to the Plan shall be liable for any action or determination made in good faith with respect to the Plan or any option granted hereunder.

2. Offerings. The Company may make one or more offerings to eligible employees to purchase Ordinary Shares under the Plan ("Offerings"). Unless otherwise determined by the Administrator, an Offering will begin on the first business day occurring on or after each January 1 and July 1 and will end on the last business day occurring on or before the following June 30 and December 31, respectively. The Administrator may, in its discretion, designate a different period for any Offering, provided that no Offering shall exceed six months in duration or overlap any other Offering.

3. Eligibility. All individuals classified as employees on the payroll records of Mimecast Germany are eligible to participate in any one or more of the Offerings under the Plan, provided that as of the first day of the applicable Offering (the "Offering Date") they are customarily employed by the Company for more than 20 hours a week. Notwithstanding any other provision herein, individuals who are not contemporaneously classified as employees of Mimecast Germany for purposes of the Company's payroll system are not considered to be eligible employees of Mimecast Germany and shall not be eligible to participate in the Plan. In the event any such individuals are reclassified as employees of Mimecast Germany for any purpose, including, without limitation, common law or statutory employees, by any action of any third party, including, without limitation, any government agency, or as a result of any private lawsuit, action or administrative proceeding, such individuals shall, notwithstanding such reclassification, remain ineligible for participation. Notwithstanding the foregoing, the exclusive means for individuals who are not contemporaneously classified as employees of Mimecast Germany on Mimecast Germany's payroll system to become eligible to participate in this Plan is through an amendment to this Plan, duly executed by the Company, which specifically renders such individuals eligible to participate herein.

4. Participation.

(a) Participants. An eligible employee who is not a Participant on any Offering Date may participate in such Offering by submitting an enrollment form to his or her appropriate payroll location at least 15 business days before the Offering Date (or by such other deadline as shall be established by the Administrator for the Offering).

(b) Enrollment. The enrollment form will (a) state a whole percentage to be deducted from an eligible employee's Compensation (as defined in Section 11) per pay period, (b) authorize the purchase of Ordinary Shares in each Offering in accordance with the terms of the Plan and (c) specify the exact name or names in which Ordinary Shares purchased for such individual are to be issued pursuant to Section 10. An employee who does not enroll in accordance with these procedures will be deemed to have waived the right to participate. Unless a Participant files a new enrollment form or withdraws from the Plan, such Participant's deductions and purchases will continue at the same percentage of Compensation for future Offerings, provided he or she remains eligible.

(c) Notwithstanding the foregoing, participation in the Plan will neither be permitted nor be denied contrary to the requirements of the Code.

5. Employee Contributions. Each eligible employee may authorize payroll deductions at a minimum of one percent up to a maximum of ten percent of such employee's Compensation for each pay period. The Company will maintain book accounts showing the amount of payroll deductions made by each Participant for each Offering. No interest will accrue or be paid on payroll deductions.

6. Deduction Changes. Except as may be determined by the Administrator in advance of an Offering, a Participant may not increase or decrease his or her payroll deduction during any Offering, but may increase or decrease his or her payroll deduction with respect to the next Offering (subject to the limitations of Section 5) by filing a new enrollment form at least 15 business days before the next Offering Date (or by such other deadline as shall be established by the Administrator for the Offering). The Administrator may, in advance of any Offering, establish rules permitting a Participant to increase, decrease or terminate his or her payroll deduction during an Offering.

7. Withdrawal. A Participant may withdraw from participation in the Plan by delivering a written notice of withdrawal to his or her appropriate payroll location. The Participant's withdrawal will be effective as of the next business day. Following a Participant's withdrawal, the Company will promptly refund such individual's entire account balance under the Plan to him or her (after payment for any Ordinary Shares purchased before the effective date of withdrawal). Partial withdrawals are not permitted. Such an employee may not begin participation again during the remainder of the Offering, but may enroll in a subsequent Offering in accordance with Section 4.

8. Grant of Options. On each Offering Date, the Company will grant to each eligible employee who is then a Participant in the Plan an option ("Option") to purchase on the last day of such Offering (the "Exercise Date"), at the Option Price hereinafter provided for, the lowest of (a) a number of Ordinary Shares determined by dividing such Participant's accumulated payroll deductions on such Exercise Date by the Option Price (as defined herein), (b) 550,000 shares, or (c) such other lesser maximum number of shares as shall have been established by the Administrator in advance of the Offering; provided, however, that such Option shall be subject to the limitations set forth below. Each Participant's Option shall be exercisable only to the extent of such Participant's accumulated payroll deductions on the Exercise Date. The purchase price for each share purchased under each Option (the "Option Price") will be 85 percent of the Fair Market Value of the Ordinary Shares on the Offering Date or the Exercise Date, whichever is less.

Notwithstanding the foregoing, no Participant may be granted an option hereunder if such Participant, immediately after the option was granted, would be treated as owning stock possessing five percent or more of the total combined voting power or value of all classes of stock of the Company or any Parent or Subsidiary (as defined in Section 11). For purposes of the preceding sentence, the attribution rules of Section 424(d) of the Code shall apply in determining the stock ownership of a Participant, and all stock which the Participant has a contractual right to purchase shall be treated as stock owned by the Participant. In addition, no Participant may be granted an Option which permits his or her rights to purchase stock under the Plan, and any other employee stock purchase plan of the Company and its Parents and Subsidiaries, to accrue at a rate which exceeds \$25,000 of the fair market value of such stock (determined on the option grant date or dates) for each calendar year in which the Option is outstanding at any time. The purpose of the limitation in the preceding sentence is to comply with Section 423(b)(8) of the Code and shall be applied taking Options into account in the order in which they were granted.

9. Exercise of Option and Purchase of Shares. Each employee who continues to be a Participant in the Plan on the Exercise Date shall be deemed to have exercised his or her Option on such date and shall acquire from the Company such number of whole Ordinary Shares reserved for the purpose of the Plan as his or her accumulated payroll deductions on such date will purchase at the Option Price, subject to any other limitations contained in the Plan. Any amount remaining in a Participant's account at the end of an Offering solely by reason of the inability to purchase a fractional share will be carried forward to the next Offering; any other balance remaining in a Participant's account at the end of an Offering will be refunded to the Participant promptly.

10. Issuance of Certificates. Certificates representing Ordinary Shares purchased under the Plan may be issued only in the name of the employee, in the name of the employee and another person of legal age as joint tenants with rights of survivorship, or in the name of a broker authorized by the employee to be his, her or their, nominee for such purpose.

11. Definitions.

The term "Compensation" means the amount of base pay, plus incentive pay, and commissions.

The term "Designated Subsidiary" means any present or future Subsidiary (as defined below) that has been designated by the Board to participate in the Plan. The Board may so designate any Subsidiary, or revoke any such designation, at any time and from time to time, either before or after the Plan is approved by the stockholders.

The term "Fair Market Value of the Ordinary Shares" on any given date means the fair market value of the Ordinary Shares determined in good faith by the Administrator; provided, however, that if the Ordinary Shares are admitted to quotation on the National Association of Securities Dealers Automated Quotation System ("NASDAQ"), NASDAQ Global Market or another national securities exchange, the determination shall be made by reference to the closing price on such date. If there is no closing price for such date, the determination shall be made by reference to the last date preceding such date for which there is a closing price.

The term "Initial Public Offering" means the first underwritten, firm commitment public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale by the Company of its equity securities, or such other event as a result of or following which the Company's Ordinary Shares shall be publicly held.

The term "Parent" means a "parent corporation" with respect to the Company, as defined in Section 424(e) of the Code.

The term "Participant" means an individual who is eligible as determined in Section 3 and who has complied with the provisions of Section 4.

The term "Subsidiary" means a "subsidiary corporation" with respect to the Company, as defined in Section 424(f) of the Code.

12. Rights on Termination of Employment. If a Participant's employment terminates for any reason before the Exercise Date for any Offering, no payroll deduction will be taken from any pay due and owing to the Participant and the balance in the Participant's account will be paid to such Participant or, in the case of such Participant's death, to his or her designated beneficiary as if such Participant had withdrawn from the Plan under Section 7. An employee will be deemed to have terminated employment, for this purpose, if Mimecast Germany ceases to be a Subsidiary, or if the employee is transferred to any corporation other than the Company or a Designated Subsidiary. An employee will not be deemed to have terminated employment for this purpose if the employee is on an approved leave of absence for military service or sickness or for any other purpose approved by the Company, if the employee's right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Administrator otherwise provides in writing.

13. Optionees Not Stockholders. Neither the granting of an Option to a Participant nor the deductions from his or her pay shall constitute such Participant a holder of the Ordinary Shares covered by an Option under the Plan until such shares have been purchased by and issued to him or her.

14. Rights Not Transferable. Rights under the Plan are not transferable by a Participant other than by will or the laws of descent and distribution, and are exercisable during the Participant's lifetime only by the Participant.
15. Application of Funds. All funds received or held by the Company under the Plan may be combined with other corporate funds and may be used for any corporate purpose.
16. Adjustment in Case of Changes Affecting Ordinary Shares. In the event of a subdivision of outstanding Ordinary Shares, the payment of a dividend in Ordinary Shares or any other change affecting the Ordinary Shares, the number of shares approved for the Plan and the share limitation set forth in Section 8 shall be equitably or proportionately adjusted to give proper effect to such event.
17. Amendment of the Plan. The Board may at any time and from time to time amend the Plan in any respect, except that without the approval within 12 months of such Board action by the stockholders, no amendment shall be made increasing the number of shares approved for the Plan or making any other change that would require stockholder approval in order for the Plan, as amended, to qualify as an "employee stock purchase plan" under Section 423(b) of the Code.
18. Insufficient Shares. If the total number of Ordinary Shares that would otherwise be purchased on any Exercise Date plus the number of shares purchased under previous Offerings under the Plan exceeds the maximum number of shares issuable under the Plan, the shares then available shall be apportioned among Participants in proportion to the amount of payroll deductions accumulated on behalf of each Participant that would otherwise be used to purchase Ordinary Shares on such Exercise Date.
19. Termination of the Plan. The Plan may be terminated at any time by the Board. Upon termination of the Plan, all amounts in the accounts of Participants shall be promptly refunded.
20. Governmental Regulations. The Company's obligation to sell and deliver Ordinary Shares under the Plan is subject to obtaining all governmental approvals required in connection with the authorization, issuance, or sale of such stock.
- 21. Governing Law. This Plan and all Options and actions taken thereunder shall be governed by, and construed in accordance with, the laws of the State of Delaware, applied without regard to conflict of law principles.**
22. Issuance of Shares. Shares may be issued upon exercise of an Option from authorized but unissued Ordinary Shares, from shares held in the treasury of the Company, or from any other proper source.
23. Tax Withholding. Participation in the Plan is subject to any minimum required tax withholding on income of the Participant in connection with the Plan (such as wage taxes). Each Participant agrees, by entering the Plan, that the Company and its Subsidiaries shall have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant, including shares issuable under the Plan. In the case that the payments to be made to the Participant are insufficient to pay the taxes, Mimecast Germany or the Company can request from such Participant the payment of an amount equal to the sum necessary to pay such taxes.
24. Notification Upon Sale of Shares. Each Participant agrees, by entering the Plan, to give the Company prompt notice of any disposition of shares purchased under the Plan where such disposition occurs within two years after the date of grant of the Option pursuant to which such shares were purchased.
25. Effective Date. The German Sub-Plan shall take effect on the date of approval by the Board.
- 26. No Claims Against Third Parties. The Participant acknowledges and accepts that any rights and obligations in connection with the Plan are only created between the Company and the Participant and the Participant has no direct rights or claims against Mimecast Germany.**

SECOND AMENDMENT TO LEASE

This SECOND AMENDMENT TO LEASE (this “**Amendment**”) is entered into and effective as of the 26th day of May, 2017 (the “**Second Amendment Effective Date**”) by and between **WHEATSTONE RIVERWORKS HOLDINGS, LLC**, a Delaware limited liability company, as landlord (“**Landlord**”), as successor-in-interest to Farley White Aetna Mills, LLC and Riverworks Watertown Holdings, LLC, having an address for purposes hereof at One Market Plaza, Spear Tower, Suite 4125, San Francisco, California 94105, and **MIMECAST NORTH AMERICA, INC.**, a Delaware corporation, as tenant (“**Tenant**”), having an address for purposes hereof at 480 Pleasant Street, Watertown, Massachusetts 02472.

WITNESSETH:

WHEREAS, Landlord and Tenant are the present parties to that certain Lease dated November 12, 2012 (the “**Original Lease**”), as affected by (i) that certain Commencement Date Agreement executed by Landlord and Tenant on or about June 6, 2013 (the “**Confirmation**”), and (ii) that certain First Amendment to Lease dated as of October 19, 2015 (the “**First Amendment**”, and together with the Original Lease and the Confirmation, the “**Existing Lease**”) pursuant to which Landlord leases to Tenant and Tenant leases from Landlord a portion of the First Floor and Mezzanine Level of the Building located at 480 Pleasant Street, Watertown, Massachusetts, designated as Suite C-10 (containing approximately 33,669 Rentable Square Feet) and Suite B-100 (containing approximately 10,501 Rentable Square Feet), together containing approximately 44,170 Rentable Square Feet (as more-fully described in the Lease, the “**Premises**”); and

WHEREAS, all initial capitalized terms used and not otherwise defined in this Amendment shall have the meaning ascribed to such terms in the Existing Lease; and

WHEREAS, Landlord and Tenant desire to enter into this Amendment in order to amend certain terms and provisions contained in the Lease regarding Landlord’s approval of subleasing by Tenant and Landlord’s cancellation and termination rights in connection therewith.

NOW, THEREFORE, for good and valuable consideration, and in consideration of the mutual agreements contained in this Amendment, Landlord and Tenant hereby agree and amend the Existing Lease as follows:

1. **Recital.** The above recitals are incorporated herein by this reference.
2. **Lease.** As of the Second Amendment Effective Date, all references to the “**Lease**” both in this Amendment and in the Existing Lease shall mean and refer to the Existing Lease, as amended and affected by this Amendment.
3. **Amendments to Landlord Cancellation and Termination Rights.** Reference is hereby made to Section 6.3(e) of the Original Lease. Notwithstanding anything contained therein to the contrary: (a) with respect to any proposed Transfer by Tenant, Landlord shall be entitled to exercise the cancellation and termination rights set forth in said Section 6.3(e) for a period of twentyone (21) days from and after the date upon which Tenant delivers to Landlord all of the information and documentation described in Section 6.3(c) of the Original Lease, together with a bona fide term sheet or letter of intent executed by both Tenant and its proposed transferee setting forth all the material terms of the proposed Transfer (including, without limitation, the rent, lease term, and any proposed tenant improvement allowance, free rent period or other financial concessions); (b) in the event Landlord exercises its cancellation and termination option with respect to any proposed Transfer, the effective date of such cancellation and termination shall be the date upon which Tenant would be required to deliver possession of the Premises or applicable portion thereof to its proposed transferee.

4. **Landlord Termination Right.** Notwithstanding anything contained in the Existing Lease to the contrary and without limiting any of Landlord's rights under Section 6.3(e) of the Lease as amended hereby, Landlord shall have the right to terminate the Lease upon thirty (30) days' prior written notice to Tenant (the "**Early Termination Notice**") specifying the effective date for such termination (the "**Early Termination Date**"), provided, however, that (a) the Early Termination Date shall not be earlier than January 30, 2018 (as the same may be extended by Tenant as provided in the following clause (b), the "**Inside Early Termination Date**") and (b) Tenant shall have the right, exercisable by notice delivered to Landlord on or before October 31, 2017, to extend the Inside Early Termination Date to February 28, 2018. In the event that Tenant timely delivers such notice and Landlord has previously delivered an Early Termination Notice specifying an effective date of termination which is prior to February 28, 2018, then the effective date of termination hereunder shall be extended to February 28, 2018. In the event Landlord exercises the termination right set forth in this Section 4, then, notwithstanding anything contained in the Existing Lease to the contrary, the Lease shall terminate and expire on the Early Termination Date set forth in the Early Termination Notice as if such date were the Expiration Date for all purposes under the Lease, without penalty or fee to Tenant. Notwithstanding anything contained in this Section 4 to the contrary, in the event Landlord exercises its termination right hereunder, Landlord shall be bound by the terms of any sublease of a portion of the Premises hereafter consented to in writing by Landlord, subject to and in accordance with its terms.

5. **Additional Terms for Landlord Consent to Transfers.** In addition to the reasons set forth in the Existing Lease, Tenant agrees that it shall be reasonable for Landlord to withhold its consent to any proposed Transfer in circumstances where the proposed transferee (a) would operate a call center, credit processing center, or similar operation in any material portion of the Premises, or (b) could reasonably be expected to increase Operating Expenses or wear and tear on the Building.

6. **Brokers.** Landlord and Tenant each represent to the other that it has not dealt with any broker or agent in connection with the negotiation or execution of this Amendment, other than Newmark Grubb Knight Frank, representing Landlord, and Cushman & Wakefield of Massachusetts, Inc., representing Tenant. Tenant and Landlord shall each indemnify the other against all costs, expenses, attorneys' fees, liens and other liability arising from its own breach of the foregoing representation and for any commissions or other compensation claimed by its broker as due and owing on account of this Amendment.

7. **Termination of Expansion and Extension Rights.** Landlord and Tenant hereby agree that the terms and provisions contained in Section 10.21 (Right of First Offer), Section 10.22 (Expansion Space) and Section 10.23 (Option to Extend) of the Lease are hereby deleted from the Lease in their entirety and of no further force or effect.

8. **Miscellaneous.** Landlord and Tenant hereby acknowledge and agree that, except as specifically amended by the terms of this Amendment, all of the terms, covenants and provisions of the Existing Lease are hereby ratified and confirmed and shall remain in full force and effect. Tenant hereby certifies, represents and warrants to Landlord that, to the best of Tenant's knowledge and as of the Second Amendment Effective Date, (a) Landlord is not in default under the Existing Lease, and (b) no state of fact or condition exists which, upon either the passage of time and/or the giving of notice, could give rise to a default of Landlord under the Existing Lease. This Amendment may be executed in two (2) or more counterparts, and by the exchange of facsimile or other electronic signatures with the same force and effect as original ink signatures. When each party has signed and delivered at least one (1) such counterpart, each counterpart shall be deemed an original, and, when taken together with the other signed counterparts, shall constitute one Amendment, which shall be binding upon and effective as to Landlord and Tenant as of the Second Amendment Effective Date. Each of Landlord and Tenant hereby represents and warrants to the other that the individual(s) executing this Amendment on their respective behalf are duly authorized to do so, and that such authorization remains in full force and effect and has not been modified or revoked.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date first above-written.

LANDLORD:

WHETSTONE RIVERWORKS HOLDINGS, LLC,
a Delaware limited liability company

By: /s/ Rajin S Patel

Name: Rajin S Patel
Title: President

TENANT:

MIMECAST NORTH AMERICA, INC.,
a Delaware corporation

By: /s/ Joe Freitas

Name: Joe Freitas
Title: SVP, Human Resources



EXECUTION VERSION

2 January 2018

B.L.C.T. (PHC 15A) LIMITED
and
BLUEBUTTON DEVELOPER COMPANY (2012) LIMITED
and
BLUEBUTTON PROPERTIES UK LIMITED
and
MIMECAST SERVICES LIMITED
and
MIMECAST LIMITED

AGREEMENT FOR UNDERLEASE

of

**THE 3RD, 4TH AND 5TH FLOORS OF
1 FINSBURY AVENUE, LONDON EC2**

Herbert Smith Freehills LLP

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THIS AGREEMENT is made on the 2nd day of January 2018

BETWEEN:

- (1) **B.L.C.T. (PHC 15A) LIMITED** whose registered office is at 47 Esplanade, St Helier, Jersey JE1 OBD c/o York House, 45 Seymour Street, London W1H 7LX (Co. Regn. No: 76075) (the “**Landlord**”);
- (2) **BLUEBUTTON DEVELOPER COMPANY (2012) LIMITED** whose registered office is at York House, 45 Seymour Street, London, W1H 7LX (Co. Regn. No: 08034527) (the “**Developer**”);
- (3) **BLUEBUTTON PROPERTIES UK LIMITED** whose registered office is at York House, 45 Seymour Street, London, W1H 7LX (Co. Regn. No: 08034527) (the “**Developer’s Guarantor**”);
- (4) **MIMECAST SERVICES LIMITED** whose registered office is at 6th Floor, CityPoint, One Ropemaker Street, London EC2Y 9AW (Co. Regn. No: 04901524) (the “**Tenant**”); and
- (5) **MIMECAST LIMITED** whose registered office is at 22 Grenville Street, St Helier, Jersey JE4 8PX c/o 6th Floor, CityPoint, One Ropemaker Street, London EC2Y 9AW (Co. Regn. No: 119119) (the “**Tenant’s Guarantor**”).

WHEREBY IT IS AGREED as follows:

1. DEFINITIONS

The following expressions have the respective specified meanings:

“**Agreed Form**” means in relation to any document, the form of that document or the draft of it which is agreed between the parties and signed by them (or by their respective solicitors on their behalf);

“**All Risks Insurance**” means the policy of insurance kept or caused to be kept by the Developer in the joint names of the Landlord and the Developer against loss or damage to the Developer’s Works, the Tenant’s Works (to the extent clause 27.3 applies) and all other materials, fixtures, fittings, plant, machinery and apparatus from time to time in and upon the Premises by such risks as may from time to time usually be covered by a comprehensive construction “all risks” policy (including terrorism to the extent available on normal commercial terms and at reasonable cost). Such insurance shall be in an amount not less than the full reinstatement value for the time being (including professional fees the cost of debris removal and value added tax where applicable and taking account of inflation during the period of insurance from the period from the date of damage or destruction to the likely date of reinstatement) of the Developer’s Works, the Tenant’s Works (to the extent clause 27.3 applies) and all other materials, fixtures, fittings, plant, machinery and apparatus from time to time in and upon the Premises;

“**Architect**” means Allford Hall Monaghan Morris Limited (company number 07155322) of Morelands, 5-23 Old Street, London, EC1V 9HL appointed by the Developer for the purposes of the Developer’s Works or such other reputable architect of similar experience and standing appointed by the Developer from time to time in relation to the Developer’s Works in accordance with clause 13.5 and notified to the Tenant in writing;

“**Building**” means the building to be refurbished during the Developer’s Works of Which the Premises form part known as 1 Finsbury Avenue, London EC2 the location Of which is shown for the purpose of identification edged red on the Site Plan;

“**Building Services**” means the mechanical and electrical plant, equipment and services and systems in and serving the Premises as described in the Specification;

“Building Services Engineer” means Ove Arup & Partners International Limited (company number 00952468) of 13 Fitzroy Street, London, W1T 4BQ appointed by the Developer for the purposes of the Developer’s Works or such other reputable building services engineer of similar experience and standing appointed by the Developer from time to time in relation to the Developer’s Works in accordance with clause 13.5 and notified to the Tenant in writing;

“Call Option Deed” means the call option deed in the Agreed Form at Annexure S;

“Certificate of Sectional Completion” means the certificate of sectional completion which the Construction Manager is required to sign and issue as soon as each Section has achieved Sectional Completion in accordance with the Construction Management Agreement and the Trade Contracts in respect of the Developer’s Works;

“Cinema Unit” means the parts of the ground and basement of the Building designated from time to time by the Landlord as intended to be let to a cinema operator;

“CIL” means the community infrastructure levy introduced by sections 205-225 of the Planning Act 2008 or any successor provisions;

“CIL Requirement” means a requirement to pay CIL in connection with the Developer’s Works or any other works to the Building;

“CIS” means the current Construction Industry Scheme under the Finance Act 2004 and the CIS Regulations;

“CIS Regulations” means the Income Tax (Construction Industry Scheme) Regulations 2005;

“CDM Regulations” means the Construction (Design and Management) Regulations 2015;

“Construction Management Agreement” means the construction management agreement dated 8 November 2017 entered into by the Developer and the Construction Manager for managing the carrying out of the Developer’s Works or any replacement contract or contracts entered into from time to time in accordance with clause 13.5 and notified to the Tenant in writing;

“Construction Manager” means Sir Robert McAlpine Limited (company number 00566823) of Eaton Court, Maylands Avenue, Hemel Hempstead, Hertfordshire HP2 7TR or any reputable replacement construction manager of similar experience and standing appointed by the Developer to manage the carrying out of the Developer’s Works or any part thereof in accordance with clause 13.5 and notified to the Tenant in writing;

“Cost Consultant” means Equals Consulting Limited (company number 06960814) of Third Floor, 126-134 Baker Street, London, England, W1U 6UE appointed by the Developer for the purposes of the Developer’s Works or such other reputable cost consultant of similar experience and standing appointed by the Developer from time to time in relation to the Developer’s Works in accordance with clause 13.5 and notified to the Tenant in writing;

“Date of Permitted Entry” means the date of the first Working Day following the Date of Sectional Completion of Section One;

“Date of Notional Sectional Completion” means the date the Construction Manager certifies as the date on which Sectional Completion relating to Section One would have been achieved but for any Tenant Delay;

“Date of Sectional Completion” means the date on which each Certificate of Sectional Completion is issued;

“**Defects Period**” means in respect of each Section the period of 12 months from the Date of Sectional Completion;

“**Delivery Areas**” means the delivery areas and ramps shown edged blue on the plans at **Annexure X**;

“**Design Option Items**” means the finishes of certain parts of the Developer’s Works as set out in part C of the Specification;

“**Design Team**” means the Architect, the Building Services Engineer and the Structural Engineer;

“**Developer’s Works**” means the works to be carried out by the Developer to deliver the Premises and the Office Common Parts in accordance with the Specification and for the avoidance of doubt includes the Terrace Works;

“**Duty of Care Letter**” means a duty of care letter addressed to the Tenant and the Guarantor issued by the Independent Measurement Surveyor in relation to the report referred to in clause 16.1.3 in a form to be reasonably approved by the Tenant;

“**EPC**” means the Energy Performance Certificate for the Building produced in accordance with The Energy Performance of Buildings (England and Wales) Regulations 2012;

“**Executives**” means, in respect of the Landlord, Tim Roberts, and in respect of the Tenant, Ulf Maske;

“**Fit-Out Guide**” means the handbook produced by or on behalf of the Landlord containing procedures and regulations governing tenants’ fitting out works at the Building at **Annexure W**;

“**Fitting-Out Contribution**” means the contribution to be made by the Landlord towards the cost to the Tenant of the Tenant’s Works, to be determined pursuant to clause 14.9;

“**Floor Plans**” means the plans of the relevant floors of the Building at **Annexure C**;

“**Fifth Floor Lease**” means an underlease of the Fifth Floor Premises in the Agreed Form at **Annexure F**;

“**Fifth Floor Premises**” means the premises known as the 5th Floor, 1 Finsbury Avenue and more particularly described in the Fifth Floor Lease shown for the purposes of identification only edged in red on the relevant Floor Plans;

“**Fourth Floor Lease**” means an underlease of the Fourth Floor Premises in the Agreed Form at **Annexure E**;

“**Fourth Floor Premises**” means the premises known as the 4th Floor, 1 Finsbury Avenue and more particularly described in the Fourth Floor Lease shown for the purposes of identification only edged in red on the relevant Floor Plans;

“**Health and Safety File**” means the health and safety file required to be prepared and maintained in relation to the Developer’s Works or the Tenant’s Works, as the case may be, pursuant to the CDM Regulations;

“**Independent Measurement Surveyor**” means an appropriately qualified and experienced firm or company of surveyors as may be appointed by the Landlord or the Developer as independent measurement surveyors for the purposes of this agreement;

“**Landlord Legal Opinion**” means the legal opinion in the Agreed Form at **Annexure O**;

“**Leases**” means, together, the Third Floor Lease and the Fourth Floor Lease and (subject to clause 17 and Schedule 1) the Part Fifth Floor Lease or the Fifth Floor Lease and “**Lease**” shall mean any one of them;

“**Licence for Alterations**” means the licence in the Agreed Form at **Annexure G** approving retrospectively the as-built Tenant’s Works;

“**Listed Building Consent**” means the listed building consent dated 1 June 2017 reference 17/00231/LBC as varied by the listed building consent dated 21 September 2017 reference 17/00832/LBC both issued by the City of London together with all requisite approvals already issued in connection with it;

“**Material Alteration**” means any variation, alteration or addition to the Developer’s Works not being a Permitted Variation which shall:

- (a) reduce the performance characteristics and/or quality of the specification of the materials being replaced save where the effect of such reduction shall be negligible;
- (b) reduce the Measured Area by more than 3 per cent below the target Measured Area when considered in aggregate with any previous Material Alteration or otherwise;
- (c) omit or adversely affect the delivery of the following items:
 - (i) reception area of a size and location as per the plan included in the Specification;
 - (ii) 2 x ground floor office entrances on and serving Wilson Street and Finsbury Avenue Square;
 - (iii) 8 x passenger lifts (2 of which double as goods lifts and one of which serves the Roof Terraces). Each bank of 4 lifts to be secure and served by turnstiles;
 - (iv) 1 x DDA lift connecting basement shower and bike facilities to the ground floor;
 - (v) 1 x staircase connecting basement shower and bike facilities to the ground floor;
 - (vi) 1 x central kiosk/reception beacon;
 - (vii) 1 x dedicated Mimecast reception desk shown on the plan attached to the Reception Desk Side Letter;
 - (viii) triple height central reception area with exposed beams and light feature;
 - (ix) floor finish to be one or a combination of polished concrete screed and oiled timber boarding;
 - (x) reduce the available electricity capacity for the exclusive use of the Premises to less than is detailed in the Specification or reduce the available emergency electrical generator capacity to less than is detailed in the Specification; and
 - (xi) access to the Roof Terraces;
- (d) adversely affect the quality of the external envelope of the Developer’s Works as described in the Specification; or
- (e) adversely affect the supply of services to the Developer’s Works or the means of connection of any such utility to the relevant public supply (if appropriate) from that set out in the Specification; or
- (f) affect the basic floor configuration of the floors of the Premises (including the location and size of the structural columns), reduce the floor to ceiling heights or alter the positions of lift shafts and stairwells as shown in the Specification as at the date of this agreement;

- (g) materially affect the performance of the Building Services as detailed in the Specification; or
- (h) materially affect the ability of the Tenant to carry out the Tenant's Works after the Date of Sectional Completion of the relevant Section.

"Measured Area" means the net internal area calculated in accordance with the principles of the Measurement Standard expressed in square feet;

"Measurement Plans" means the plans at **Annexure Q** showing the target net internal area of the Premises;

"Measurement Standard" means the RICS Code of Measuring Practice, 6th edition 2007;

"Method Statement" means a statement prepared by or on behalf of the Tenant setting out the appropriate timing and methods by which the Tenant intends to commence and execute the Tenant's Works in accordance with the Fit-Out Guide;

"Office Common Parts" means the Delivery Areas, bicycle racks, ground floor reception, lifts, risers, Roof Plant Areas, showers and toilets;

"Part Fifth Floor Premises" is as defined in Schedule 1;

"Permitted Variation" means any variation, alteration or addition to the Developer's Works which is not a Material Alteration;

"Planning Permission" means the planning permission dated 1 June 2017 reference 17/00230/FULL issued by the City of London as varied by the planning permission dated 21 September 2017 reference 17/00831/FULL together with all requisite approvals already issued in connection with it;

"Practical Completion" means completion of the relevant Section of the Developer's Works save for any items that would normally be included on a snagging list to be attached to the Certificate of Sectional Completion;

"Premises" means, together, the Third Floor Premises and the Fourth Floor Premises and (subject to clause 17 and Schedule 1) the Fifth Floor Premises or the Part Fifth Floor Premises;

"Programme" means the programme for the Developer's Works at Annexure M;

"Prohibited Materials" means

- (a) any materials which at the time of specification or use are generally considered by construction industry professionals as:
 - (i) being deleterious in themselves;
 - (ii) becoming deleterious when used in a particular situation or in combination with other materials;
 - (iii) becoming deleterious without a level of maintenance which is higher than that which would normally be expected in a building of a comparable type: or
 - (iv) being damaged by or causing damage to the structure in which they are incorporated or to which they are affixed.

For the purpose of this defined term the word “deleterious” shall be deemed to include the use of materials or combinations of materials that would or might be hazardous to health or would or might have the effect of reducing the normal life expectancy or performance:

- (i) of the materials themselves;
- (ii) of any materials to which they are affixed or connected or to which they relate; or
- (iii) of the structure and/or systems in which they are incorporated or to which they are affixed or connected or to which they relate;

to a period less than that which would normally be expected of such materials structure and/or systems in the circumstances in which used; and/or

- (b) any materials identified in the Publication “Good Practice in the Selection of Construction Materials” (2011) (British Council for Offices) otherwise than in accordance with the guidance contained in such publication;

“**Professional Team**” means each member of the Design Team and the Cost Consultant;

“**Professional Team Appointment**” means the appointment entered into by each member of the Design Team and the Cost Consultant prior to the date of this agreement in the forms attached at **Annexure T** and to be entered into by the Verification Engineer following the date of this agreement in the form attached at **Annexure V**;

“**Reception Desk**” means the reception desk to be installed as part of the Developer’s Works in the location elected pursuant to clause 5.2, the options for which are set out at Part B of the Specification;

“**Reception Desk Side Letter**” means the letter in the Agreed form at **Annexure K**;

“**Relevant Event**” means any event which is beyond the Landlord’s and the Developer’s control and any extensions of time to complete the Developer’s Works under the Trade Contracts properly granted by the Construction Manager but only if, and to the extent that, such event is not the result of any impediment, prevention or default whether by act or omission by the Landlord and/or the Developer and/or the Construction Manager or the Landlord’s or the Developer’s failure to comply with any of its obligations under this agreement or the Construction Manager’s failure to comply with any of its obligations under the Construction Management Agreement or any negligence of the Landlord or the Developer or the Construction Manager;

“**Rent Commencement Date**” means, subject to clause 6.6, the date of the first day after the expiry of twelve months commencing on the earlier of:

- (a) the Date of Sectional Completion of Section One; and
- (b) (if appropriate) the Date of Notional Sectional Completion;

“**Requisite Permissions**” means the Planning Permission, the Listed Building Consent and all requisite building regulation requirements and all other consents, approvals, licences, orders, certificates and agreements required from any competent authority (or proper and valid waivers made by the relevant competent authority) necessary to commence, carry out and complete the Developer’s Works or, as appropriate, the Tenant’s Variations and the Tenant’s Works;

“**RICS**” means. the Royal Institution of Chartered Surveyors;

“**Roof Plant Areas**” means the roof plant areas defined in the Leases;

“Roof Terraces” means the communal roof terrace on Level 8 of the Building and the roof terrace on Level 8 of the Building for the Tenant’s exclusive use as shown on the plan attached to the Terrace Side Letter;

“Section” means:

- (a) Section One; and
- (b) Section Two;

“Sectional Completion” means Practical Completion of a Section as certified by the Construction Manager;

“Section One” means the Developer’s Works other than Terrace Works, the Roof Plant Areas and the Delivery Areas;

“Section Two” means the Terrace Works;

“Site Plan” means the plan at **Annexure H**;

“Snagging List” means the list of defects, shrinkages or other faults specified in the list attached to or issued with each Certificate of Sectional Completion which would not ordinarily be regarded as sufficiently material to prevent the issue of the relevant Certificate of Sectional Completion;

“Specification” means the specifications, plans and drawings at **Annexure I** describing the Developer’s Works and the Terrace Works as the same may be varied pursuant to this agreement;

“Structural Engineer” means Ove Arup & Partners International Limited (company number 00952468) of 13 Fitzroy Street, London W1T 4BQ appointed by the Developer for the purposes of the Developer’s Works or such other reputable structural engineer of similar experience and standing appointed by the Developer from time to time in relation to the Developer’s Works in accordance with clause 13.5.1(A) and notified to the Tenant in writing;

“Target Access Date” means, in relation to Section One, 5 February 2019 or such later date as may be determined pursuant to this agreement, and in relation to Section Two, three (3) months from 5 February 2019 or such later date as may be determined pursuant to this agreement;

“Tenant Default” means any impediment, prevention or default, whether by act or omission, by the Tenant or any of its agents, contractors or employees or any member of the Tenant’s Professional Team with the consequence that a delay is caused to the Developer’s Works;

“Tenant Delay” means any delay to the Developer’s Works as a consequence of Tenant Default or as a consequence of a Tenant’s Variation (including a request for a Tenant’s Variation even if it is not approved or implemented) pursuant to clause 10 certified in writing by the Construction Manager in accordance with clause 6.5;

“Tenant’s Guarantor Legal Opinion” means the legal opinion in the Agreed Form at **Annexure P**;

“Tenant’s Professional Team” means

- (a) the professional consultants including the architect, services engineer, structural engineer, employer’s agent and any other consultant with material design responsibility whose services are from time to time engaged in connection with the Tenant’s Works; and

(b) the main contractor engaged by the Tenant in connection with the Tenant's Works,

and references to a "member of the Tenant's Professional Team" shall be construed as relating to any one or more of them (as appropriate);

"Tenant's Surveyors" means Cushman & Wakefield Debenham Tie Leung Limited company number 02757768 or such other firm or company of surveyors as may be appointed by the Tenant for the purposes of this agreement and notified to the Landlord;

"Tenant's Variation" means any works requested by the Tenant additional to or in modification of any part of the Developer's Works undertaken by the Developer on behalf of the Tenant pursuant to clause 10;

"Tenant's Works" means all the works to be carried out by the Tenant for the purpose of fitting out the Premises including the installation of services in the risers of the Building and the provision of a digital connection to the Reception Desk;

"Term Commencement Date" means the date which is the earlier of:

(a) the Date of Sectional Completion of Section One; and

(b) (if appropriate) the Date of Notional Sectional Completion;

"Terrace Side Letter" means the letter in the Agreed Form at **Annexure L**;

"Terrace Works" means the part of the Developer's Works to construct the Tenant's exclusive terrace on the 8th floor of the Building as described in the relevant part of the Specification;

"Third Floor Lease" means an underlease of the Third Floor Premises in the Agreed Form at **Annexure D**;

"Third Floor Premises" means the premises known as the 3rd Floor, 1 Finsbury Avenue and more particularly described in the Third Floor Lease shown for the purposes of identification only edged in red on the relevant Floor Plans;

"Third Party Rights" means third party rights in substantially the Agreed Form at **Annexure B** to be provided by each member of the Landlord's Professional Team, the Construction Manager and the Trade Contractors on a floor by floor basis in accordance with clause 13 and **"Third Party Right"** shall be construed accordingly;

"Trade Contractors" means the trade contractors identified in the list at **Annexure J** appointed or to be appointed by the Developer;

"Trade Contract" means the Trade Contract to be entered into by the Developer and each Trade Contractor substantially in the form annexed at **Annexure U** subject to such reasonable amendments as may be agreed between the Developer and the Trade Contractor in accordance with clause 13.3;

"Total Project Costs" means all costs, fees and expenses incurred (whether or not actually paid) by the Landlord, the Developer or any Group Company of either of them in respect of the redevelopment and refurbishment of the Building, and includes all professional and consultants' fees and expenses;

“**Verification Engineer**” means a verification engineer approved by the Tenant and the Landlord and appointed jointly by the Landlord and the Tenant in the form attached at **Annexure V** to monitor the commissioning of the Building Services prior to the issue of each Certificate of Sectional Completion in connection with the Developer’s Works and the interface with the Tenant’s Works by carrying out the functions referred to in clause 11.8;

“**Warranties**” means any deed of collateral warranty or equivalent third party rights to be provided to the Landlord by the Tenant in respect of the Tenant’s Works pursuant to clause 14.11 of this agreement; and

“**Working Day**” means any day from Monday to Friday (inclusive) other than Christmas Day, Good Friday and any statutory bank holiday in England or Jersey.

2. INTERPRETATION

2.1 Any words and expressions common to this agreement and the Leases (whether in the particulars set out at the beginning of the Leases or in the body of the Leases (including any schedules thereto)) shall have the same meaning ascribed to them in the Leases, and for the purposes of this clause 2.1 “**Lease**” means the lease in the Agreed Form at **Annexure D**.

2.2 Where a party is more than one person, their obligations are joint and several.

2.3 An obligation:

2.3.1 not to do or omit anything is also an obligation not to permit or tolerate it being done or omitted by anyone deriving title from the person owing the obligation or by its or their employees or agents and to prevent or, as appropriate, to require it being done;

2.3.2 to do or not omit anything is also an obligation to procure it; and

2.3.3 to make any payment requires it to be made so that the payee receives full value in cleared sterling funds on the date the payment is due.

2.4 References in this agreement to:

2.4.1 any clause or schedule are to those of this agreement and references to any paragraph are to those of the clause or schedule in which the reference appears;

2.4.2 a person entering the Premises extend to anyone authorised by that person (subject to any contrary provision in this agreement) and to remaining on the Premises for so long as is reasonably necessary with equipment;

2.4.3 a demand mean a written one;

2.4.4 any consent or approval of any party mean a written one signed on that party’s behalf before the act requiring it and any consent or approval will not be unreasonably withheld or delayed unless stated to be at the discretion of a party;

2.4.5 the Premises extend, where the context permits, to any part of them;

2.4.6 a specific Act include every modification, consolidation and re-enactment and extension of it;

2.4.7 any payment being due from any party to any other mean that It is exclusive of any VAT;

2.4.8 anything which is stated to include anything else does not, by the inclusion, limit the generality of the matter referred to;

2.4.9 the RICS extend to its President or acting President for the time being.

2.5 Clause and paragraph headings do not affect the construction of this agreement.

3. AGREEMENT FOR LEASE

- 3.1 In consideration of the Tenant's obligations under this agreement, the Landlord will grant to the Tenant and the Tenant will accept from the Landlord each Lease on the terms set out in this agreement.
- 3.2 No purchase price, premium or deposit is payable under this agreement.

4. MARKETING CONTRIBUTION

4.1 Parties to collaborate

The Landlord and the Tenant agree to work together in good faith to find and implement a change management strategy for the Tenant's employees with regards to the Premises with reference to (but not exclusively) location, transport connectivity, culture, business design and amenity.

4.2 Landlord's contribution

On the date of this agreement the Landlord has paid to the Tenant (receipt of which the Tenant hereby acknowledges as an inducement to execute and enter into the Leases) the sum of £100,000 (exclusive of any VAT) as the Landlord's total contribution towards the cost of any initiatives to be carried out pursuant to clause 4.1 above.

5. SPECIFICATION

5.1 Design development

- 5.1.1 The parties acknowledge that as at the date of this agreement the detailed design of each part of the Developer's Works as set out in the Specification is not yet finalised.
- 5.1.2 The Developer will keep the Tenant informed on progress made in developing the design beyond RIBA Stage 4, and shall procure that the Construction Manager and the Design Team are instructed to make available to the Tenant (including where possible access on CAD and on line) status 'A' drawings and other design information in relation to the Developer's Works throughout the design process.

5.2 Tenant design

- 5.2.1 The Landlord and the Tenant agree that the Tenant shall have the ability to choose the final design in respect of the Design Option Items.
- 5.2.2 The Landlord shall provide the Tenant with the options for each Design Option Item as soon as reasonably practicable once the design options are available and in any event at least two weeks prior to the date set out against each Design Option Item in Part C of the Specification.
- 5.2.3 The Tenant shall make its selection in respect of each Design Option Item by notifying the Landlord in writing of its choices no later than the date set out against each Design Option Item in Part C of the Specification.
- 5.2.4 If the Tenant does not notify the Landlord of its choices (in respect of any or all of the Design Option Items) prior to the specified deadlines, the Landlord shall deliver the default design in respect of any such Design Option Items as set out in Part C of the Specification.

5.3 Final Specification

- 5.3.1 Once the detailed design for all aspects of the Specification has been finalised in accordance with clauses 5.1 and 5.2, the Landlord shall provide a copy of the final-form specification to the Tenant and such document shall become the Specification for the purposes of this agreement. Once finalised, the Specification is not to be altered, modified or omitted unless in accordance with clause 8.

5.3.2 The parties agree that the development of the design in accordance with this clause 5 shall not constitute a change for the purposes of clause 8 and the provisions of clause 8 shall not apply in relation to the development of the Specification and to further iterations of the Specification which may be agreed between the Developer and the Tenant under this clause 5, except to the extent that the development of the Specification under this clause 5 would amount to a Material Alteration.

6. THE DEVELOPER'S WORKS

6.1 Execution of Developer's Works

As soon as practicable after all Requisite Permissions required to enable the Developers Works to be commenced have been obtained (which the Developer shall use reasonable endeavours to obtain) the Developer shall procure that the Developer's Works are carried out and completed:

- 6.1.1 at its own expense;
- 6.1.2 in compliance with all Requisite Permissions;
- 6.1.3 in a good and workmanlike manner, using good quality materials and without using Prohibited Materials;
- 6.1.4 using reputable contractors;
- 6.1.5 in accordance with the Specification;
- 6.1.6 in accordance with all Acts and any enforceablerequirements of any competent authority which in either case shall affect the execution and completion of the Developer's Works, including the lawful requirements of the local fire authority;
- 6.1.7 in compliance with all lawful requirements of any water, gas or electricity authority and any applicable codes of practice affecting the construction industry; and
- 6.1.8 in accordance with its obligations under the GDM Regulations,

save that in relation to matters of design, the Developer shall only be liable to the extent that it has not exercised reasonable skill, care and diligence.

6.2 BREEAM rating

The Developer shall use reasonable endeavours to target achieving a BREEAM rating of not less than "Very Good" in respect of the completed Developer's Works.

6.3 Timetable

Subject to clause 6.5, the Developer shall use all reasonable and commercially prudent endeavours to procure that Sectional Completion for each Section shall be achieved by the relevant Target Access Date.

6.4 Delays to programme

- 6.4.1 The Developer shall report regularly to the Tenant as to the progress of the Developer's Works as against the Programme and shall promptly advise the Tenant if the Developer's Works are subject to material delay (being a delay which the Developer considers, acting reasonably, that will cause the completion of the Developer's Works to be delayed more than five (5) Working Days), including any Tenant Delay.
- 6.4.2 The Developer shall use all reasonable and commercially prudent endeavours to manage, reduce and mitigate any delay to the Developer's Works.

6.4.3 If the Developer is of the opinion that the Developer's Works or any Section will not be completed or are unlikely to be completed by the relevant anticipated date as specified in the then current programme for the Developer's Works then the Landlord shall so advise the Tenant in writing and identify the new anticipated completion date.

6.5 Extensions of time

6.5.1 The Target Access Date shall be subject to such extensions of time as may be due to delays caused to the progress of the Developer's Works or any part thereof by:

- (A) any Relevant Event; or
- (B) any Tenant Delay;

in each case as certified in writing by the Construction Manager.

6.5.2 Without prejudice to clause 6.4.2, if there is any delay in the Developer's Works caused by a Relevant Event then the Landlord and the Developer shall use all reasonable and commercially prudent endeavours to mitigate such delay and details of such delay shall be provided to the Tenant as soon as reasonably practicable and the Target Access Date shall be extended by a period equal to the period of delay caused by the Relevant Event as properly certified in writing by the Construction Manager acting fairly and reasonably.

6.6 Adjustment of Rent Commencement Date

6.6.1 If Sectional Completion of Section One has not occurred by the Target Access Date, the Rent Commencement Date shall be adjusted as follows:

- (A) for the first three months immediately following the Target Access Date, the Rent Commencement Date shall be deferred on a day-for-day basis for each day of delay beyond the Target Access Date;
- (B) for the fourth, fifth, sixth, seventh and eighth months following the Target Access Date, the Rent Commencement Date shall be deferred by two days for each day of delay beyond the first month following the Target Access Date; and
- (C) from the end of the eighth month following the Target Access Date, the Rent Commencement Date shall be deferred by three days for each day of delay beyond the end of the fourth month following the Target Access Date.

6.7 CDM Regulations

In respect of the Developer's Works, the Developer agrees to:

- 6.7.1 be the only client for the purposes of the CDM Regulations;
- 6.7.2 comply with its obligations as a client for the purposes of the CDM Regulations; and
- 6.7.3 appoint a principal designer and a principal contractor in respect of the Developer's Works and take all reasonable steps to ensure that each is provided with the relevant information to enable them to perform their duties under the CDM Regulations.

6.8 Provision of information to Tenant

The Landlord shall make available to the Tenant and the Tenant's Surveyors on a secure extranet site copies of material plans, drawings, specifications, outstanding Requisite Permissions (once obtained), test certificates and minutes of material site meetings.

6.9 Wirescore

The Landlord shall undertake a "**Wired Certification for Development and Redevelopment**" prior to the date of completion of the Leases and shall target achieving a "**Platinum**" rating in respect of the Premises.

6.10 EPC

The Developer will provide or procure the EPC with a rating of at least Grade E on the date the Certificate of Sectional Completion for Section One is issued.

7. COMPLETION OF OTHER WORKS

7.1 The Developer shall use all reasonable and commercially prudent endeavours to procure that practical completion of any Developer's works to the communal roof terrace on level 8 of the Building and the ground floor retail areas visible from the office common parts, including:

7.1.1 the external facades on Wilson Street, Finsbury Avenue Square and White Cross Place; and

7.1.2 the internal frontages facing into the office reception,

shall be achieved by 1 November 2019 subject to such extensions of time as may be due to delays caused to the progress of such works or any part thereof by any Relevant Event or any Tenant Delay, in each case as certified by the Construction Manager.

7.2 If the works referred to in clause 7.1 are not practically complete by Sectional Completion of Section One, the Developer will provide suitable temporary finishes and hoardings so that the Office Common Parts are accessible and available for use by the Tenant.

7.3 The Developer shall procure that practical completion of the Delivery Areas and the Roof Plant Areas shall be achieved by 1 September 2019.

8. VARIATIONS TO DEVELOPER'S WORKS

8.1 Permitted Variations

8.1.1 The Landlord may without obtaining approval from the Tenant make any Permitted Variations.

8.1.2 The Landlord shall notify the Tenant of any Permitted Variation and the reason for it, and shall as soon as reasonably practicable provide details, drawings and other appropriate information to identify the change (save as aforesaid).

8.2 Material Alterations

8.2.1 The Landlord shall not make any Material Alteration without obtaining the prior written approval of the Tenant (which shall not be unreasonably withheld).

8.2.2 If the Landlord proposes to make any Material Alteration it shall provide to the Tenant details of such proposed alteration together with copies of all drawings, plans and specifications relating thereto and the reason for such alteration.

8.2.3 The Tenant and the Landlord both acting reasonably shall work together to achieve agreement to any Material Variation notified under this clause 8.2 within 10 Working Days of submission of information provided by the Landlord pursuant to clause 8.2.2.

8.2.4 If the Tenant does not respond to the Landlord's request for approval within the timetable stated in this clause 8.2 the change shall be deemed to have been approved by the Tenant and the Landlord shall be entitled (but not obliged) to make the relevant change.

9. SITE VISITS, MEETINGS AND IP LICENCES

9.1 Entry onto Premises to view Developer's Works

- 9.1.1 The Landlord shall permit the Tenant and its advisers (but limited to four or such greater number of people as is reasonable in the circumstances) at all reasonable times and at reasonable intervals, to enter onto the Premises (accompanied by a representative of the Landlord if the Landlord shall so require and whom the Landlord shall make available) to view the progress of the Developer's Works or a Section or to prepare designs and tenders for the Tenant's Works subject nevertheless to:
- (A) reasonable (and in any event not less than 48 hours') notice being given to the Landlord and the Developer;
 - (B) compliance with:
 - (1) the proper and reasonable safety and site management requirements imposed by each of the Developer and the Construction Manager; and
 - (2) any insurance requirements imposed by the insurers of the Developer's Works;
 - (C) the progress of the Developer's Works not being materially impeded; and
 - (D) any photographs taken by or on behalf of the Tenant not being provided or released to any third party other than any of the Tenant's advisers for the purposes of the Tenant's Works or its employees in connection with clause 4 without the Landlord's approval (which shall be at the Landlord's discretion).
- 9.1.2 The Landlord shall procure that the Tenant is given not less than five (5) Working Days' notice of any proposed testing and commissioning in respect of any element of the Building Services comprised within the Developer's Works and installed within the Premises and shall permit the Tenant and its advisers (but limited to four) to attend any such testing or commissioning subject to compliance with the same conditions as are set out in clauses 9.1.1(B) and 9.1.1(D).

9.2 Progress meetings and updates

Not less frequently than once every month the Developer shall convene giving not less than five (5) Working Days' notice to the Tenant of the date, time and place of a progress meeting relating to the Developer's Works and the Tenant and other representatives of the Tenant (not exceeding four in number) shall be entitled to attend any such meeting and the Developer shall provide monthly progress updates to the Tenant.

9.3 Representations by Tenant

The Landlord and the Developer shall take proper account of (but shall not be bound by) any representations made by or on behalf of the Tenant in connection with the Developer's Works and the progress thereof raised during such progress meetings and in connection with any testing or commissioning of Building Services witnessed by the Tenant but:

- 9.3.1 nothing in this clause 9.3 shall interfere in any way with the rights or obligations of the Developer under the Construction Management Agreement; and
- 9.3.2 any representations made by or on behalf of the Tenant shall be made in writing direct to the Landlord and the Developer within two Working Days after the relevant meeting or testing and commissioning as appropriate and shall not be made to the Construction Manager or any other party (except for the Verification Engineer) involved in the carrying out, testing, commissioning or completion of the Developer's Works or any element of them.

9.4 Licence to Tenant to use drawings etc

Insofar as the copyright to any drawing or any other intellectual property relevant to the Developer's Works is owned by or licensed to the Landlord or the Developer, the Landlord or the Developer (as the case may be) has power to grant licence to use or reproduce the same the Landlord and the Developer hereby irrevocably grant to the Tenant and its Professional Team a non-exclusive licence to use and reproduce the same for the purposes set out in clause 9.5.

9.5 Restrictions on copyright to be observed

- 9.5.1 The Tenant shall, and shall use reasonable endeavours to procure that each member of the Tenant's Professional Team shall, observe all restrictions on copyright and other intellectual property rights applicable to and treat as supplied in confidence all drawings, plans, specifications, cost information, contracts, documents and calculations supplied by the Landlord, the Developer, the Construction Manager or any member of the Professional Team in connection with or related to the Developer's Works.
- 9.5.2 The Tenant shall not use or permit to be used any of the documentation referred to in clauses 9.4 and 9.5.1 otherwise than exclusively in connection with the planning and execution of the Tenant's Works and any other purposes authorised or required under this agreement including but not limited to clause 4.
- 9.5.3 The Tenant shall indemnify the Landlord and the Developer against all claims, losses, damages, costs and expenses incurred by the Landlord and/or the Developer as a result of any breach by the Tenant of this clause 9.5.

10. TENANT'S VARIATIONS

10.1 Request for Tenant's Variations

The Tenant shall be entitled at any time prior to the date falling 3 months prior to the Target Access Date but not thereafter by written application to the Developer to request that the Developer incorporate a Tenant's Variation in the Developer's Works so far as they have an impact on the Premises or the Terrace Works in accordance with the provisions of this clause 10.

10.2 Scope of Tenant's Variations

A Tenant's Variation shall not include any fitting out works nor any other Tenant's Works.

10.3 Developer's ability to reject request for Tenant's Variations

The Developer or the Landlord shall (subject to compliance with this clause 10) be entitled to approve or (acting reasonably) reject any request made by the Tenant to incorporate any Tenant's Variation into the Developer's Works, but, without limiting the foregoing, it shall be reasonable for the Developer or the Landlord to reject such a request where the Tenant's Variation or its carrying out:

- 10.3.1 affects or might reasonably be expected to affect the structural integrity of the Developer's Works or any other works the Developer is carrying out at the Building;
- 10.3.2 gives rise to or require changes to the quality, appearance or finish of the external envelope of the Developer's Works or any other works the Developer is carrying out at the Building or might give rise or require any such change;
- 10.3.3 would, or in the Developer's reasonable opinion might reasonably be expected to, cause any delay to any other works the Developer is carrying out at the Building;
- 10.3.4 could be incorporated into the Tenant's Works in a reasonably economic and efficient manner;

- 10.3.5 would involve to an unreasonable extent the dismantling, removal, alteration or demolition of Developer's Works or any other works the Developer is carrying out at the Building in the course of construction or completed;
- 10.3.6 would involve the cancellation of any order already placed unless the Tenant agrees fully to indemnify the Developer in respect of such cancellation on terms reasonably required by the Developer;
- 10.3.7 would in the Landlord's opinion result in a diminution of the market rental value of the Premises on review;
- 10.3.8 would prevent the Landlord or the Developer from complying with its obligations under this agreement (except for the Landlord's obligation in clause 6.3); or
- 10.3.9 would not comply with the Planning Permission or any other Act if the Developer is required to undertake the Tenant's Works as part of the Developer's Works as relevant to the Developer's Works.

10.4 Approval of Tenant's Variations

If the Tenant shall make a request to the Developer to carry out any Tenant's Variation, the Tenant shall:

- 10.4.1 if the Tenant's Variation relates to the Specification, furnish the Developer with sufficient outline and concept information; or
- 10.4.2 otherwise, furnish the Landlord with sufficient information, including scaled architectural and engineering drawings and specifications showing the scope of the Tenant's Variation,

in each case to enable the Developer to determine the extent and scope of the Tenant's Variation, and the Developer shall be entitled to request the Tenant to provide further information as the Developer reasonably requires in order to enable it to make its determination.

10.5 Developer's preparation of detailed design of the Tenant's Variation

Within ten (10) Working Days following receipt of a request from the Tenant pursuant to clause 10.4.1 above (unless the complexity of the Tenant's Variation is such that ten (10) Working Days is not reasonably considered achievable by the Developer in which case the Developer shall notify the Tenant within 3 Working Days of receipt of a request of an appropriate timeframe), the Developer shall, at the Tenant's request and cost, prepare scaled architectural and engineering drawings and specifications showing the full designed scope of the Tenant's Variation.

10.6 Estimate of costs

As soon as reasonably practicable after the receipt of a request for any Tenant's Variation, but not later than ten (10) Working Days following receipt of such request (unless the complexity of the Tenant's Variation is such that ten (10) Working Days is not reasonably considered achievable by the Developer in which case the Developer shall notify the Tenant within 3 Working Days of receipt of a request of an appropriate timeframe), the Developer shall provide to the Tenant a statement from the Cost Consultant setting out in respect of each Tenant's Variation if more than one:

- 10.6.1 an estimate of the impact of incorporating each Tenant's Variation on the Target Access Date; and

- 10.6.2 an estimate of the additional costs and expenses likely to be incurred by the Developer or (as the case may be) any costs and expenses likely to be saved by reason of the modification of the Developer's Works to include each Tenant's Variation including:
- (A) all reasonable professional fees and disbursements arising from any request by the Tenant for each Tenant's Variation (whether or not such request is ultimately implemented);
 - (B) the cost of any consequential reprogramming or resequencing of any element of the Developer's Works;
 - (C) the cost of any abortive works, including the cost of cancellation of any order already placed; and
 - (D) any other costs incurred or likely to be incurred by the Developer resulting from the integration of each Tenant's Variation into the Developer's Works.

10.7 Tenant's decision

- 10.7.1 The Tenant shall give notice to the Developer within 10 Working Days after receiving the Cost Consultant's statement pursuant to clause 10.5 either that it does not wish to proceed with any Tenant's Variation or that it wishes to proceed with all or some only of the Tenant's Variations (and if some only, which ones).
- 10.7.2 If the Tenant does not give any notice to the Developer pursuant to clause 10.7.1 it shall be deemed to have served notice that it does not wish to proceed with any Tenant's Variation.
- 10.7.3 If the Tenant either serves a notice that it wishes to proceed with some only of the Tenant's Variations or serves or is deemed to have served a notice that it does not wish to proceed with any Tenant's Variation, the Tenant shall pay or reimburse to the Developer within 10 Working Days of demand (accompanied by evidence of expenditure incurred) the reasonable and proper abortive costs and fees of the Developer in relation to the consideration of the Tenant's request and the provision of the statement pursuant to clause 10.5.

10.8 Costing of Tenant's Variations

- 10.8.1 Subject to the Tenant having notified the Developer that it wishes to proceed with some or all of the Tenant's Variations pursuant to clause 10.7.1 the Developer shall procure that the Cost Consultant prepares a revised estimate of the cost of implementing each Tenant's Variation which shall:
- (A) use an "open book" basis together with overheads and profits at a rate of 4%;
 - (B) incorporate a more detailed assessment of any additional fees and costs (including design fees, statutory fees or charges, any internal costs of the Developer or additional fees which it reasonably and properly incurs in preparing such revised estimate and in implementing each Tenant's Variation (including applying for and obtaining any Requisite Permissions));
 - (C) incorporate a more detailed assessment of any impact of incorporating each Tenant's Variation on the programme for the Developer's Works and of any delay to the Target Access Date and the financial implications to the Developer of any such impact and delay;
 - (D) incorporate a more detailed assessment of the cost of reprogramming or resequencing any elements of the Developer's Works as a result of implementing any Tenant's Variation;

- (E) incorporate a more detailed estimate of the cost of any abortive works, including the cost of cancellation of any order previously placed; and
 - (F) incorporate any other costs incurred or likely to be incurred by the Developer resulting from the integration of each Tenant's Variation into the Developer's Works.
- 10.8.2 The Tenant shall give notice to the Developer within 10 Working Days of receiving the revised estimate pursuant to clause 10.8.1 whether it wishes to proceed with any Tenant's Variation on the basis of the revised estimate and if it does not give such notice within 10 Working Days it shall be deemed to have decided not to proceed with the Tenant's Variations and the provisions of clause 10.7.3 shall apply to any costs and fees incurred by the Developer in relation to the preparation of the revised estimate.

10.9 Developer to proceed with Tenant's Variations

Subject to the Tenant having given notice to the Developer pursuant to clause 10.8 and subject to the Tenant having approved the cost of each Tenant's Variation pursuant to clause 10.8 the Developer shall:

- 10.9.1 use reasonable endeavours to obtain at the Tenant's sole cost any Requisite Permissions required for the relevant Tenant's Variation; and
- 10.9.2 subject to having obtained all Requisite Permissions proceed diligently and expeditiously to implement each Tenant's Variation and vary the Developer's Works accordingly.

10.10 No suspension of Developer's Works

The Developer shall not be required to delay, suspend or postpone any aspect of the Developer's Works whilst any request for any Tenant's Variation remains outstanding (including whilst the Tenant is considering the Developer's estimate or revised estimate) but for the avoidance of doubt the Developer may, where the Developer considers it prudent to do so, choose to delay, suspend or postpone any aspect of the Developer's Works in such circumstances and whether the Developer chooses to do so or not, the provisions of clauses 10.7.3 and 10.8.2 (as applicable) as to payment or reimbursement by the Tenant of the costs and fees incurred by the Developer shall apply.

10.11 Payment for Tenant's Variations

- 10.11.1 The Tenant will pay to the Developer the aggregate costs and expenses reasonably and properly incurred or suffered by the Developer in implementing any Tenant's Variation as notified by the Developer pursuant to clause 10.8, such payment to be paid by instalments within 10 Working Days after receipt of each and every certificate issued by the Cost Consultant specifying the sums expended in relation to each Tenant's Variation up to the date specified in such certificate.
- 10.11.2 The parties agree and acknowledge that the payments made by the Tenant to the Developer pursuant to clause 10.11.1 above are consideration for standard rated supplies for VAT purposes made to the Tenant. The Parties therefore agree that the Tenant shall, in addition to the amounts payable under clause 10.11.1, pay amounts in respect of VAT in accordance with clause 31.2 below.
- 10.11.3 The Developer warrants as at the date of this agreement to the Tenant that it is registered for gross payment under the CIS and the CIS Regulations and undertakes to notify the Tenant forthwith in writing if at any time prior to the payment of the final instalment under clause 10.11.1 it should cease to be registered for gross payment under CIS and the CIS Regulations and the Tenant shall be entitled to make all such deductions and withholdings as may be required to be made by law under CIS and the CIS Regulations from payments due to the Developer in respect of Tenant's Variations.

10.12 Savings

Any cost savings achieved by the Developer or the Landlord (as the case may be) as a consequence of the implementation of any Tenant's Variation (as determined by the Cost Consultant) shall be paid to the Tenant on the date the final Certificate of Sectional Completion is issued or as soon as practicable thereafter, once the final costs of the Developer's Works including each Tenant's Variation, have been settled with the Construction Manager.

10.13 Time of essence

Time shall be of the essence in relation to all dates and periods referred to in this clause 10.

11. SECTIONAL COMPLETION

11.1 Tenant notice of inspection

The Developer shall use reasonable endeavours to procure that the Tenant is given not less than 10 Working Days' notice, and in any event shall procure that the Tenant is given not less than five Working Days' notice, of the Construction Manager's intention to inspect any Section in anticipation of issuing each Certificate of Sectional Completion.

11.2 Joint inspection

11.2.1 The Tenant and its advisers (but limited to four) shall be entitled to accompany the Construction Manager on its inspection of the relevant Section prior to the issue of any Certificate of Sectional Completion at which time the Tenant may make representations to the Construction Manager initially orally and subsequently in writing (with a copy to the Landlord and the Developer) and (provided that they are made within 48 hours after the ending of the inspection in writing and that the Construction Manager's discretion is not fettered) the Developer shall request the Construction Manager to have due regard to such representations.

11.2.2 The Tenant acknowledges that any representations it makes pursuant to clause 11.2.1 shall be made initially only to the Construction Manager (and subsequently in writing with a copy to the Landlord and the Developer) and not to any other person involved in the execution of the Developer's Works.

11.2.3 The Tenant also acknowledges that the Construction Manager's independence and discretion in issuing any Certificate of Sectional Completion shall not be fettered (subject only to clause 10.7) and that such statement may be issued subject to any defects, shrinkages or other faults set out in the Snagging List.

11.3 Certificate of Sectional Completion not issued

If following an inspection pursuant to clause 11.2.1 the relevant Certificate of Sectional Completion is not issued, the Developer shall procure that the Tenant is given not less than two Working Days' notice of the Construction Manager's intention to re-inspect the relevant Section with a view to the issue of the Certificate of Sectional Completion and the provisions of clause 11.2 shall apply in relation to any re-inspection and subsequent issue of the Certificate of Sectional Completion.

11.4 Copy of Certificate of Sectional Completion

The Developer shall procure that a copy of any Certificate of Sectional Completion (including any Snagging List) is delivered to the Tenant within five (5) Working Days of its issue (and shall use reasonable endeavours to procure it earlier if possible).

11.5 Certificate of Sectional Completion final and binding

Each Certificate of Sectional Completion shall be final and binding on the parties as to the date on which Sectional Completion of the relevant Section was achieved (save in case of manifest error).

11.6 Condition at Sectional Completion

11.6.1 The Developer shall procure that at the Date of Sectional Completion the relevant part of the Premises shall be left:

- (A) in a clean and tidy condition;
- (B) cleared of all unused building materials and plant and equipment used in the Developer's Works for the Section in question;
- (C) capable of being made secure from the rest of the Building; and
- (D) with means of escape signage complete.

11.6.2 The Developer shall procure that as at the Date of Sectional Completion of Section One:

- (A) the Delivery Areas and routes of access thereto from and to the Premises can be properly and safely accessed by the Tenant and properly used in connection with the carrying out of the Tenant's Works in accordance with the Fit-Out Guide; and
- (B) the Roof Plant Areas together with connecting risers can be properly and safely accessed by the Tenant and properly used for the installation of the Tenant's plant together with the installation of conduits in the connecting risers.

11.7 Information to be supplied to the Tenant

11.7.1 Upon the Date of Sectional Completion for each Section, the Developer shall deliver to the Tenant one hard copy and one electronic copy of the following documents (where applicable to that Section):

- (A) the latest draft versions of the as built/record drawings, test and commissioning records, certificates, test data and operating and maintenance manuals for the Developer's Works;
- (B) the latest draft version of the Health and Safety File for the Developer's Works required by and compliant with the CDM Regulations;
- (C) available commissioning data for the Developer's Works;
- (D) copies of the Third Party Rights Notices referred to in clause 13.4;
- (E) copy of the commissioning activity schedule from the Verification Engineer addressed to the Landlord and the Tenant confirming that the Building Services in relation to the Developer's Works are functioning in accordance with the Specification pursuant to the final commissioning and testing procedure set out in clause 11.8.2 to enable commencement of the Tenant's Works;
- (F) email confirmation from the District Surveyor confirming the Developer's Works are appropriately compliant with the building regulations to enable commencement of the Tenant's Works;
- (G) measurement report prepared pursuant to clause 16.1.3 of this Agreement;
- (H) meter readings;
- (I) evidence of the discharge or compliance with the relevant conditions attached to the Planning Permission and / or the Listed Building Consent which are required to be complied with before the Tenant can occupy and use the Premises and the Office Common Parts,

PROVIDED THAT the Tenant may waive the Landlord's obligation to provide any of the information referred to in clause 11.7.1.

- 11.7.2 Keys to the Premises shall be delivered to the Tenant in accordance with the Fit Out Guide.
- 11.7.3 The Developer shall procure the production to the Tenant of the final versions of the documentation referred to in:
- (A) clause 11.7.1(C) within three Working Days of the Date of Sectional Completion of the relevant Section;
 - (B) clause 11.7.1(F) within five Working Days of the Date of Sectional Completion of the relevant Section; and
 - (C) clause 11.7.1(A) and 11.7.1(B) within eight weeks of the Date of Sectional Completion of each Section;
- (where such documentation is relevant to such Section) (either as one copy or an electronic copy).
- 11.7.4 As soon as practicable after they are obtained by the Developer, the Developer shall procure the production to the Tenant of such of the Requisite Permissions as are relevant to the Developer's Works.

11.8 Verification Engineer

- 11.8.1 The Developer and the Tenant shall jointly appoint the Verification Engineer (with the Developer and the Tenant each being responsible for a fair and reasonable proportion of the cost of the Verification Engineer) to document, witness and validate the final commissioning and performance testing process in accordance with the specifications relating thereto for such of the Building Services the supply and fixing of which is included in the Developer's Works and the Tenant's Works respectively both separately and together and the Verification Engineer shall be appointed on terms substantially in accordance with the draft appointment at **Annexure V** (with such amendments as may be agreed by the Developer and the Tenant both acting reasonably)
- 11.8.2 The Developer and the Tenant shall procure that the Verification Engineer is present and that the other is given not less than five (5) Working Days' notice of and that each of them and their representatives are entitled to attend the proposed commencement of any procedures for documenting, witnessing and validating the final commissioning of and performance testing process of any relevant plant and machinery.
- 11.8.3 The Developer and the Tenant shall co-operate so as to procure the efficient testing and commissioning of the plant and machinery relating to each of the Developer's Works and the Tenant's Works and they shall each provide to the other all relevant commissioning and testing data and results.
- 11.8.4 Where any of the Building Services (the supply or fixing of which is included in the Developer's Works) need to be commissioned or to be tested or balanced after the Tenant's Works and occupation of the Premises or any part thereof the Landlord shall procure such commissioning, testing and balancing and the Landlord and the Tenant shall arrange for the Verification Engineer to be present for the commissioning, testing and balancing as part of the scope of services to be provided by the Verification Engineer.
- 11.8.5 The Developer shall be responsible for procuring the carrying out of any works that are required to be done in order to enable the Building Services to be commissioned as part of the relevant Developer's Works and the Tenant shall be responsible for procuring the carrying out of any works that are required to be done in order to enable the mechanical or electrical machinery or installations forming part of the Tenant's Works to be commissioned. To the extent however that any works connected with or arising from the

Tenant's Works give rise to a need for commissioning, re-balancing, alteration of or adjustment to the Building Systems or other items which would otherwise be the Developer's responsibility, the Developer shall at the Tenant's cost procure the carrying out of any necessary works.

11.9 Simultaneous completion of Sections

If the Developer anticipates that practical completion of both Sections will occur simultaneously, the Developer shall be entitled to instruct the Construction Manager to conduct one inspection in respect of such Sections and the provisions of clauses 11.1,11.2 and 11.3 shall apply accordingly.

12. DEFECTS

12.1 Making good initial Defects

The Developer shall, as soon as reasonably practicable and in any event prior to the expiry of the relevant Defects Period (provided that the Developer shall use reasonable endeavours to complete the same within 12 weeks of the Date of Sectional Completion or, in case of emergency, the Developer shall complete the same as soon as the situation requires), remedy or cause to be remedied those defects, shrinkages or other faults specified in any Snagging List which are in breach of the appointments of the Professional Team or the relevant Trade Contracts. The Developer shall use all commercially prudent and reasonable endeavours to procure that as little disturbance, damage and interference to the Tenant's Works and/or the Tenant's use and occupation of the Premises, is caused by the remedying of such defects, shrinkages or other faults and the Developer shall remedy any damage caused to the Premises, the Tenant's Works and/or the Tenant's belongings to the reasonable satisfaction of the Tenant.

12.2 Subsequent Defects

The Tenant shall be entitled from time to time during the period commencing on the date on which a Defects Period commences and ending 10 Working Days prior to the expiry of the relevant Defects Period to notify the Landlord of any defects, shrinkages or other faults which have appeared in the Developer's Works.

12.3 Preparation of schedule of Defects

Without prejudice to clause 12.1 the Developer shall procure that the Construction Manager prepares a schedule in accordance with the Construction Management Agreement listing any defects, shrinkages or other faults (including any properly notified under clause 12.2 which have not been remedied) appearing in the Developer's Works or any part thereof and supply a copy thereof to the Tenant and the Tenant's Surveyors not later than 20 Working Days before the expiry of the Defects Period and the Tenant shall procure that not later than ten Working Days after the receipt of such schedule from the Construction Manager (as to which time shall be of the essence) the Tenant's Surveyors shall notify to the Construction Manager any other defects, shrinkages or faults which they have observed and (provided that the Construction Manager's discretion is not fettered) the Developer shall procure that the Construction Manager shall have due regard to such list and add them to the schedule to be delivered to the Construction Manager for the purposes of procuring to be made good pursuant to and in accordance with the terms of the Construction Management Agreement.

12.4 Making good Defects

12.4.1 The Developer shall within a reasonable time procure that all defects, shrinkages or other faults properly notified in accordance with clause 12.2 or properly specified in any schedule delivered to the Construction Manager in accordance with clause 12.3 are caused to be remedied by the Trade Contractors in accordance with the terms of the Trade Contracts, subject to the Tenant complying with clause 12.5.

- 12.4.2 If the Trade Contractors have not carried out the remedial works required by and in accordance with clause 12.4.1 the Developer shall carry out such works or arrange for them to be carried out at no cost to the Tenant within a reasonable period of time.

12.5 Access by Landlord to make good Defects

- 12.5.1 If the Tenant is in occupation of the Premises or the relevant part of them the Tenant shall permit the Landlord, the Developer, the Construction Manager, the Trade Contractors and all persons authorised by them and on having been given prior reasonable written notice to have access to such parts of the Premises as are necessary in order to allow the Landlord and the Developer to comply with the obligations under this clause 12 and the Tenant shall (at the Developer's expense where reasonably and properly incurred by the Tenant) remove any trade fittings, wall finishes, carpets, property, stock and effects and other items necessary to expose areas of the Developer's Works to enable the execution of remedial works but the Landlord shall procure that each such person so entering shall:
- (A) use all reasonable and commercially prudent endeavours to cause the minimum amount of interference and disruption as is reasonably practicable to the carrying out of the Tenant's Works or any other works by the Tenant in the Premises and to the Tenant's business;
 - (B) comply with any reasonable directions and security precautions required by the Tenant so long as these shall not prevent the carrying out of the relevant works or inspection;
 - (C) be accompanied at all times by a representative of the Tenant (so long as the Tenant provides one); and
 - (D) make good as soon as reasonably practicable to the reasonable satisfaction of the Tenant any loss, damage or injury thereby caused to the Premises or the Tenant's Works or the Tenant's stock and chattels.
- 12.5.2 For so long as the Construction Manager, all persons authorised by him (and the Trade Contractors) shall require access to the Premises to make good defects during the execution of the Tenant's Works the Landlord shall co-ordinate the remedying of defects with the execution of the Tenant's Works and the Landlord and the Tenant shall procure that there shall be full liaison between each other's respective contractors and workmen so as to minimise the length of any delays and the possibility of interference with each other's works.

12.6 Limitation of Landlord's and the Developer's liability

- 12.6.1 Subject to clause 12.6.3 the Landlord and the Developer shall cease to be liable to the Tenant in respect of its obligations in clauses 5 to 10 (inclusive) and this clause 12 in respect of each Section after the expiry of two years from the Date of Sectional Completion save in respect of any claims for breach of such obligations notified by the Tenant to the Landlord and the Developer prior to the expiry of such period, provided such claims are not trivial or vexatious.
- 12.6.2 To the extent permitted by law and subject to clause 12.6.3 the Landlord and the Developer shall have no obligations or liability to the Tenant and the Tenant shall have no remedies in respect of the Developer's Works other than those expressly set out in this agreement or the Leases.
- 12.6.3 Clause 12.6.2 shall not exclude or limit the Landlord's and the Developer's liability for death or personal injury caused by its negligence.

13. PROFESSIONAL TEAM APPOINTMENTS, CONSTRUCTION MANAGEMENT AGREEMENT, TRADE CONTRACTS AND THIRD PARTY RIGHTS

13.1 Professional Team appointments

The Developer has prior to the date of this agreement entered into the Construction Management Agreement and Professional Team Appointments (save for the Verification Engineer's appointment) annexed at **Annexure T**.

13.2 Alterations to Professional Team appointments and the Construction Management Agreement

The Developer shall not without the Tenant's approval (such approval not to be unreasonably withheld or delayed) alter the terms and conditions of:

- 13.2.1 any Professional Team Appointment; or
- 13.2.2 the Construction Management Agreement,

in each case to the extent any such alteration adversely affects the Tenant's rights under its Third Party Rights against the relevant Professional Team member or the Construction Manager (as the case may be) or the Landlord and/or the Developer's obligations under clause 12.

13.3 Trade Contracts

The Developer shall:

- 13.3.1 enter into the Trade Contracts with the Trade Contractors prior to the date of issue of the Certificate of Sectional Completion of Section One.
- 13.3.2 not agree any amendments to the form of each final form Trade Contract which would adversely affect the Tenant's Third Party Rights in relation to such Trade Contract save where such adverse effect would be negligible.

13.4 Third Party Rights

- 13.4.1 The Developer shall at its own expense procure the vesting in the Tenant of Third Party Rights from the Construction Manager, each member of the Design Team, the Cost Consultant and the Trade Contractors prior to the date of issue of the Certificate of Sectional Completion of Section One.
- 13.4.2 Notwithstanding the preceding provisions of this clause 13.4, the Developer shall be relieved of its obligation to procure the vesting of Third Party Rights in the case of any proposed party which has become insolvent prior to the due date for vesting of the relevant Third Party Right.

13.5 Substitute appointment of Construction Manager, Professional Team and Trade Contractor

13.5.1 If and to the extent that it is necessary to appoint a substitute to:

- (A) the Construction Manager;
- (B) any member of the Professional Team;
- (C) any Trade Contractor,

then the Developer shall give the Tenant not less than 10 Working Days' notice of the identity of such substitute.

13.5.2 The Developer shall procure that any substitute Construction Manager or member of the Professional Team or (where the Trade Contract requires the Trade Contractor to maintain professional indemnity insurance) Trade Contractor appointed maintains professional indemnity insurance in an amount not less than an amount which the Construction Manager or member of the Professional Team or Trade Contractor which is being replaced was required to maintain pursuant to the Construction Management Agreement or relevant Professional Team Appointment or Trade Contract.

- 13.5.3 If a substitute Construction Manager or Professional Team member or Trade Contractor is appointed pursuant to clause 13.5.1 then the Developer shall at its own cost procure the vesting in the Tenant of a substitute Third Party Right from the substitute Construction Manager or Professional Team member or Trade Contractor in terms no less onerous than the third party right granted to the Tenant by the Construction Manager or Professional Team member or Trade Contractor (as the case may be) which is being replaced as soon as reasonably practicable after the date of the substitution and in any event before the date of completion of the Leases.

13.6 Waiver of rights

The Developer shall not without the Tenant's approval (such approval not to be unreasonably withheld or delayed) waive or compromise any claim or any of its rights arising under the terms of the Construction Management Agreement or the Professional Team Appointment of any member of the Professional Team which would materially adversely affect the Tenant's rights under the relevant Third Party Right.

14. TENANT'S WORKS

14.1 Approval of detailed works and Method Statement

14.1.1 The Tenant shall as soon as available submit in writing to the Landlord for its approval (such approval not to be unreasonably withheld or delayed) designs to RIBA Stage 3 or equivalent of its proposals for the Tenant's Works and a draft of the Method Statement (and in considering whether or not to grant its approval the Landlord shall not be deemed to be unreasonably withholding its approval if the Tenant's Works comprise alterations which the Landlord would be entitled to refuse to approve under the terms of a Lease).

14.1.2 The Method Statement shall contain the following information:

- (A) details of contact names for the consultants and contractors proposed for the design and carrying out of the Tenant's Works;
- (B) proposals for the regular liaison, co-ordination and co-operation between the Construction Manager and the Tenant's contractor and Tenant's Professional Team;
- (C) details of the order and timing proposed for the carrying out of each part of the Tenant's Works including proposals for deliveries to the Premises of materials and equipment for incorporation or use in the Tenant's Works.

14.1.3 Notwithstanding approval of the Method Statement if it transpires that the method of carrying out the Tenant's Works is having an adverse effect on the completion of any of the Developer's Works the Landlord may require such amendments or variation to the Method Statement as are reasonably necessary to mitigate such effect.

14.2 Access

The Tenant shall be permitted access to the Premises, the Office Common Parts and other parts of the Building permitted by the Fit-Out Guide to carry out the Tenant's Works after the later of the Date of Permitted Entry and the date on which the Landlord approves both the Tenant's Works and the Method Statement.

14.3 Carrying out of Tenant's Works

If the Tenant shall carry out any Tenant's Works, the Tenant shall forthwith following the Date of Permitted Entry procure that such Tenant's Works shall be commenced, carried out and completed in accordance with the Licence for Alterations as if it had been granted as at the date the Tenant's Works are carried out.

14.4 Signage

The Landlord shall:

- 14.4.1 from the date of this agreement and whilst the Landlord has retained hoarding around the Building, permit the Tenant to erect and maintain signage on such hoarding; and
- 14.4.2 during the period of the Tenant's Works, permit the Tenant to erect and maintain signage on the interior of the windows of the Premises to be visible from the exterior of the Building,

announcing the Tenant's new London headquarters at the Premises, subject to the Tenant first obtaining (i) all permissions, consents, approvals, licences, orders, certificates and agreements required from any competent authority (or proper and valid waivers made by the relevant competent authority) necessary to erect and retain such signage and (ii) the Landlord's approval of the size, location and nature of the signage (such approval not to be unreasonably withheld or delayed).

14.5 Co-ordination with Developer's Works

The Tenant shall during the carrying out of the Tenant's Works:

- 14.5.1 take such precautions at all times and at its own cost as the Landlord, the Developer and their insurers or any of them may reasonably require for the protection of the Premises and the Developer's Works from the effect of the Tenant's Works;
- 14.5.2 use only the contractors' entrances, lifts, stairways, routes, exits and other areas within the Building as shall be reasonably designated from time to time by or on behalf of the Landlord who shall be obliged to make or procure such designations;
- 14.5.3 insure at the Tenant's own cost the public liability of its fitting-out contractors;
- 14.5.4 use reasonable endeavours not to cause any delay to or interference with the Developer's Works nor give any instruction to the contractors engaged on them and shall make good all or any damage to the Building caused by the carrying out of the Tenant's Works;
- 14.5.5 comply with the construction phase health and safety plan as produced and managed by the Construction Manager and as notified to the Tenant.

14.6 Co-ordination with Tenant's Works

The Developer shall during the carrying out of the Developer's Works where there is any overlap with the Tenant's Works:

- 14.6.1 take such reasonable precautions at all times and at its own cost as the Tenant, and the Tenant's Professional Team, their insurers or any of them may reasonably require for the protection of the Premises and the Tenant's Works from the effect of the Developer's Works; and
- 14.6.2 use reasonable endeavours not to cause any delay to or interference with the Tenant's Works nor give any instruction to the contractors engaged on them (save in the case of an emergency) and shall make good all or any damage to the Tenant's property and the Premises caused by the carrying out of the Developer's Works.

14.7 CDM Regulations

In respect of the Tenant's Works, the Tenant agrees to:

- 14.7.1 be the only client for the purposes of the CDM Regulations;
- 14.7.2 comply with its obligations as a client for the purposes of the CDM Regulations; and

- 14.7.3 appoint a principal designer and a principal contractor in respect of the Tenant's Works and take all reasonable steps to ensure that each is provided with the relevant information to enable them to perform their duties under the CDM Regulations.

14.8 Health and Safety File

- 14.8.1 As soon as reasonably practicable after practical completion of the Tenant's Works and in any event within two months of practical completion of the Tenant's Works, the Tenant shall at its own cost supply the Landlord with a complete set of "as-built" scale drawings and the Health and Safety File for the Tenant's Works.
- 14.8.2 The Tenant shall use reasonable endeavours to ensure that there shall be granted to the Landlord a royalty-free and irrevocable non-exclusive licence to use and copy any information and documents or other materials comprised in the Health and Safety File for the Tenant's Works for any purpose connected with the Premises.

14.9 Fitting-Out Contribution

- 14.9.1 On completion of the Leases the Landlord shall pay to the Tenant the Fitting-Out Contribution, receipt of which the Tenant shall acknowledge in writing, as an inducement for the Tenant to execute and enter into the Leases.
- 14.9.2 The Fitting-Out Contribution shall comprise:
- (A) £25 per square metre (exclusive of VAT) of net internal area of the Premises in respect of carpet allowances; and
 - (B) £75 per 10 square metres (exclusive of VAT) of net internal area of the Premises in respect of floor boxes; and
 - (C) £100,000 (exclusive of VAT) in respect of an internal staircase between the 3rd, 4th and, if the Tenant so requires, the 5th floors of the Premises.
- 14.9.3 The Landlord and the Tenant consider that payment of the Fitting-Out Contribution is exempt from the application of the CIS under regulation 20 of the CIS Regulations but if and to the extent that payment of the Fitting-Out Contribution is not so exempt or the CIS applies to any other sum payable by the Landlord under this agreement, the Landlord and the Tenant agree to operate the CIS in accordance with the CIS Regulations. In particular the Landlord shall be entitled to make the required statutory deduction from any payment to the Tenant (including for the avoidance of doubt, any sum payable under this clause and clauses 4.2 and 18.11) in accordance with the CIS Regulations provided that the Landlord shall prior to the making of any such payment notify the Tenant in writing if the Landlord considers that the CIS will apply to the relevant payment or sum in which case the Landlord shall delay such payment (at the Tenant's request) for such time as is reasonable for the Tenant to obtain a CIS registration such that the relevant payment or sum is subject to a nil or reduced statutory deduction under the CIS Regulations.

14.10 Licence for Alterations

As soon as reasonably practicable (and in any event within two months of practical completion of the Tenant's Works) the Landlord, the Tenant and the Tenant's Guarantor shall execute and enter into the Licence for Alterations. The Landlord shall procure that its solicitors prepare the engrossments of such licence and the Tenant shall at its cost supply three complete sets of plans, specifications and other requisite information to the Landlord's solicitors for such purpose.

14.11 Tenant's Professional Team

- 14.11.1 The Tenant as soon as practicable after the date of this agreement shall engage the Tenant's Professional Team in relation to the Tenant's Works on appointments and/or construction contracts providing for Warranties in favour of the Landlord. The appointments and/or construction contracts including the Warranties shall be in market standard form. The Tenant shall only be obliged to seek the Landlord's approval (not to be unreasonably withheld or delayed) of the final form of such appointment and/or construction contracts and/or Warranties where such appointment and/or construction contracts and/or Warranties include any limitation or exclusion of the liability of the relevant member of the Tenant's Professional Team. The Tenant will provide the Landlord with a certified copy of the construction contracts and the appointments in relation to the Tenant's Works within ten days of their execution.
- 14.11.2 The Tenant shall procure that any member of the Tenant's Professional Team engaged by it to provide services and/or undertake works in connection with the Tenant's Works shall provide the Warranties properly executed in favour of the Landlord within ten days of their engagement.
- 14.11.3 If the Tenant engages any additional new or substituted member of the Tenant's Professional Team in relation to the Tenant's Works the terms of clause 14.11.1 shall apply to the appointments and/or construction contracts.
- 14.11.4 The Tenant shall not without the prior written consent of the Landlord (not to be unreasonably withheld or delayed) agree to vary any provision of any of the construction contracts and/or any of the appointments of the Tenant's Professional Team which would adversely affect the Landlord's rights in relation to the Warranty granted in relation to such construction contract and/or appointment.

15. OCCUPATION

With effect from the Date of Permitted Entry and until the grant of the Leases:

- 15.1 this agreement shall not operate at law or in equity as a demise of the Premises and (whether or not it is in occupation of any part of the Premises) the Tenant shall pay the Landlord immediately after and with effect from the Date of Permitted Entry a licence fee equivalent in all respects (relating to amount and the timing, manner, method and apportionment of payment) to the several rents expressed to be payable from time to time in the Leases together with VAT thereon as if the Lease(s) relevant to a particular part of the Premises had actually been granted for a term commencing on the Date of Permitted Entry but the Tenant shall not be obliged to pay a licence fee equivalent to the Principal Rent for any period prior to the Rent Commencement Date and on the grant of the relevant Lease any licence fees paid by the Tenant in respect of any period following its grant shall be treated by the Landlord as a discharge of the relevant rents reserved by and due under such Lease in respect of the same period;
- 15.2 the Tenant shall be responsible for all rates and outgoings in respect of the Premises;
- 15.3 the parties shall perform and observe all the covenants and conditions on their respective parts to be contained in the Leases so far as the same may be applicable to a relationship of licensor and licensee;
- 15.4 this agreement shall not operate as a demise nor confer any proprietary right in the Premises (other than one to occupy as a licensee) on the Tenant.

16. MEASUREMENT

16.1 Measured Area

- 16.1.1 As soon as reasonably possible after the Developer's Works have reached such a stage of construction as to make possible the measurement of the Premises the Landlord shall instruct the Independent Measurement Surveyor to measure the Measured Area of the Premises and the Landlord shall give at least 10 Working Days' notice to the Tenant of the date of such measurement inspection.

- 16.1.2 The Landlord will procure that the Tenant and its advisors shall be entitled to accompany the Landlord and the Independent Measurement Surveyor on any inspection of the Premises carried out by the Independent Measurement Surveyor and both the Landlord and the Tenant shall be permitted to make reasonable representations (at the time or as soon as reasonably practicable after such inspection) to the Independent Measurement Surveyor (and at the same time as the representations are being made a copy shall be supplied to the other party) in connection with the measurement of the Premises but the Independent Measurement Surveyor shall not be bound by the same.
- 16.1.3 The Landlord shall procure the delivery to the Tenant within ten Working Days of such inspection of a report from the Independent Measurement Surveyor addressed to the Tenant confirming the Measured Area of the Premises.
- 16.1.4 The Independent Measurement Surveyor's determination of the Measured Area of the Premises shall be final and binding on the parties (save in the case of manifest error).

16.2 Duty of care

The Landlord shall procure that the Independent Measurement Surveyor provides the Duty of Care Letter addressed to the Tenant and the Guarantor prior to the date of completion of the Leases.

16.3 Adjustment of Principal Rent following measurement of Premises

If following measurement of each of the Premises pursuant to clause 16.1 the Measured Area shall be higher than or lower than that shown on the Measurement Plans (or such other target Measured Area as a result of a variation of the Developer's Works pursuant to clause 8 or otherwise agreed between the Landlord and the Tenant) the Principal Rent shall be increased to or decreased to (as the case may be) a sum equal to, in respect of the Third Floor Premises, the Fourth Floor Premises and (subject to clause 17 and Schedule 1) the Fifth Floor Premises or Part Fifth Floor Premises, the sum of £56.50 per square foot multiplied by the Measured Area but the Principal Rent shall not in any event exceed 103% of the amount that would be produced by multiplying £56.50 by the area in square feet shown on the Measurement Plans (or such other target Measured Area as a result of a variation of the Developer's Works pursuant to clause 8 or otherwise agreed between the Landlord and the Tenant) in respect of the applicable Premises.

16.4 Option to terminate

If the total Measured Area of the Premises calculated pursuant to clause 16.1 is less than 95% of the total target area shown on the Measurement Plans (or such other target Measured Area as agreed pursuant to a variation of the Developer's Works, a Tenant's Variation or otherwise agreed between the Landlord and the Tenant), the Tenant may serve notice upon the Landlord to terminate this Agreement within one month of the date of the provision of the measurement report pursuant to clause 16.1.3 and this Agreement shall terminate upon the expiry of such notice save for any antecedent breach by either party of the terms of this Agreement.

17 OPTIONS

The Landlord and the Tenant shall each comply with their respective obligations under Schedule 1.

18. LEASE GRANT

18.1 Engrossment of Leases

The Landlord's solicitors shall prepare the engrossment of each Lease and counterparts of them.

18.2 Completion of Leases

The Tenant and (in consideration of the Landlord having entered into this agreement at the Tenant's Guarantor's request) the Tenant's Guarantor shall execute and deliver the counterparts and the Landlord shall execute and grant the Leases on the tenth Working Day next after the Date of Sectional Completion of Section One.

18.3 Legal opinions

On the date of completion of the Leases the Landlord shall provide the Tenant with a signed and dated copy of the Landlord Legal Opinion and the Tenant's Guarantor shall provide the Landlord with a signed and dated copy of the Tenant's Guarantor Legal Opinion.

18.4 Engrossment of side letters

The Landlord's solicitors shall prepare the engrossments of the Reception Desk Side Letter and Terrace Side Letter and counterparts of them.

18.5 Completion of side letters

The Tenant and (in consideration of the Landlord having entered into this agreement at the Tenant's Guarantor's request) the Tenant's Guarantor shall execute and deliver counterparts and the Landlord shall execute and deliver the Reception Desk Side Letter and the Terrace Side Letter on the tenth Working Day next after the Date of Sectional Completion of Section One.

18.6 Terms of Leases

The following provisions shall apply for the purposes of and in relation to the grant of the Leases:

- 18.6.1 the Contractual Term shall be computed from the Term Commencement Date;
- 18.6.2 the first Review Date shall be the fifth anniversary of the Term Commencement Date and subsequent review dates shall be at each fifth anniversary of that date;
- 18.6.3 the Principal Rent shall be due and commence to be payable on the Rent Commencement Date; and
- 18.6.4 the rent secondly reserved in each Lease and the Service Charge shall be due and commence to be payable on the date of grant of the relevant Lease.

18.7 Reception Desk Side Letter

- 18.7.1 If required by the Tenant, the Landlord will provide a receptionist for the Reception Desk on terms agreed by the Landlord and the Tenant (acting reasonably).
- 18.7.2 If the Landlord and the Tenant agree that the Tenant will staff the Reception Desk with its own employee(s), the Reception Desk Side Letter will be amended accordingly to give effect to such arrangement.
- 18.7.3 Following the decision by the Tenant of its desired location of the Reception Desk (or in default of the Landlord's choice of location) pursuant to clause 5.2 the relevant plan(s) shall be appended to the Reception Desk Side Letter.

18.8 Tenant's plant

The Landlord and the Tenant agree that the Tenant shall be entitled to a pro-rata allocation of the red and blue Roof Plant Areas along with tenant riser space within the Building, taking into account the intended location of the Tenant's services and use of the Premises. The final locations of the allocated Roof Plant Areas shall be agreed by the end of March 2018 and Schedule 1 Part 1 of the Leases shall be updated accordingly.

18.9 Registration of Leases

Where the Leases when granted are registrable at the Land Registry pursuant to sections 4 or 28 of the Land Registration Act 2002 (as appropriate) the Tenant will:-

- 18.9.1 subject to receipt by the Tenant of the Leases executed by the Landlord, apply to register the Leases as soon as reasonably practicable but in any event within six weeks of grant; and
- 18.9.2 within 10 Working Days of completion of the registrations give notice thereof together with a copy of the official copies and title plans of the entries in all registered titles affected by such registration to the Landlord's solicitors.

18.10 Cancellation of Land Registry notice

Following completion of the Leases the Tenant shall promptly cancel or procure the cancellation of any notice or other entry registered at the Land Registry relating to this agreement and provide evidence to the Landlord of such cancellation.

18.11 Rent free contribution

On completion of the Leases the Landlord shall pay to the Tenant a sum equivalent to 12 months Principal Rent payable in respect of the Premises (exclusive of VAT (if any)), receipt of which the Tenant shall acknowledge in writing, as an inducement for the Tenant to execute and enter into the Leases.

18.12 Restrictions on title

Prior to completion of the Leases, the Landlord shall provide to the Tenant:

- 18.12.1 a written consent from a party who at the time of the grant of the Leases has a restriction on Land Registry title number NGL770398 for which consent is needed to register the Leases; and
- 18.12.2 a written certificate from the solicitor acting for the Landlord at the time of completion of the Leases certifying (where required) that the provisions of each clause from each document referred to in the restrictions registered (now or in the future) on title number NGL770398 have been complied with or that they do not apply to the grant of the Leases, such certificate(s) to be in a form complying with the terms of the relevant restriction,

and the Landlord shall use all reasonable endeavours to assist the Tenant in dealing with any Land Registry requisitions relating to the Tenant's registration of the Leases arising from the Landlord's title.

19. SECOND FLOOR OPTION

19.1 Engrossment of Call Option Deed

The Landlord's solicitors shall prepare the engrossment of the Call Option Deed and counterpart of it.

19.2 Completion of Call Option Deed

The Tenant and (in consideration of the Landlord having entered into this agreement at the Tenant's Guarantor's request) the Tenant's Guarantor shall execute and deliver the counterpart and the Landlord shall execute and deliver the Call Option Deed on the tenth Working Day next after the Date of Sectional Completion of Section One.

20. LOCAL LAND CHARGES ETC.

20.1 The Leases will be granted subject to:

- 20.1.1 all local land charges whether registered or not before or after the date of this agreement and all matters capable of registration as local land charges whether or not actually so registered;
- 20.1.2 all notices, orders, resolutions, restrictions, agreements, directions and proposals therefor made by any local or other competent authority before or after the date of this agreement;
- 20.1.3
 - (A) any matters which are unregistered interests which override registered dispositions under Schedule 3 to the Land Registration Act 2002; and
 - (B) such unregistered interests as may affect the Premises to the extent and so long as they are preserved by the transitional provisions of Schedule 12 of the Land Registration Act 2002; and
- 20.1.4 any matters contained or referred to in the entries or records made in the registers of title number NGL770398 maintained by Land Registry as at 6 October 2017 timed at 12:10:07 except the registered charge noted under entry 9 of the charges register of that title number;
- 20.1.5 all matters contained in or referred to in the fourth schedule to each Lease.

21. CIL INDEMNITY

The Landlord shall be liable for any CIL Requirement and shall keep the Tenant indemnified against all liabilities, proceedings, costs, claims, demands and expenses incurred or arising out of any CIL Requirement save in respect of any CIL Requirement Which relates to development (other than the Tenant's Works) carried out by or within the control of the Tenant.

22. TITLE

The Landlord's title to grant the Leases having been deduced the Tenant shall not raise any objection to that title and the Landlord shall not be required to reply to any requisitions on that title, other than in respect of new encumbrances revealed by the Tenant's pre-completion searches and save that the Landlord shall comply with clause 18.12.

23. GROUND FLOOR RETAIL AND LEISURE

23.1 Restriction on letting of retail units

The Landlord agrees not to let or enter into an agreement for lease or permit any right of occupancy or permit any change of use of the Retail Units where the use is a Prohibited Use and to include within any lease or licence of a Retail Unit an express prohibition on a Prohibited Use.

23.2 Ground and basement area

- 23.2.1 The Landlord shall market the Cinema Unit with the intention of letting such area to a boutique cinema operator. The Landlord shall use reasonable endeavours to conclude a letting to such an operator but shall not be obliged to conclude a letting on terms which are materially off market (at the Landlord's reasonable discretion) nor shall the Landlord be obliged to let the Cinema Unit to an operator of mainstream multiplex cinemas.
- 23.2.2 The Landlord shall, at the Tenant's request, facilitate an introduction between the Tenant and the eventual lessee of the Cinema Unit.

23.2.3 The Landlord shall use all reasonable endeavours to ensure that the Cinema Unit is fitted out with proper sound-proofing and acoustic works to ensure that no actionable nuisance is caused to the Tenant's Premises by reason of noise penetration.

23.2.4 The obligations in this clause 23.2 shall only apply in relation to the first letting of the Cinema Unit.

24. ADJACENT OFFICE SPACE

The Landlord shall keep the Tenant informed of leasing progress in respect of any adjacent or immediately contiguous office space to the Premises in the Building. In the event of a bona fide offer being made over such space by a prospective tenant, the Landlord shall afford the Tenant, in good faith, the opportunity to negotiate with the Landlord in respect of the space on market terms proposed by the Landlord.

25. TERMINATION

25.1 Prior notice to Tenant

The Landlord and/or the Developer may in addition to any other rights and remedies it may have determine this agreement by written notice to the Tenant to that effect if:

25.1.1 there is any breach of the Tenant's obligations under this agreement and such breach (if capable of remedy) shall continue for and not be remedied to the reasonable satisfaction of the Landlord and the Developer within 20 Working Days after service of a notice on the Tenant by the Landlord in conjunction with the Developer specifying the breach; or

25.1.2 any guarantee of the Tenant's obligations in this agreement becomes wholly or partly unenforceable for any reason; or

25.1.3 the Tenant or subject to clause 25.2 the Tenant's Guarantor is the subject of any event set out in paragraphs 5.1(c) to (f) inclusive of a Lease or is dissolved or otherwise struck off the register of companies in its place of incorporation or any other place where it is registered or located (or is the subject of any analogous procedure or step taken in any jurisdiction),

and following service of such notice the Landlord shall (subject to clauses 25.2 and 25.6) if the Tenant has taken occupation of the Premises or any part of them) re-enter upon and take possession of the Premises and this agreement shall then cease and all buildings, erections, fixtures, plant, equipment and materials on or adjoining the Premises shall become the property of the Landlord (except for any Tenant's fixtures and fittings and belongings which shall remain the property of the Tenant).

25.2 Replacement guarantor

The Landlord may not re-enter and take possession of the Premises in reliance upon clause 25.1.2 or on any event referable to the Tenant's Guarantor within clause 25.1.3 if within one month after the date when the right to re-enter first arose the Tenant has procured a replacement guarantee by a person who is reasonably acceptable to the Landlord and on terms which are the same as those set out in clause 34.

25.3 Prior notice to Landlord

The Tenant may in addition to any other rights and remedies it may have determine this agreement by notice to the Landlord to that effect if the Developer's Guarantor is the subject of any event set out in paragraphs 5.1 (c) to (f) inclusive of a Lease or is dissolved or otherwise struck off the register of companies in its place of incorporation or any other place where it is registered or located (or is the subject of any analogous procedure or step taken in any jurisdiction) and following service of such notice this agreement shall terminate.

25.4 Non-completion of Developer's Works

In addition to any other rights and remedies the Landlord or Tenant may have, if the Developer's Works have not been completed by 4 February 2021 subject to extensions for Tenant Delay as is certified in writing by the Construction Manager then the Tenant and (save where the Developer is in breach of clause 6.3 of this Agreement) the Landlord shall have the right at any time thereafter to determine this agreement on giving not less than 10 Working Days' notice to the other but neither party may determine this agreement after the Date of Sectional Completion of Section One.

25.5 Repayment of costs

If this Agreement is terminated pursuant to clause 25.4, the Landlord shall reimburse the Tenant the Tenant's reasonable and properly incurred professional and legal fees incurred in relation to the Premises.

25.6 Saving clause

The determination of this agreement shall be without prejudice to any other rights or remedies of one party against another for the breach, non-observance or non-performance of any of such other party's obligations under this agreement.

25.7 Cancellation of Land Registry notice

If this agreement is determined the Tenant shall promptly cancel or procure the cancellation of any notice or other entry registered at the Land Registry relating to this agreement and provide evidence to the Landlord of such cancellation.

26. ALIENATION

26.1 Dealings with agreement

- 26.1.1 The Tenant shall not assign or otherwise deal with the benefit of this agreement in whole or in part nor prior to the grant of the Leases make any disposition of the Premises save by way of charge permitted by clause 26.1.2.
- 26.1.2 The Tenant may with the consent of the Landlord charge this agreement to secure building finance in respect of the Tenant's Works.
- 26.1.3 The Tenant shall supply a certified copy of the charge permitted pursuant to clause 26.1.2 to the Landlord within 10 Working Days of its completion.
- 26.1.4 The Tenant shall not allow any party to occupy the Premises after the Date of Permitted Entry prior to the grant of the Leases save for its contractor, employees, agents or any member of the Tenant's Professional Team.

27. INSURANCE

27.1 Insurance of Developer's Works

- 27.1.1 From the commencement of the Developer's Works until the Date of Sectional Completion of the final Section the Developer shall take out All Risks Insurance (subject to such exclusions or limitations of cover as are set out in the policy or required by the

insurers from time to time) with insurers of good repute in respect of the Developer's Works in their full reinstatement value but such obligation shall cease in respect of any Section in respect of which a Certificate of Sectional Completion has been issued.

- 27.1.2 From the Date of Sectional Completion the Landlord shall effect and maintain property owners' liability insurance in respect of the part of the Premises comprising such Section in such amounts as the Landlord may from time to time reasonably require having regard to the nature of the Developer's Works.

27.2 Insurance of the Building

From the date of this agreement, the Landlord shall insure the Building in accordance with its insurance obligations in the Leases.

27.3 Insurance of Tenant's Works by Landlord

From the Date of Permitted Entry until completion of the Tenant's Works the Landlord shall, if requested by the Tenant and subject to reimbursement by the Tenant of the costs of the same:

- 27.3.1 add the Tenant's Works to the cover provided by the policy referred to in clause 27.1.1;
- 27.3.2 effect and maintain property owners' liability insurance in respect of the Tenant's Works in such amounts as the Tenant may from time to time reasonably require having regard to the nature of the Tenant's Works: and
- 27.3.3 procure that the Tenant is included as a composite co-insured party in respect of the Tenant's Works on the policy effected under clause 27.3.1.

27.4 Waiver of subrogation rights and basic terms of insurance

The Landlord and the Developer shall in relation to the policy of insurance to be effected by pursuant to clauses 27.1 and 27.2 use all reasonable endeavours to procure that the insurers shall waive all rights of subrogation against the Tenant provided that the Tenant shall ensure that full rights of recovery are maintained at all times against the Tenant's contractor, sub-contractors and agents.

27.5 Insurance from Date of Sectional Completion

With effect from the Date of Sectional Completion in respect of a Section the Developer's insurance obligations in relation to All Risks Insurance pursuant to clause 27.1.1 shall cease but the Landlord as landlord under the Leases shall continue to comply with its insurance covenants contained in the Leases.

27.6 Production and inspection of policies

The Landlord, the Developer and the Tenant shall on demand each produce to the other for inspection the policy or policies of insurance maintained in accordance with the requirements of this clause 27 and the receipt for the last premium due or other sufficient evidence of payment thereof.

27.7 Destruction of Developer's Works

The Developer shall notify the Tenant promptly upon the occurrence of any material damage to or destruction of the Building and / or the Developer's Works (whether or not caused by any of the risks insured against) occurring before the Date of Sectional Completion in respect of a Section and in any case of damage or destruction by an Insured Risk (subject to receipt of all necessary Requisite Permissions and compliance with this agreement) shall rebuild, repair and otherwise reinstate the Building and / or the Developer's Works as soon as practicable (subject to agreed extensions of time in accordance with the provisions of this agreement).

27.8 No rendering policy of insurance void

The Landlord, the Developer and the Tenant mutually agree not knowingly to permit anything to be done which may render any insurance policy effected by the other void or voidable.

27.9 Damage after Sectional Completion

The Tenant shall not be entitled to refuse to complete or to delay completion of the grant of a Lease due to any event occurring after the Date of Sectional Completion for each Section that results in:

- 27.9.1 any damage to the part of Premises comprising the relevant Section or any part of them; or
- 27.9.2 any damage to the means of access to and egress from the part of Premises comprising the relevant Section; or
- 27.9.3 any deterioration in the condition of the Premises comprising the relevant Section,

and the provisions of the Leases shall apply to any such event. Where the Leases have not been completed the provisions of the Leases shall also apply to any such event as if they had been completed as at the date of such event.

28. CONFIDENTIALITY

28.1 Subject to clause 28.2 and clause 29, the terms of this agreement and all information received or obtained as a result of entering into or performing this agreement are confidential to the parties both before and after completion of the Leases and no party may make or permit or suffer the making of any announcement or publication of the information concerning any of those terms nor any comment or statement relating to them without the consent of the others, as to the form and content of any such announcement, publication, comment or statement.

28.2 Disclosure may be made by a party without the consent of the others if and to the extent:

- 28.2.1 necessary for the proper performance or enforcement of any obligations under this agreement (including to the relevant contractors and professional teams and as provided for in clause 28.2.6);
- 28.2.2 required by law (including legislation relating to the Land Registry) or by the rules of any stock exchange or regulatory body to whose regulation the party is subject;
- 28.2.3 required by or appropriate to its accountancy or audit procedures;
- 28.2.4 required to be included in its directors' report;
- 28.2.5 required by a court of competent jurisdiction, or HM Revenue and Customs;
- 28.2.6 necessary for disclosure to any employee or professional adviser of a party to this agreement or to any person providing finance to a party to this agreement (or such person's employees or professional advisers);
- 28.2.7 required by either party to an intending purchaser, assignee or mortgagee of that party's interest or to such person's employees or professional advisers;
- 28.2.8 required by either party's valuers.

28.3 Each party shall use all reasonable endeavours to ensure that any person to whom this agreement is disclosed (except under clause 28.2.2 and 28.2.5) is bound by an equivalent obligation to that in this clause 28.

28.4 The undertakings in this clause 28 shall continue notwithstanding termination of this agreement.

28.5 The Tenant shall not be entitled to note this agreement against the Landlord's registered title other than by a unilateral notice and shall not without the consent of the Landlord send this agreement or a copy of it to the Land Registry.

28.6 Notwithstanding the provisions of this clause 28 the parties agree to the issue of a press release in respect of the Tenant's intended occupation of the Premises, in a form to be agreed between the Landlord and the Tenant (both parties acting reasonably).

29. DISPUTES

29.1 Dispute resolution

29.1.1 If a dispute arises between the parties, the parties shall first consult in good faith and attempt to resolve such dispute.

29.1.2 If the parties fail to resolve the dispute through such consultation within 10 Working Days (or such longer period as the parties agree) either party may refer the matter to the Executives by giving written notice to the other, as the case may be. The Executives shall consult in good faith and attempt to resolve the dispute.

29.2 Selection and appointment of Adjudicator

Save as provided for under clause 29.7, if the Executives fail to resolve the dispute through consultation within 10 Working Days (or such longer period as the parties agree) either party may refer the matter to an independent person (the "**Adjudicator**") with appropriate expertise and standing in the subject matter of the dispute and agreed between the parties and in the absence of agreement within 10 Working Days of the initial nomination of an appropriate person by the parties (as the case may be) will be appointed on the application of either party (having regard to the nature of the dispute or difference in question) by:

29.2.1 the Chairman for the time being of the Bar Council;

29.2.2 the President for the time being of the Royal Institute of British Architects;

29.2.3 the President for the time being of the Royal Institution of Chartered Surveyors;

29.2.4 the President for the time being of the Institute of Chartered Accountants; and/or

29.2.5 the President for the time being of the Institution of Civil Engineers,

or (in each such case) the duly appointed deputy of such Chairman or President or any other person authorised by him to make appointments on his behalf.

29.3 Reappointment

If the Adjudicator resigns, or is unable to act the parties shall appoint a replacement Adjudicator by agreement; If the parties have not agreed a replacement Adjudicator within five Working Days of the original Adjudicator resigning or becoming unable to act either party may request the appointment of a replacement Adjudicator with the intention that the replacement Adjudicator shall be nominated within five Working Days of such request and the parties shall accept such nomination. The dispute shall be referred to the replacement Adjudicator promptly and in any event within five Working Days of the date of agreement on his appointment or his nomination as the case may be. The replacement Adjudicator shall have power to settle any dispute that had been referred to his predecessor but had not been decided at the time when his predecessor resigned or became unable to act. The date of the replacement Adjudicator's appointment shall be the date of referral of the said dispute to him as Adjudicator.

29.4 Procedure for Adjudication

29.4.1 The Adjudicator shall settle the dispute by notifying the parties of his decision in accordance with the applicable law in relation to this agreement together with his reasons within 20 Working Days of referral of the dispute (or such longer period as the parties may agree).

- 29.4.2 The party submitting the dispute to the Adjudicator shall within five Working Days of the appointment of the Adjudicator provide his written submission in respect of the dispute to the Adjudicator.
- 29.4.3 Any submission from another party to be considered by the Adjudicator shall be provided in writing within five Working Days from the first submission or such further period of up to five Working Days as the Adjudicator may allow.
- 29.4.4 If either party so requests, the Adjudicator shall call a hearing in order to resolve the dispute.
- 29.4.5 The parties shall comply with any decision of the Adjudicator in relation to the dispute and the Adjudicator's decision shall be final and binding unless and until revised pursuant to clause 29.7.
- 29.4.6 The Adjudicator shall be deemed not to be an arbitrator but shall render his decision as an expert and the provisions of the Arbitration Act 1996 and the law relating to arbitration shall not apply to the Adjudicator or his determination or the procedure by which he reached his determination.
- 29.4.7 The Adjudicator shall act impartially and may take the initiative in ascertaining the facts. The Adjudicator shall have the power to open up, review and revise any opinion, certificate, instruction, determination or decision of whatever nature given or made under this agreement insofar as it relates to the subject matter of the dispute.
- 29.4.8 Any communication between a party and the Adjudicator shall be communicated contemporaneously also to the other parties.

29.5 Legal costs and Adjudicator's fees and expenses

The Adjudicator shall be entitled to make an award of costs in respect of the reference to adjudication. If the Adjudicator does not make an award of costs in respect of such reference each party shall bear its own respective costs of any reference to adjudication and in such circumstances the costs of the Adjudicator (including the fees and expenses of any person consulted by him) shall be shared equally between the parties.

29.6 Adjudicator's exemption from liability

The Adjudicator shall not be liable for anything done or omitted in the discharge or purported discharge of his functions as Adjudicator unless the act or omission is in bad faith and any employee or agent of the Adjudicator shall be similarly protected from liability.

29.7 Disputes in relation to construction contracts

Where any dispute arises in relation to the Construction Management Agreement, a Trade Contract or a Professional Team Appointment, such dispute shall be resolved in accordance with the dispute resolution mechanism contained within the relevant Construction Management Agreement, Trade Contract or Professional Team Appointment.

29.8 Litigation

If either party wishes to challenge the Adjudicator's decision then either party may, within 20 Working Days after receiving notice of the Adjudicator's decision, notify the other of its intention to issue proceedings in court in respect of the dispute.

30. CAPITAL ALLOWANCES

- 30.1 All and any capital allowances in respect of the Fitting-Out Contribution referred to in clause 14.9 and the Developer's Works shall be for the benefit of the Landlord.

- 30.2 The Tenant shall at the cost of the Landlord, as soon as reasonably practicable after the completion of the Tenant's Works, prepare a schedule identifying (in so far as is reasonably practicable) expenditure incurred by the Tenant on every item of plant and machinery comprising those works in respect of which a claim for capital allowances could be made (the "**Plant and Machinery Schedule**") and supply a copy to the Landlord.
- 30.3 The Tenant shall apply the Fitting-Out Contribution as a contribution to expenditure upon items listed in the Plant and Machinery Schedule in the following order of priority:
- 30.3.1 as a contribution towards expenditure incurred by the Tenant in respect of the Tenant's Works, being expenditure on the provision of plant, machinery or any other assets which may qualify for capital allowances under the Capital Allowances Act 2001 ("**CAA 2001**") other than "special rate expenditure" as defined in section 104A of the CAA 2001;
 - 30.3.2 to the extent that the Fitting-Out Contribution exceeds the sum referred to in clause 30.3.1, as a contribution towards expenditure incurred by the Tenant in respect of the Tenant's Works being expenditure on the provision of plant or machinery or any other assets which may qualify for capital allowances under the CAA 2001 where such expenditure constitutes special rate expenditure as defined in section 104A of the CAA 2001;
 - 30.3.3 to the extent that the Fitting-Out Contribution exceeds the sums referred to in clauses 30.3.1 and 30.3.2 as a contribution towards expenditure incurred by the Tenant in respect of the remainder of the Tenant's Works; and
 - 30.3.4 to the extent that the Fitting-Out Contribution exceeds the sums referred to in clauses 30.3.1 to 30.3.3 (inclusive), as a contribution towards expenditure incurred by the Tenant in respect of the remainder of the Tenant's Works.
- 30.4 The Tenant's claim to capital allowances on each item listed in the Plant and Machinery Schedule shall be limited to the excess (if any) of the actual expenditure incurred by the Tenant in providing that element over the amount of the Fitting-Out Contribution towards that expenditure for which the Landlord is entitled to claim capital allowances in accordance with this clause 30, and the Landlord shall use reasonable endeavours at the request and cost of the Tenant to assist the Tenant in obtaining the benefit of any such allowances and at the request and cost of the Tenant the Landlord will execute any election which may be required to enable the Tenant to claim and receive the benefit of such capital allowances.

31 **VALUE ADDED TAX**

- 31.1 All sums payable under this agreement:
- 31.1.1 by the Tenant to the Landlord (or any beneficial owner of the Premises or any VAT group of which wither is a member) or the Developer, or
 - 31.1.2 by the Landlord (or any beneficial owner of the Premises or any VAT group of which either is a member) or the Developer to the Tenant,
- shall be deemed to be exclusive of VAT.
- 31.2 Where pursuant to the terms of this agreement the Landlord (or any beneficial owner of the Premises or any VAT group of which either is a member) or the Developer makes a supply to the Tenant or vice versa (including for the avoidance of doubt each supply in respect of which an instalment is paid under clause 10.11.1) and VAT is chargeable in respect of such supply the party receiving such supply shall pay to the party making the supply subject to delivery of a valid VAT invoice in respect thereof a sum equal to the amount of VAT so chargeable and shall make such payment:
- 31.2.1 on the date of such supply; or
 - 31.2.2 if later, on the date on which a valid VAT invoice in respect of the relevant amount addressed to the receiving party is issued to that party.

- 31.3 Where the party receiving the supply fails to pay any such amount in full on the relevant date specified in clause 31.2 that receiving party shall also pay to the party making the supply interest on such amount at the Prescribed Rate from the date on which the supplier was liable to account to HM Revenue & Customs for the VAT in respect of such supply until the date payment is made by the recipient of the supply to the person making the supply but where the due date for payment by either party of any amount in respect of VAT is determined by reference to the issue of a VAT invoice as mentioned in clause 31.2, that party shall not be liable to make any payment under this clause 31.3 provided that any amount in respect of VAT payable by it is paid within 20 Working Days after the issue of such invoice.
- 31.4 Where a party is required by the terms of this agreement to reimburse or indemnify any other party for any cost, expense or other liability (including for the avoidance of doubt the requirement under clause 10.11.1), the payer shall reimburse or indemnify the payee for the full amount of such cost, expense or liability, including such part thereof as represents VAT, save to the extent that the other party is entitled to credit or repayment in respect of such VAT from HM Revenue & Customs.
- 31.5 The Tenant warrants and separately undertakes to the Landlord that, to the extent the Tenant (or any person connected with the Tenant within the meaning given by paragraph 34 Schedule 10 Value Added Tax Act 1994) occupies the whole or any part of the Premises, the Tenant (or that person or persons) will do so wholly, or substantially wholly, for eligible purposes within the meaning of paragraph 15 Schedule 10 Value Added Tax Act 1994.

32. NOTICES

- 32.1 Any notice under this agreement:
- 32.1.1 must be in writing, addressed to the relevant party at a correct address; and
- 32.1.2 save as provided in clause 32.5 may be served by:
- (A) post or personal delivery (but not by facsimile, e-mail other electronic means of transmission, any document exchange or by any other means);
- (B) an agent of the serving party, but not on an agent of the party to be served.
- 32.2 Save as provided in clause 32.5 an addressee's correct address is any of:
- 32.2.1 the registered office of a corporate addressee;
- 32.2.2 the Tenant's Guarantor's address as stated in the relevant guarantee document or (to the exclusion of that address) any other address in the United Kingdom subsequently notified to the Landlord, if the addressee is a Tenant's Guarantor; and
- 32.2.3 an address for service within the United Kingdom as last notified by a foreign party to the serving party, if the addressee is a foreign party.
- 32.3 For the purpose of calculating any notice period associated with the service of a notice, the period begins on the date the notice is given to the party to be served.
- 32.4 Save as provided in clause 32.5 a notice is given:
- 32.4.1 by post, on the date of the second (or, if earlier receipt is proved, the first) day after the date when the notice is posted; and
- 32.4.2 by personal delivery, on the date when the notice is delivered, to a correct address of the party to be served.
- 32.5 Notices served pursuant to clauses 8.11.3 and 12.5.1 may be given by email to the email address notified from time to time by any party to any other party, and unless the actual time of receipt is proved, a notice served by email is treated as having been received before 4pm on the first Working Day after the date of its despatch (unless an automated response is received that the intended recipient is out of the office in which case it shall be deemed to have been received before 4pm on the day the intended recipient is shown by such response as returning to the office).

- 32.6 In this agreement any reference to giving notice is synonymous with notifying and vice versa; and "give", "send", "serve" and "deliver" are synonymous.
- 32.7 A foreign party agrees to maintain and keep each other party notified of a correct address for the purposes of clause 32.2.3 at all times.
- 32.8 If the Tenant or the Tenant's Guarantor comprises more than one person it shall be sufficient service on the Tenant or the Tenant's Guarantor if notice is served on one of them.
- 32.9 The Landlord need not serve on the Tenant's Guarantor a notice which is duly served on the Tenant and the Tenant's Guarantor shall not be relieved of any obligation or liability under this agreement because it has not received any such notice.
- 33. NON-MERGER**
- This agreement shall continue in full force and effect notwithstanding the grant of the Leases to the extent that any provisions are still to be observed and performed.
- 34. GUARANTEE OF TENANTS OBLIGATIONS**
- In consideration of the Landlord and the Developer having entered into this agreement at the Tenant's Guarantor's request the Tenant's Guarantor as primary obligor guarantees and agrees with the Landlord and the Developer that:
- 34.1 the Tenant will perform its obligations in this agreement; and
- 34.2 it will make good to and indemnify the Landlord and the Developer against all losses, damages, costs and expenses caused by any default by the Tenant; and
- 34.3 its obligations under this clause 34 are not affected by:
- 34.3.1 any indulgence, compromise or neglect by the Landlord or the Developer in enforcing the Tenant's obligations in this agreement;
- 34.3.2 any legal limitation, immunity, incapacity, insolvency or the winding up of the Tenant or by the fact that the Tenant otherwise ceases to exist;
- 34.3.3 any other act or omission which, but for this provision, would have released the guarantor from liability,
- or any combination of such matters and the Tenant's Guarantor's obligations are not to be released by, but shall be construed so as to require compliance with, the terms of every variation or waiver of any of the Tenant's obligations in this agreement;
- 34.4 it will execute the counterpart Leases as Tenant's Guarantor for the Tenant in accordance with this agreement: and
- 34.5 if at any time before the completion of the Leases the Tenant is the subject of any event specified in clause 5.1(c) to (f) inclusive of the Leases then the Landlord may at any time before completion of the Leases invoke the provisions of clause 34.6 by notice served on the Tenant unless it has previously served notice pursuant to clause 25 in respect of that or any other event; and
- 34.6 immediately on service of a notice pursuant to clause 34.5 but without prejudice to any pre-existing right of action of any party in respect of any breach by any other party of its obligations under this agreement the rights of the Tenant under this agreement shall cease and determine and this agreement shall have effect from the date of the notice as if the obligation to accept the Leases and the other obligations of the Tenant contained in this agreement were the primary obligations of the Tenant's Guarantor and the Tenant's Guarantor will when requisite execute and deliver counterparts of the Leases in lieu of the Tenant on the terms of this agreement and will take up the Leases on their grant; and
- 34.7 it abandons and waives any right it may have at any time under the existing or future laws of Jersey (by virtue of the *droit de discussion* or *division*) to require that:

- 34.7.1 the Landlord or the Developer, before enforcing this agreement or any right, interest or obligation under this agreement, takes any action, exercises any recourse or seeks a declaration of bankruptcy against the Tenant or any other person, makes any claim in a bankruptcy, liquidation, administration or insolvency of the Tenant or any other person or enforces or seeks to enforce any other right, claim, remedy or recourse against the Tenant or any other person;
- 34.7.2 the Landlord or the Developer, in order to preserve any of its rights against the Guarantor joins the Guarantor as a party to any proceedings against the Tenant or any other person or the Tenant or any other person as a party to any proceedings against the Guarantor or takes any other procedural steps or observes any other formalities; or
- 34.7.3 the Landlord or the Developer divides or apportions the liability of the Guarantor under this agreement with any other person or such liability is reduced in any manner.

35. GUARANTEE OF DEVELOPER'S OBLIGATIONS

In consideration of the Tenant and the Tenant's Guarantor having entered into this agreement at the Developer's Guarantor's request the Developer's Guarantor as primary obligor guarantees and agrees with the Tenant and the Tenant's Guarantor that:

- 35.1 the Developer will perform its obligations in this agreement; and
- 35.2 it will make good to and indemnify the Tenant and the Tenant's Guarantor against all losses, damages, costs and expenses caused by any default by the Developer; and
- 35.3 its obligations under this clause 35 are not affected by:
 - 35.3.1 any indulgence, compromise or neglect by the Tenant or the Tenant's Guarantor in enforcing the Developer's obligations in this agreement;
 - 35.3.2 any legal limitation, immunity, incapacity, insolvency or the winding up of the Developer or by the fact that the Developer otherwise ceases to exist;
 - 35.3.3 any other act or omission which, but for this provision, would have released the guarantor from liability,or any combination of such matters and the Developer's Guarantor's obligations are not to be released by, but shall be construed so as to require compliance with, the terms of every variation or waiver of any of the Developer's in this agreement.

36. INDEMNITIES

The Landlord and the Developer shall, in relation to the indemnities given by the Tenant in clauses 9.5.3, 34.2 and 35.2 of this agreement:

- (a) as soon as reasonably practicable give the Tenant written notice and full details of any claim against the Landlord or the Developer from a third party;
- (b) consider and pay due account to written representations made by the Tenant relating to any such claim;
- (c) not settle or compromise any such claim unless the Landlord or the Developer is required to do so by its insurers;
- (d) use all reasonable endeavours to mitigate as far as practicable any loss or costs incurred by or caused to them as a result of such claim.

37 INTEREST

If any sums payable by any party to any other party under this agreement are not paid on the due date the payor shall in addition pay on demand to the payee interest on such sums at 3% above the Prescribed Rate from the date on which such sum fell due for payment to the date of actual payment (as well after as before any judgment obtained).

38. LAW AND JURISDICTION

38.1 This agreement and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including non-contractual disputes or claims) shall subject to clause 28.6 be governed by and construed in accordance with English law and within the exclusive jurisdiction of the English courts, to which the parties irrevocably submit.

38.2 Each party irrevocably agrees that any claim form or other document to be served under the Civil Procedure Rules may be served on it by being delivered to or left at a correct address for the purposes of clause 32.2.

39. EXCLUSION OF THIRD PARTY RIGHTS

The parties confirm that no term of this agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to it.

40. ENTIRE AGREEMENT, REPRESENTATIONS AND DECLARATIONS

40.1 This agreement constitutes the entire agreement between the parties to the exclusion of every other antecedent statement and agreement.

40.2 The Tenant and the Tenant's Guarantor severally acknowledge that they have not entered into this agreement in reliance upon any statement or other agreement (other than those which have been given by the Landlord's and/or the Developer's solicitors in a written reply to enquiries made by, or provided to, the Tenant's Solicitors before the exchange of this agreement).

40.3 The Tenant acknowledges that it has formed its own view as to the suitability of the Premises for the Tenant's purposes.

40.4 The Landlord shall not be liable for, and the Tenant hereby waives, all rights (if any) in respect of any claims for loss of profits, loss of business or indirect losses or consequential damages of any kind arising from any breach by the Landlord of any of its obligations contained in this agreement

40.5 The Developer shall not be liable for, and the Tenant hereby waives, all rights (if any) in respect of any claims for loss of profits, loss of business or indirect losses or consequential damages of any kind arising from any breach by the Developer of any of its obligations contained in this agreement.

40.6 The Landlord shall not be liable to the Tenant, the Tenant's Guarantor or any other person in respect of any loss of rights or interests granted to the Tenant by this agreement or the Leases due to failure on the part of the Tenant (or of HM Land Registry) properly to perfect or protect such rights and interests by registration.

40.7 The Tenant acknowledges that it has made all searches, enquiries and inspections which a prudent tenant would make and takes subject to any matters which are or would be revealed.

41. SEVERANCE

If any provision of this agreement is held to be invalid or unenforceable, it shall be deemed to be deleted (so far as invalid or unenforceable) and the remaining provisions of this agreement shall continue in force.

IN WITNESS whereof this Deed has been executed by the parties hereto and is intended to be and is hereby delivered on the date first above written.

SCHEDULE 1
TENANT OPTION

1. DEFINITIONS

In this Schedule, the following definitions shall have the following meanings:

"Contraction Option Period" means the period commencing on this date of this agreement and ending on the earlier of:

- (a) 30 June 2018;
- (b) the date of service by the Tenant of a Fifth Floor Waiver Notice; and
- (c) the date of termination of this agreement in accordance with its terms;

"Fifth Floor Contraction Notice" means a notice served in accordance with and pursuant to paragraph 3.2.1(A);

"Fifth Floor Waiver Notice" means a notice served in accordance with and pursuant to paragraph 3.4.1;

"Non-Waived Part Fifth Floor Premises" means, on service by the Tenant of its first Part Fifth Floor Waiver Notice, the Part Fifth Floor Premises which are not the Waived Part Fifth Floor Premises;

"Other Part Fifth Floor Premises" means, on service by the Tenant of its first Part Fifth Floor Contraction Notice, the Part Fifth Floor Premises which are not the Rejected Part Fifth Floor Premises;

"Part Fifth Floor Contraction Notice" means a notice served in accordance with and pursuant to paragraph 3.2.1(B);

"Part Fifth Floor Lease" means a lease of the relevant Part Fifth Floor Premises in the Agreed Form of the Fifth Floor Lease at **Annexure F** with the following amendments:

- (a) the number of bicycle spaces referred to at paragraph 7 of Part I of the Second Schedule shall be reduced to an allocation calculated on a pro-rated basis of spaces available at the time of lease grant;
- (b) the number of lockers referred to at paragraph 7 of Part I of the Second Schedule shall be reduced to an allocation calculated on a pro-rated basis of spaces available at the time of lease grant;
- (c) the maximum number of occupiers of the Part Fifth Floor Premises for the purpose of clause 3.70(c) of the Part Fifth Floor Lease shall be two; and
- (d) such other amendments as are reasonably necessary to demise the Part Fifth Floor Premises as distinct from the Fifth Floor Premises;

"Part Fifth Floor Premises" means either part A or part B of the Fifth Floor Premises as elected pursuant to paragraph 3.2.1(B) as each such part is shown for identification purposes only edged red on the relevant Floor Plans and which is capable of separate occupation in accordance with good estate management practice and the performance of services within the Fifth Floor Premises, excluding all circulation areas, plant and equipment which are common to the Fifth Floor Premises as a whole;

"Part Fifth Floor Waiver Notice" means a notice served in accordance with and pursuant to paragraph 3.4.2;

"Rejected Part Fifth Floor Premises" means the Part Fifth Floor Premises which the Tenant does not require, as specified in the relevant Part Fifth Floor Contraction Notice;

"Waived Part Fifth Floor Premises" means the Part Fifth Floor Premises which the Tenant requires as specified in the relevant Part Fifth Floor Waiver Notice.

2. RECITALS

2.1 As at the date of this agreement the Tenant intends to take the Third Floor Lease, the Fourth Floor Lease and the Fifth Floor Lease.

2.2 The Landlord has agreed that, during the time period set out in this Schedule 1, the Tenant will have the option to either contract its space requirements by either a whole or a half floor (by contracting in respect of the whole Fifth Floor Premises or a Part Fifth Floor Premises pursuant to paragraph 3).

3. FIFTH FLOOR CONTRACTION OPTIONS

3.1 Applicability

3.1.1 Subject to paragraph 3.4, this paragraph 3 applies during the Contraction Option Period and ceases to have effect on (and the Tenant may not exercise its option to contract under this paragraph 3 after) the expiry of the Contraction Option Period.

3.2 Exercise of options

3.2.1 If the Tenant does not require:

(A) the Fifth Floor Premises, it must give to the Landlord notice of such intention (the **"Fifth Floor Contraction Notice"**) on or before the expiry of the Contraction Option Period and, following the date of service of the Fifth Floor Contraction Notice, paragraph 3.3.1 shall apply; or

(B) a Part Fifth Floor Premises, it must give to the Landlord notice of such intention (a **"Part Fifth Floor Contraction Notice"**), specifying the Rejected Part Fifth Floor Premises, on or before the expiry of the Contraction Option Period and, following the date of service of a Part Fifth Floor Contraction Notice, paragraph 3.3.2 shall apply in relation to the Rejected Part Fifth Floor Premises, but shall not (for the avoidance of doubt) apply in relation to the Other Part Fifth Floor Premises.

3.2.2 The Tenant's right to serve a Part Fifth Floor Contraction Notice ceases upon service of a Fifth Floor Contraction Notice and the Tenant's right to serve a Fifth Floor Contraction Notice or a further Part Fifth Floor Contraction Notice ceases upon service of a Part Fifth Floor Contraction Notice, such that the intention is that the Tenant may only make one election as to its occupation of the fifth floor specifying whether it wishes to retain all or part of the fifth floor and may make no further election thereafter.

3.3 Deeming provisions

3.3.1 From and including the date of service of a Fifth Floor Contraction Notice on the Landlord pursuant to paragraph 3.2.1 (A), the definition of "Premises" shall be deemed to exclude the Fifth Floor Premises and Part Fifth Floor Premises and the definition of "Leases" shall be deemed to exclude the Fifth Floor Lease and Part Fifth Floor Lease and the provisions of this agreement shall have effect accordingly.

- 3.3.2 From and including the date of service of a Part Fifth Floor Contraction Notice on the Landlord pursuant to paragraph 3.2.1(B), the definition of "Premises" shall be deemed to exclude the Rejected Part Fifth Floor Premises and Fifth Floor Premises and the definition of "Leases" shall be deemed to exclude the Part Fifth Floor Lease so far as it relates to the Rejected Part Fifth Floor Premises only and the Fifth Floor Lease and the provisions of this agreement shall have effect accordingly.

3.4 Waiver of options

- 3.4.1 In the event that the Tenant wishes to give up its option to contract pursuant to paragraph 3.2.1 on or before the expiry of the Contraction Option Period, it shall give to the Landlord notice of such intention (the "**Fifth Floor Waiver Notice**"), specifying that the Tenant requires the Fifth Floor Premises and wishes to give up its option to contract pursuant to paragraph 3.2.1(A). In which case, following the date of service of the Fifth Floor Waiver Notice, this paragraph 3 shall cease to apply.
- 3.4.2 In the event that the Tenant wishes to give up an option to contract pursuant to paragraph 3.2.1(B) on or before the expiry of the Contraction Option Period, it shall give to the Landlord notice of such intention (a "**Part Fifth Floor Waiver Notice**"), specifying the Waived Part Fifth Floor Premises and that it wishes to give up its option to contract pursuant to paragraph 3.2.1(B) in relation to the Waived Part Fifth Floor Premises, in which case, following the date of service of the Part Fifth Floor Waiver Notice, this paragraph 3 shall cease to apply in relation to the Waived Part Fifth Floor Premises, but shall continue to apply in relation to the Non-Waived Part Fifth Floor Premises.

Signed as a **deed** on behalf of **BLCT (PHC 15A) LIMITED**, a company incorporated in Jersey,
by _____ **[Illegible]**, being a
person who, in accordance with the laws of that
territory, is acting under the authority of the company

Signature(s): _____ **[Illegible]**

Authorised Signatory **[Illegible]**

EXECUTED as a DEED by BLUEBUTTON DEVELOPER COMPANY (2012) LIMITED
acting by two directors /a director and
its company secretary

[Illegible]
(Signature of director)

[Illegible]
(Signature of director / secretary)

EXECUTED as a DEED by BLUEBUTTON PROPERTIES UK LIMITED acting by two
directors /a director and its
company secretary

[Illegible]
(Signature of director)

[Illegible]
(Signature of director / secretary)

EXECUTED as a DEED by MIMECAST

SERVICES LIMITED acting by two
directors /a director and its
company secretary

Signed as a deed on behalf of **MIMECAST**
LIMITED, a company incorporated in Jersey,
by P. Bauer , being a
person who, in accordance with the laws of that)
territory, is acting under the authority of the company)

Signature(s): /s/ P. Bauer

Authorised Signatory

/s/ P. Bauer
(Signature of director)

/s/ Peter Campbell
(Signature of director / secretary)

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— M ; J — G ; C — A seruxennA

ANNEXURE D: THIRD FLOOR LEASE IN AGREED FORM

This is Annexure D to the agreement for lease dated 2 January 2018 in respect of the 3rd, 4th and 5th floors of 1 Finsbury Avenue, London EC2 as made between (1) B.L.C.T. (PHC 15A) Limited (2) Bluebutton Developer Company (2012) Limited (3) Bluebutton Properties UK Limited (4) Mimecast Services Limited and (5) Mimecast Limited

Signed on behalf of:

B.L.C.T. (PHC 15A) Limited [Illegible]

Bluebutton Developer Company (2012) Limited [Illegible]

Bluebutton Properties UK Limited [Illegible]

Mimecast Services Limited /s/ Peter Bauer

Mimecast Limited /s/ Peter Bauer



HERBERT
SMITH
FREEHILLS

AGREED FORM

.....201*

B.L.C.T. (PHC 15A) LIMITED

and

MIMECAST SERVICES LIMITED

and

MIMECAST LIMITED

1 FINSBURY AVENUE, LONDON EC2
LEASE OF 3RD FLOOR

Herbert Smith Freehills LLP

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Appendices:

Appendix A: Plans

Appendix B: Base Building Definition

Appendix C: Occupier Fit-Out Guide

Appendix D: Specification

Appendix E: Reception Side Letter

Appendix F: Western Terrace Side Letter

LAND REGISTRY PARTICULARS

LR1.	Date of Lease	
LR2.	Title number(s):	
LR2.1	Landlord's title number(s)	NGL770398
LR2.2	Other title numbers	
LR3.	Parties to this Lease	Landlord
		B.L.C.T. (PHC 15A) LIMITED (company registration number 76075 (Jersey)) whose registered office is at 47 Esplanade, St Helier, Jersey JE1 0BD c/o York House, 45 Seymour Street, London W1H 7LX (the " Landlord ").
		Tenant
		MIMECAST SERVICES LIMITED (company registration number 04901524) whose registered office is at 6 th Floor, CityPoint, One Ropemaker Street, London EC2Y 9AW (the " Tenant ").
		Other parties
		MIMECAST LIMITED (company registration number 119119 (Jersey)) whose registered office is at 22 Grenville Street, St Helier, Jersey JE4 8PX c/o 6th Floor, CityPoint, One Ropemaker Street, London EC2Y 9AW (the " Surety ").
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 defined as "Premises" in Part 1 of the Particulars to this Lease.
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.
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 as specified in Part 1 of the Particulars to this Lease.
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	The right set out in clause 9 of this Lease.
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	The covenants set out in clauses 4.13 and 4.14 of this Lease.
LR11.	Easements:	
LR11.1	Easements granted by this Lease for the benefit of the Property	The easements set out in Part I of the Second Schedule to this Lease.
LR11.2	Easements granted or reserved by this Lease over the Property for the benefit of other property	The easements set out in Part II of the Second Schedule to this Lease.
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	None.

PARTICULARS

PART 1

“Premises”	The third floor of the Building being the premises described in the First Schedule together with all alterations, additions and improvements thereto other than Tenant's or trade fixtures and fittings
“Term Commencement Date”	means <i>[the date determined by the Agreement for Lease]</i>
“Contractual Term”	Fifteen years from and including the Term Commencement Date
“Principal Rent”	£ <i>[to be determined in accordance with the Agreement for Lease]</i> per annum (subject to review in accordance with the provisions of the Third Schedule)
“Rent Commencement Date”	<i>[the date determined pursuant to the terms of the Agreement for Lease]</i>
“Review Dates”	20[] and every fifth anniversary of that date during the Contractual Term and any date stipulated under paragraph 8 of the Third Schedule
“Permitted Use”	High class offices and for ancillary purposes within paragraph (a) of Class B1 of the Town and Country Planning (Use Classes) Order 1987 (here meaning the 1987 Order and not any subsequent modification or re-enactment thereof notwithstanding the provisions of clause 1.3)

PART 2

Term Expiry Date	<i>[insert date of expiry of 15 years from TCD]</i>
Landlord's option to break	None
Tenant's option to break	<i>[insert date of 10th anniversary of TCD]</i>
Landlord and Tenant Act 1954	Not excluded
Interest on late payments	2% above base rate
Interest on shortfall of rent review	0% above base rate

UNDERLEASE (referred to throughout as "*this Lease*")

DATED

201[]

BETWEEN

1

- (1) **B.L.C.T. (PHC 15A) LIMITED** (the “**Landlord**”)
- (2) **MIMECAST SERVICES LIMITED** (the “**Tenant**”)
- (3) **MIMECAST LIMITED** (the “**Surety**”)

WITNESSETH as follows:

1 INTERPRETATION

In this Lease:

1.1 The following expressions shall have the following meanings:

Act	means any Act of Parliament now or hereafter to be passed and includes any instrument, order or regulation or other subordinate legislation deriving validity from any Act of Parliament
Agreement for Lease	means the agreement for lease dated [] made between (1) Bluebutton Developer Company (2012) Limited (2) the Landlord (3) Bluebutton Properties UK Limited (4) the Tenant and (5) the Surety
approved and authorised	mean approved or authorised in writing by the Landlord
Associated Entity	means independent contractors employed by the Tenant in connection with the services the contractors are providing to the Tenant in relation to the Premises and other bodies, professional advisers and entities and which facilitate the operation of the Tenant’s business at the Premises
Base Building Definition	means the base building definition applying to the Building attached at Appendix B
Building	means the land and buildings known as 1 Finsbury Avenue, London EC2 shown edged red on Plan 1 and includes (without limitation) the Foundations and Services
Building Services	means the services and amenities to be provided by the Landlord for the benefit of the Building (or some part or parts thereof) (but being for the benefit of the tenants of the Building as a whole) as are set out in Part I of the Sixth Schedule and such other services and amenities as are consistent with the management of a high class office building which the Landlord may from time to time reasonably require should be provided or carried out for the benefit of the tenants of the Building as a whole
CIL	means community infrastructure levy under the Planning Acts and any charge, levy, tax or imposition substituted for it and including related interest, penalties, surcharges, liabilities and costs of compliance

Common Facilities	means each and every part or parts of the Building (other than Landlord's Services Equipment) which are from time to time provided by the Landlord (acting reasonably) for common or general use by or for the benefit of the Tenant and other tenants, licensees and occupiers of the Building, their employees, agents, servants, licensees and customers and all others authorised by the Landlord including (but without limiting the generality of the foregoing) entrance lobbies, lift lobbies, goods lifts, loading bays, lifts, escalators, staircases, corridors, passageways, accessways, communal plant rooms and lavatories, showers and locker rooms and water closet accommodation
company	means a body corporate wheresoever incorporated
consent of the Landlord	means a consent in writing signed by the Landlord
Design Standards	means the level of services (including electricity supply) which the Landlord's Services Equipment are designed to supply to the Premises (brief details of which are set out in the Specification) and as the same may be increased from time to time with, if the increase is to increase a cost to the Tenant, the consent of the Tenant (such consent not to be unreasonably withheld or delayed)
Electricity Cost	means the actual cost of the provision of electricity to the Premises for consumption by the Tenant in accordance with the Landlord's covenant contained at clause 4.6 being the measured proportion as reasonably determined by the Landlord of the actual or total cost of the provision of electricity to the areas of the Building let or intended to be let from time to time which proportion shall be based upon readings taken in such manner and at such times as the Landlord shall from time to time determine (acting reasonably) of the check meters relating to the Premises and other parts of the Building from time to time installed and where estimated shall be subject to annual reconciliation
Energy Costs	means any taxes, levies, charges (except for sums payable to utilities suppliers) or assessments (whether parliamentary, parochial, local or of any other description) properly and reasonably paid by the Landlord or by a Group Company of the Landlord and/or any credits, allowances or permits properly and reasonably purchased by the Landlord or by a Group Company of the Landlord in each case relating to the consumption of energy or emission of greenhouse gases by or from or supply of energy to the properties of the Landlord and/or any Group Company of the Landlord from time to time and including but without limitation all proper and reasonable costs and payments properly and reasonably incurred pursuant to or in connection with the Scheme

Energy Levy	<p>means a fair and reasonable proportion of the Energy Costs that are directly incurred under the Scheme in respect of any Scheme Year wholly in connection with or in relation to the supply of energy to the Building or any part of the Building and such proportion of the Energy Costs shall be made on the following assumptions:</p> <p>(a) the Landlord is a participant in the Scheme; and</p> <p>(b) the Landlord is supplied with energy only at the Building and makes no carbon emissions other than those made from the Building and consumes no energy other than within the Building</p> <p>(and such proportion shall be based upon a comparison of the supply of energy to the Building with the total energy supplied to all the buildings included in the Energy Costs provided that it is agreed by the Landlord that the Energy Levy shall not include any costs incurred in the administration and coordination of compliance with the Scheme by the Landlord or any Group Company of the Landlord within the Scheme nor any fees or expenses of legal advisers, surveyors or other professional advisers engaged by the Landlord or any Group Company of the Landlord in connection with the Scheme)</p>
Energy Levy Rent	<p>means a fair and reasonable proportion of the Energy Levy which is attributable on a fair and reasonable basis to the Premises which proportion shall be based:</p> <p>(a) (in the case of energy supplies the use or consumption of which at the Premises is not separately metered) a fair and reasonable proportion of the energy supplied to the Building; and</p> <p>(b) (in the case of energy supplies the use or consumption of which at the Premises is separately metered) on the energy supplied to the Premises as evidenced by the meters or other measuring devices serving the Premises</p>
Energy Performance Certificate	means an energy performance certificate and recommendation report as defined in the Energy Performance of Buildings (England and Wales) Regulations 2012
Estate	means the Broadgate Estate from time to time, as shown at the date of this Lease edged red on Plan 2
Estate Common Parts	means each and every open part or parts of the Estate (other than any building or structure) which are from time to time provided by the Landlord or its Group Companies (acting reasonably) for common or general use by or for the benefit of the Tenant and other tenants, licensees and occupiers of the Estate, their employees, agents, servants, licensees and customers and all others authorised by the Landlord or its Group Companies

Estate Services	means the services and amenities to be provided by the Landlord for the benefit of the Estate (or some part or parts thereof as are set out in Part II of the Sixth Schedule) and such other services and amenities as are consistent with the management of a high class estate which the Landlord may in its discretion from time to time reasonably decide should be provided or carried out for the benefit of the tenants and occupiers of the Estate or some part or parts thereof (and which in all cases benefit the tenants and occupiers of the Estate as a whole)
Fire Safety Order	means the Regulatory Reform (Fire Safety) Order 2005
Foundations and Services	means: <ul style="list-style-type: none"> (a) the foundations, piles, footings, columns, beams and other load bearing structures (including transfer structures as necessary) steelwork, bracings, access and inspection pits, escalator pits, lift pits and other structures and fire proofing; and (b) the drains, sewers, pipes, wires, ducts, cables and other conduits; and (c) the meter rooms; and (d) the steps serving the Building as exist from time to time
Group Company	a company is a Group Company of another company if it is from time to time the holding company of that company or a subsidiary company of that company or any company whose holding company is the holding company of that company where the expressions "holding company" and "subsidiary" have the meanings given in Section 1159 and Schedule 6 of the Companies Act 2006
Head Lease	means the lease dated 17 February 1999 and made between (1) B.L.C.T (17810) Limited and (2) Broadgate (PHC 15a) Limited
Historic Contamination	means the presence under the Building and/or the Estate of any natural or artificial substances or materials (whether solid, liquid, gas or otherwise and whether alone or in combination with any substance or material) capable of causing harm to human health and/or the environment, including, for the avoidance of doubt, radiation, heat, vibration, waste, carbon dioxide and/or any other greenhouse gases which were caused or were present prior to the date of this Lease

Insured Risks	means loss or damage, whether total or partial, caused by the following risks to the extent that insurance cover is available for the same in the London insurance market at reasonable cost namely fire, storm, earthquake, tempest, flood, lightning, explosion, aircraft and other aerial devices or articles dropped therefrom, riot or civil commotion, malicious damage, impact, bursting and overflowing of pipes or water tanks, acts of terrorism, subsidence, groundslip and heave, breakdown and sudden and unforeseen damage to engineering plant and equipment and such other risks (in respect of which cover is available as aforesaid) as the Landlord (acting as a prudent Landlord) shall from time to time reasonably and properly determine having regard to the interests of the tenants of the Building
Landlord	includes where the context so admits the estate owner for the time being of the reversion immediately expectant on the Termination of the Tenancy
Landlord's Services Equipment	means all the plant, machinery and equipment (with associated Service Conduits and Appliances) within or serving the Building from time to time comprising or used in connection with the following systems (to the extent specified in the following paragraphs of this definition): <ul style="list-style-type: none"> (a) the whole of the sprinkler system within the Building (including sprinkler heads); (b) the whole of the fire detection and fire alarm systems; (c) the whole of the permanent firefighting systems (but excluding portable fire extinguishers installed by the Tenant or other tenants of the Building); (d) the whole of the chilled water system; (e) the whole of the perimeter heating system and underfloor heating system at the base of any atria (if any); (f) the whole of the building management system installed by the Landlord; (g) the central electrical supply system from the mains supply to the Building so far as (and including) the electrical riser busbars connecting to the distribution boards at each level in the Building which is let or intended to be let by the Landlord; (h) the air handling system limited at each level which is let or intended to be let by the Landlord to the air handling units at each such level and the electricity supply and control systems for the same and the air ducts leading from such air handling units in each case up to the point where such ducts enter the office accommodation
Landlord's Surveyor	means the surveyor for the time being of the Landlord being a MRICS or FRICS member (or equivalent from time to time) of the Royal Institution of Chartered Surveyors
Level	means the floors of the building so identified on the Plans

Normal Business Hours	means 7 am to 7 pm Monday to Fridays (including Bank Holidays) or such longer hours as the Landlord may in its reasonable discretion determine from time to time and notify in writing with reasonable advance notice to the Tenant
notice	means notice in writing
Managed Spectrum	means any licensed or unlicensed radio spectrum which can be utilised for the purposes of providing Wireless Data Services or analogous services
Net Internal Area	means the net internal area of the Premises calculated in accordance with the RICS Code of Measuring Practice, 6th edition (2007)
Occupier Fit Out Guide	means the tenant guide headed "1 Finsbury Avenue – Office Occupier's Fit-out Guide – Broadgate Estates Limited" attached at Appendix C together with such reasonable amendments or updates as may be made from time to time by the Landlord
Option	means an option to tax the Building by the Landlord pursuant to Schedule 10 VATA
Outside Normal Business Hours Charge	means (where such Services are provided for the benefit of the Tenant alone) the whole of the cost of carrying out or providing any of the Services at the request of the Tenant outside Normal Business Hours (including (without prejudice to the generality of the foregoing) costs and expenses in the nature of those set out in Part III of the Sixth Schedule) or in the event of any of the Services being carried out or provided outside Normal Business Hours to the Tenant and any other tenant or tenants of the Building a fair and reasonable proportion thereof as determined by the Landlord (acting reasonably)
Particulars	means the particulars set out at the beginning of this Lease and so titled
Plan	means the plans annexed hereto and numbered accordingly
Planning Acts	means the Act or Acts for the time being in force relating to town and country planning
Prescribed Rate	means either the base rate of National Westminster Bank PLC or if no such base rate can be ascertained then the rate at the relevant time which such Bank shall utilise for equivalent purposes or if such alternative rate cannot be ascertained then such other rate as the Landlord shall reasonably select as being equivalent thereto
President	means the President for the time being of the Royal Institution of Chartered Surveyors or his duly appointed deputy
Principal Rent	means the rent first reserved in clause 2

Prohibited Uses	means any of the following uses: (a) turf accountant or betting office; (b) staff or employment agency; (c) amusement arcade; (d) sex shop; (e) sauna or massage parlour (professional physiotherapy or sports massage therapy uses will be permitted); (f) pet shop; (g) launderette or dry cleaners (save where premises to be let are let for the purpose of collection for dry cleaning off the premises); (h) any Government Agency or Department at which the general public are permitted to call without appointment; (i) night club; or (j) traditional high street charity shop
Reinstatement Certificate	means the certificate properly issued by or on behalf of the Landlord certifying that the works to be undertaken by the Landlord in accordance with clause 4.4 have been practically completed
Renewal Lease	means the lease of the Premises to be granted pursuant and on the terms set out in clause 9
Rents	means all the rents reserved in clause 2
Retail Units	means those lettable parts of the ground and basement floors of the Building
Roof Terrace	means the roof terrace at Level 8 on the eastern side of the Building shown coloured pink and marked "East Terrace" on Plan 3
Scheme	means the mandatory UK cap and trade scheme known as the Carbon Reduction Commitment Energy Efficiency Scheme or the CRC Energy Efficiency Scheme as implemented under the Climate Change Act 2008 and the CRC Energy Efficiency Scheme Order 2010 the CRC Energy Efficiency Scheme Order 2013 (and any modification, amendment, re-enactment or replacement from time to time) and any other similar scheme amending or replacing it (and any other trading scheme relating to greenhouse gas emissions introduced pursuant to Section 44 of the Climate Change Act 2008)
Scheme Year	means 1 April to 31 March in each year or such other annual period designated under the Scheme
Service Conduits and Appliances	means gas, water, drainage, electricity, telephone, telex, signal and telecommunications, heating, cooling, ventilation and other pipes, drains, sewers, mains, cables, wires, supply lines and ducts and other channels through which the same pass and all ancillary appliances apparatus and services
Services	means the Building Services and the Estate Services

Specification	means the specification relating to the Premises and office common parts annexed hereto at Appendix D
Spectrum Management Policy	means any policy issued by the Landlord from time to time for effectively managing the utilisation of the Managed Spectrum in relation to the Building provided that any such policy is not materially adverse to the operation of the Tenant's business from the Premises
Stadium Seating	has the meaning given to it in clause 3.68
Standby Generators	means the standby generators and associated switch gear cabling and controls in the Building for the use of the Premises in case of emergency
Tenant	includes where the context admits the successors in title and permitted assigns of the Tenant
Termination of the Tenancy	means the determination of this Lease whether by effluxion of time, re-entry, notice, surrender (whether by operation of law or otherwise) or by any other means whatsoever
underlease	includes an agreement for underlease other than one which is conditional on obtaining the Landlord's consent
Uninsured Risk	means a risk which would be an Insured Risk but for the fact that insurance is not available (or is available but only at rates which are not commercially acceptable and which the Landlord is not prepared to accept) in the London insurance market at the date of destruction or damage save to the extent that such Insured Risk is not fully insured or is subject to limitation, excess or exclusion due to any breach, non-observance or non-performance of any of the Tenant's covenants contained in this Lease
VAT	means value added tax as defined in VATA and any future tax of a like nature
VATA	means the Value Added Tax Act 1994 as amended from time to time or any re-enactment thereof
VAT Group	means two or more bodies corporate registered as a group for the purposes of Section 43 of VATA
VAT Regulations	means the Value Added Tax Regulations 1995 (SI 1995/2518) as amended from time to time or any re-enactment thereof
Western Roof Terrace	means the roof terrace at Level 8 on the western side of the Building shown coloured green and marked "West Terrace (Dedicated)" on Plan 4
Wireless Data Services	means the provision of wireless data, voice or video connectivity or wireless services either permitting or offering access to the internet or any wireless network mobile network or which involves a wireless or mobile device.

- 1.2 Where the context requires:
- (a) words importing the singular include the plural and vice versa;
 - (b) words importing the masculine include the feminine and neuter;
 - (c) where a party consists of more than one person, covenants and obligations of that party shall take effect as joint and several covenants and obligations.
- 1.3 Except where the context otherwise requires references to any Act include references to any statutory modification or re-enactment thereof for the time being in force and any order, instrument, regulation or bye-law made or issued thereunder.
- 1.4 The clause headings shall not in any way affect the construction of this Lease.
- 1.5 References to a clause or Schedule shall mean a clause or Schedule of this Lease.
- 1.6 The powers, rights, matters and discretions reserved to or exercisable by the Landlord hereunder shall also be reserved to or exercisable by their (or any superior landlord's) properly authorised servants, managers, agents, appointees or workmen (the identity of which have been notified to the Tenant in advance where exercise of such rights or reservations requires access to the Premises) but in all cases subject to the same obligations as the Landlord under this Lease.
- 1.7 Wherever in this Lease the consent or approval of the Landlord is required the relevant provision shall be construed as also requiring the consent or approval of any superior landlord where the same shall be required pursuant to the Head Lease which the Landlord shall use all reasonable endeavours to obtain as expeditiously as possible and the Tenant shall bear the cost of obtaining such consents together with all surveyors' professional or other fees and disbursements in connection therewith unless such consent is unreasonably withheld or delayed in circumstances where it is unlawful to do so.
- 1.8 Any covenant on the part of either party not to do any act or thing includes a covenant not to suffer or permit the doing of that act or thing.
- 1.9 If any provision of this Lease or its application to any person or circumstance or for any period is held to be invalid or unenforceable by any judicial or other competent authority, all other provisions of this Lease and the application of that provision to other persons or circumstances or for other periods shall remain in full force and effect and shall not in any way be impaired. If any provision of this Lease is held to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, or the period of the obligation reduced in time, or the range of activities or area covered reduced in scope, the provision in question will apply with the minimum modifications necessary to make it valid and enforceable.

2 DEMISE HABENDUM AND REDDENDUM

The Landlord demises with full title guarantee the Premises to the Tenant TOGETHER WITH the rights set out in Part I of the Second Schedule but EXCEPTING AND RESERVING to the Landlord and all others authorised by the Landlord the rights set out in Part II of the Second Schedule TO HOLD the same for the Contractual Term (determinable as herein provided) SUBJECT to (and so far as applicable with the benefit of) the exceptions and reservations, rights, covenants, conditions, agreements or other matters contained or referred to in the Head Lease and the deeds and documents referred to in the Fourth Schedule so far as the same relate to or affect the Premises reserving as rent:

FIRST:

- (a) in respect of the period from the Term Commencement Date to and including the day before the Rent Commencement Date a rent of one peppercorn on demand;
- (b) in respect of the period from and including the Rent Commencement Date until and including [*insert day before first Review Date*] 20[] the yearly rent of [*to be calculated pursuant to the Agreement for Lease*] Pounds (£[]);

(c) thereafter the yearly rent determined in accordance with the provisions of the Third Schedule,

such rent to be paid by four equal quarterly payments in advance on the usual quarter days the first payment to be made on the Rent Commencement Date in respect of the period commencing on the Rent Commencement Date and expiring on but including the day immediately preceding the next following quarter day; and

SECONDLY a yearly rent equal to a fair and reasonable proportion to be determined by the Landlord (acting reasonably) of the sum or sums paid by the Landlord in performance of the Landlord's covenant for insurance in clause 4.2 (and including the costs properly incurred by the Landlord in connection with the revaluations of the Building for insurance purposes not more than once in every three years and annual desk top updatings of such valuations) such yearly rent to be paid within 21 days of written demand; and

THIRDLY a yearly rent equal to whichever shall be the greater of the Service Charge or the Interim Sum (each as defined in the Fifth Schedule such yearly rent to be paid at the times and in the manner provided in the Fifth Schedule and the first instalment of the Interim Sum shall become due on the date hereof and shall relate to the period commencing on [date of issue of Certificate of Sectional Completion of Section One] and ending on and including [insert date that is day before quarter day after date of this Lease]; and

FOURTHLY by way of additional rent to be paid within 21 days of receipt of written demand an amount equal to interest calculated on a daily basis at an annual rate equivalent to two percentage points above the Prescribed Rate on any instalment (or part thereof) of the Rents or any other sum of money of whatsoever nature due from the Tenant to the Landlord under the provisions of this Lease not received by the Landlord on the due date for payment and all such interest to be in addition and without prejudice to the right of re-entry or to any other remedy herein contained or by-law vested in the Landlord; and

FIFTHLY by way of additional rent any VAT payable pursuant to clauses 3.87 to 3.91.

3 TENANT'S COVENANTS

The Tenant covenants with the Landlord:

Rent

- 3.1 To pay the Rents at the times and in manner aforesaid without any deduction or set-off (whether legal or equitable) save as may be required by-law.

Outgoings

- 3.2 To pay or reimburse the Landlord for (or in the absence of direct assessment on the Premises to pay to the Landlord or reimburse the Landlord against a fair and reasonable proportion to be determined by the Landlord's Surveyor acting properly and reasonably of) all existing and future rates, duties, taxes, assessments, impositions, charges and other outgoings whatsoever (whether parliamentary, parochial, local or of any other description and whether or not of a capital or non-recurring nature or of a wholly novel character) which are now or at any time during the Term charged, levied, assessed, imposed upon, payable in respect of or attributable to the Premises or in respect of any part thereof or upon or by any owner, landlord, tenant or occupier of them or any Group Company of an owner, landlord, tenant or occupier thereof other than:
- (a) any tax payable or assessed as a result of any dealing with (including any actual or deemed disposal of) any reversion immediately or mediately expectant on this Lease; or
 - (b) any tax payable or assessed in respect of the Rents or other payments reserved or payable hereunder (save for VAT); or

- (c) any future property ownership tax payable or assessment in respect of any reversionary interest in the Premises (except to the extent specifically herein provided to be paid by the Tenant); or
 - (d) any tax payable or assessed on the Landlord in respect of or arising out of or relating to the grant of this Lease.
- 3.3 Not to agree any valuation of the Premises for rating purposes or agree any alteration in the rating list in respect thereof without notifying the Landlord of the Tenant's intention to do so and giving the Landlord a reasonable opportunity to make reasonable representations and having regard to such reasonable representations in relation to such valuation.
- 3.4 Upon making any proposal to alter the rating list so far as the list relates to the Premises or lodging an appeal in respect thereof to supply to the Landlord promptly copies of all relevant correspondence and documentation.
- 3.5 Without prejudice to clause 3.3 within 14 days of receipt to provide the Landlord with a copy of any notice of an alteration or proposed alteration in the rating list that will or may affect the Premises.
- Water, gas and electricity charges and equipment/Outside Normal Business Hours Charges/Electricity Cost*
- 3.6 To the extent that the same are not included in the Service Charge (as defined in the Fifth Schedule), the Outside Normal Business Hours Charges or the Electricity Cost to pay to the suppliers thereof all charges for water and electricity (including meter rents) consumed in the Premises (or in the absence of direct assessment on the Premises to pay the Landlord a fair and reasonable proportion thereof to be determined by the Landlord's Surveyor acting reasonably).
- 3.7 To comply with the requirements and regulations of the respective supply authorities with regard to the water and electrical installations and equipment in the Premises.
- 3.8 To pay the Outside Normal Business Hours Charges monthly in arrears within 21 days of receipt of written demand.
- 3.9 To pay the Electricity Cost either annually or by no more than four instalments on the usual quarter days) subject to receipt of a written demand in respect of the Electricity Cost at least 14 days prior to the relevant payment day.
- Repair*
- 3.10 At all times to keep the Premises in good and substantial repair and condition and maintained cleansed and amended in every respect (fair wear and tear excepted) and as often as may be necessary to reinstate, renew (for the purposes of repair) or replace (for the purposes of repair) the Premises and each and every part thereof (damage by any of the Insured Risks and the Uninsured Risk excepted save in the case of an Insured Risk to the extent that the policy or policies of insurance shall have been vitiated or payment of any of the policy monies withheld or refused in whole or in part by reason of any act, neglect or default of the Tenant or any sub-tenant or their respective servants, agents, licensees or invitees).
- 3.11 In the event that the Building and/or the Premises shall be destroyed or damaged and this Lease shall not have been determined under clause 5.4 the Tenant shall, if so reasonably required by the Landlord, join with the Landlord (at the Landlord's cost) in making application for planning or other permission necessary for rebuilding or reinstating the Premises including (without limitation) entering into any agreement necessary to obtain the same (but without taking on any liability on any such planning or other permission save for a consent to the creation of the planning agreement) and in pursuing any claim against the insurers of the Building and/or the Premises provided that the Landlord reimburses the Tenant in respect of any liabilities or costs reasonably and properly incurred in relation to any such claim.

Decoration and maintenance

- 3.12 As often as may be reasonably necessary to clean the internal surfaces of the windows and other glazing in or forming part of the Premises including the internal surfaces of any glazing between the Premises and any atria.

Yield up

- 3.13 Subject to clause 3.15, at the Termination of the Tenancy quietly to yield up unto the Landlord in a clean and tidy and broom swept condition (the Tenant having no other dilapidations liability save to the extent that the condition of the Premises are in a worse condition than the condition they are required to in pursuant to clause 3.10 above, having removed the Tenant's furniture and effects and, if any alterations have been made which shall have resulted in the Net Internal Area of the Premises being reduced below that specified in the Specification by the Tenant or any person deriving title under the Tenant whether before or after the date hereof, to remove or reinstate such alterations only to the extent necessary so that the Net Internal Area is no less than the Net Internal Area existing at the date of grant of this Lease and in such respect of such removal to restore those parts of the Premises so affected to such state and condition described in the section of the Specification entitled "Category A Specification" (or in the case of such other parts of the Building to their former state and condition) the Tenant making good any damage caused to the Premises or such other parts of the Building to the reasonable satisfaction of the Landlord and to the satisfaction of the relevant supply authorities.
- 3.14 Upon removal of any tenant's fixtures or fittings (if required by the Tenant at its discretion) then in respect of such fixtures and fittings as are connected to or take supplies from any of the Service Conduits and Appliances to remove and seal off such Service Conduits and Appliances as the Landlord shall reasonably require, such removal and sealing off to be carried out so as not to interfere with the continued function of the remainder of the Service Conduits and Appliances.
- 3.15 If the Termination of the Tenancy occurs other than by way of effluxion of time (e.g. by virtue of the exercise of rights of re-entry by the Landlord, a surrender of this Lease or as the result of the exercise of the determination rights granted to the Tenant pursuant to clause 8) then the Tenant shall be obliged to yield up the Premises in good and substantial repair and condition, clean and decorated in a good and workmanlike manner and in a colour scheme and with materials reasonably approved by the Landlord, such decoration having been carried out no longer than a year prior to such termination.
- 3.16 If the Termination of the Tenancy occurs as the result of the exercise of the determination rights granted to the Tenant pursuant to clause 8, whilst clause 3.13 will apply at the date of determination the Landlord shall be entitled to recover from the Tenant dilapidations subsequent to the determination of the Lease pursuant to exercise of clause 8 on the basis that the Tenant had a repairing obligation at the termination of the Lease in the Lease in the terms of clause 3.15 above.

Landlord's rights of entry

- 3.17 To permit the Landlord, its agents and all persons authorised by the Landlord at all reasonable times on not less than 24 hours' prior notice (except in the case of emergency) to enter and remain upon the Premises for the purposes of the exercise of all or any of the rights set out in paragraph 2 of Part II of the Second Schedule subject to the conditions set out in such paragraph.

Compliance with notices to remedy

- 3.18 To commence as soon as reasonably practicable in the circumstances and thereafter diligently to proceed with any works to the Premises which are necessary to comply with any notice properly given by the Landlord requiring the Tenant to remedy any breach of the Tenant's covenants relating to the state and condition of the Premises found upon any such inspection but the Landlord agrees that it will not be entitled to serve any such notice during the last five years of the Contractual Term.

- 3.19 If the Tenant shall not within a reasonable period have commenced and be diligently proceeding to comply with any such notice to permit the Landlord and any authorised person to enter the Premises on not less than 24 hours' prior written notice to remedy any such breach and at times so far as possible reasonably convenient to the Tenant.
- 3.20 To pay to the Landlord within 21 days of receipt of written demand the reasonable and proper costs and expenses properly and reasonably incurred by the Landlord under the provisions of clause 3.17 which sums shall be recoverable as rent in arrears.
- Improvements and alterations*
- 3.21 Subject to the provisions of clauses 3.22 to 3.35 the Tenant shall not erect or permit or suffer to be erected any other building, structure, pipe, wire mast or post upon the Premises nor to make or permit or suffer to be made any alteration therein or addition thereto nor to commit or permit or suffer any destruction in or upon the Premises nor to cut, injure or remove or suffer to be cut, injured or removed any of the roof, walls (whether outside or inside), floor, joists, timbers, wires, pipes, drains, appurtenances or fixtures thereof.
- 3.22 Not to make any structural alterations or additions to the Premises save that the Tenant may make minor structural alterations which when taken alone or in the aggregate would not adversely affect the structural stability of the Building or affect the external appearance of the Building or materially adversely affect the Landlord's Services Equipment with the prior consent of the Landlord (such consent not to be unreasonably withheld or delayed) and carried out in accordance with drawings and (if appropriate) specifications previously submitted to and approved by the Landlord (such approval not to be unreasonably withheld or delayed).
- 3.23 Not to make any alterations, additions or adjustments to the Premises or the Landlord's Services Equipment within the Premises or any other plant, machinery or equipment within the Premises that would whether alone or in aggregate:
- (a) have a materially adverse effect on the operation or efficiency of the Landlord's Services Equipment whether within the Premises or in any other part of the Building;
 - (b) result in any increase in the level of services to be provided to the Premises by the Landlord's Services Equipment in excess of the Design Standards; or
 - (c) adversely affect the Energy Performance Certificate of the Premises or the Building (were such Energy Performance Certificate to be re-assessed following completion of the proposed alterations, additions or adjustments).
- 3.24 Not to make any other alterations, additions or adjustments to the Landlord's Services Equipment within the Premises without the prior consent of the Landlord (which consent shall not be unreasonably withheld or delayed) or otherwise than in accordance in all respects with drawings and specifications previously submitted to and approved by the Landlord (such approval not to be unreasonably withheld or delayed).
- 3.25 Not to make any alterations or additions to the electrical wiring and installations within the Premises that would result in a loading on such wiring or installations beyond that which they are designed to bear but for the avoidance of doubt save as mentioned in this clause 3.25 the Tenant will not require the consent of the Landlord to the carrying out of any such works.
- 3.26 Not to make any other alterations or additions to the electrical wiring and installations within the Premises to the extent that the same are comprised within the Landlord's Services Equipment or Service Conduits and Appliances otherwise than in accordance with conditions laid down by the Institution of Electrical Engineers and/or other regulations of the relevant statutory undertaker.
- 3.27 Not to install or maintain within the Premises any equipment or systems providing Wireless Data Services in such a manner as shall have a material adverse effect on other tenants' equipment or systems within the Building or the Landlord's Services Equipment it being agreed that the installation of any equipment or systems providing Wireless Data Services which are not likely to have any such a material adverse effect shall not require the consent of the Landlord.

- 3.28 To take all reasonably necessary steps to alter (and if alteration is not possible to remove) any such equipment or systems providing Wireless Data Services as soon as reasonably possible following notice from the Landlord requiring the Tenant to do so if such equipment or systems can be shown by the Landlord to have a material adverse effect on other tenants' equipment or systems within the Building or the Landlord's Services Equipment.
- 3.29 Non-structural alterations including the erection and alteration of any partitions, light switches, floor boxes, lights, air conditioning grilles and associated cabling, ductwork and fixings within the Premises are permitted without the consent of the Landlord provided that they are made:
- (a) in such a manner as not to affect in an adverse manner (save temporarily until they have been rebalanced) the operation or efficiency of the Landlord's Services Equipment or to impact on the Building's health and safety systems and provided further that the Tenant shall remove any such works that can be reasonably shown by the Landlord to affect in an adverse manner the operation or efficiency of the Landlord's Services Equipment or to impact on the Building's health and safety systems as soon as reasonably possible upon notice from the Landlord requiring it to do so (the Landlord acknowledging that in respect of the Tenant's Works being carried out pursuant to the Agreement for Lease it shall have no right to require that the Tenant's Works are removed or altered pursuant to clauses 3.29 to 3.30); and
 - (b) in such a manner (provided the Landlord has to the Tenant given full details (where details have not already been provided prior to the date of this Lease) of the relevant trade contract and/or relevant appointment of the member of the professional team) as not to affect adversely the Landlord's ability to pursue a trade contractor or member of the professional team in respect of a breach of contract appointment or warranty in connection with the carrying out of the works to construct the Building; and
 - (c) in accordance with the Occupier Fit Out Guide.
- 3.30 Not to cause any dedicated access points to any Service Conduits or Appliances which now are under or in or pass through the Premises to be or become materially more difficult to access than is the same now.
- 3.31 Not to puncture or pierce the internal finishes of the curtain wall surrounding the Premises or any mullions or other parts of the exterior of the Premises and not to affix anything to any of the same save that the Tenant may attach internal partitioning to mullions and make minor bore holes in the structure of the Building without the consent of the Landlord in order to fix and accommodate the other alterations permitted without consent by clauses 3.21 to 3.28,

PROVIDED ALWAYS that:

- (a) any consent of the Landlord required under the provisions of clauses 3.21 to 3.31 may only be given by way of deed;
- (b) any such deed shall contain covenants by the Tenant with the Landlord in regard to the execution of the works to the Premises and other conditions and restrictions in such form as the Landlord may reasonably require;
- (c) where the works affect the Landlord's Services Equipment, the Service Conduits and Appliances or the structural stability of the Building the Landlord shall be entitled to require to approve the identity of the contractors, builders or other professionals or persons appointed in respect of the works for which consent is given (which approval will not be unreasonably withheld or delayed) and may if reasonable depending on the nature of the works require the Tenant to procure appropriate collateral warranties or third party rights in the Landlord's favour from the Tenant's relevant contractors and professionals in a form reasonably required by the Landlord; and
- (d) the Tenant shall pay the reasonable and proper legal and surveyors' costs and expenses reasonably and properly incurred by the Landlord in relation to the granting of any such consent.

- 3.32 To provide the Landlord with plans and (if appropriate) specifications within 30 days of the practical completion of any relevant works showing any alterations for which consent is not required under the preceding provisions of clauses 3.21 to 3.29.
- 3.33 In the event that the Tenant shall carry out works to the Premises in breach of the provisions of clauses 3.18 to 3.29 the Landlord may give to the Tenant notice of any such breach and if the Tenant shall not have remedied such breach within 21 days of the giving of any such notice (or earlier in case of emergency) the Landlord will be entitled having given not less than five days' notice (or earlier in case of emergency) to enter the Premises and remove such works or any part thereof and reinstate the Premises provided always that the proper costs thereby incurred including interest calculated at four per cent above the Prescribed Rate shall be paid by the Tenant within seven days of demand and shall be recoverable by the Landlord as rent in arrears.

Connectivity and Spectrum Management

- 3.34 Subject to obtaining the Landlord's prior written consent (such consent not to be unreasonably withheld or delayed) and in compliance with the Spectrum Management Policy, the Tenant may install, maintain or permit to be installed or maintained within the Premises any equipment or systems which permit any visitor to, or customer of, the Tenant access to Wireless Data Services within the Premises.
- 3.35 Subject to obtaining the Landlord's prior written consent (such consent not to be unreasonably withheld or delayed) and in compliance with the Spectrum Management Policy, the Tenant may install, maintain or permit to be installed or maintained within the Premises any mobile or wireless telephony system, network base station, wireless access point, gateway or any analogous wireless or mobile transmitter providing Wireless Data Services in the Managed Spectrum.
- 3.36 The Landlord and Tenant hereby acknowledge that, taking account of their respective, rights, duties and obligations in this Lease and the Landlord's overriding obligation to ensure that the tenants of individual demises within the Building have the quiet enjoyment of their respective demises, the provisions of clauses 3.34 and 3.35 together with the application of the Spectrum Management Policy represent a fair and reasonable arrangement, in relation to the Premises and are:
- (a) reasonably necessary in order to ensure the efficient and effective use of the radio spectrum in accordance with regulatory objectives and best practice relating to the management of such radio spectrum in the United Kingdom; and
 - (b) reasonably necessary in order to ensure compliance with applicable statutory and nonstatutory health and safety rules, regulations and best practice in relation to exposure to electromagnetic radio waves promulgated by the International Committee on Non-Ionizing Radiation Protection and the National Radiological Protection Board, the European Council and The Health & Safety Executive.

- 3.37 The Landlord and Tenant hereby acknowledge that during the Contractual Term there are likely to be technological innovations and legislative changes which will require the parties to co-operate and agree variations to the provisions of clauses 3.34 to 3.37 inclusive in order to achieve the intent and effect of such provisions and the Landlord and Tenant hereby agree to co-operate fully in order to agree promptly and implement promptly any such variations but with the intention of allowing the Tenant to retain Wireless Data Services which are consistent with its business objectives and policies at the relevant time.

Notices of a competent authority

- 3.38 Within 14 days (or sooner if requisite) of the receipt by the Tenant of any notice, order, requisition, direction or plan given, made or issued to or by a competent authority relating to the Premises or the Building or involving any liability or alleged liability on the part of the Landlord or any superior landlord to supply a copy thereof to the Landlord and at the request and cost of the Landlord to make or join in making such objections or representations against the same or in respect thereof as the Landlord may reasonably require unless the Tenant reasonably considers that to support any objection as represented is against the bona fide business interests of the Tenant.

To comply with enactments

- 3.39 At all times to observe and comply with the provisions and requirements of any and every Act so far as they relate to the Premises or the user thereof and without derogating from the generality of the foregoing to execute all works and provide and maintain all arrangements which by or under any enactment or by any government department local authority or other public authority or duly authorised officer or Court of competent jurisdiction acting under or in pursuance of any enactment are or may be directed or required to be executed, provided or maintained upon or in respect of the Premises in respect of any such user thereof and to reimburse the Landlord at all times against all proper fees, costs, charges and expenses of or incidental to the execution of any works or the provision or maintenance of any arrangements so directed or required as aforesaid.
- 3.40 Not knowingly at any time to do or omit to be done in on or about the Building and/or the Premises any act or thing by reason of which the Landlord may under any Act incur or have imposed upon it or become liable to pay any penalty, damage, compensation, fees, costs, charges or expenses.
- 3.41 To notify the Landlord in writing as soon as reasonably practicable after the Tenant becomes aware of any physical defect in the Building and/or the Premises.
- 3.42 Upon the Tenant becoming aware of the happening of any occurrence or receipt of any notice order direction or other thing from a competent authority affecting the Building and/or the Premises whether the same shall be served directly upon the Tenant or the original or a copy thereof be received from any underlessee or other person whatsoever to as soon as reasonably practicable deliver a copy thereof to the Landlord and at the cost of the Landlord to make or join in making such objection or representations against or in respect thereof as the Landlord may reasonably require unless the Tenant reasonably considers that to support any objection or representation is against the bona fide business interests of the Tenant.
- 3.43 At the Landlord's request and cost provide the Landlord with a copy of any fire risk assessment carried out by or on behalf of the Tenant and details of all measures taken by or on behalf of the Tenant to comply with the Fire Safety Order (including the names of all competent persons appointed by the Tenant pursuant to Article 18) and any other information properly requested by the Landlord to assist the Landlord in complying with its own obligations under the Fire Safety Order in relation to the Premises.

To comply with town planning legislation etc

- 3.44 To comply with the provisions and requirements of the Planning Acts and of all planning permissions so far as the same respectively relate to the Premises or any part thereof or any operations works acts or things already or hereafter to be carried out executed done or omitted thereon or the use thereof for any purpose.
- 3.45 Not to make any application for planning permission in respect of the Premises without the previous written consent of the Landlord, which shall not be unreasonably withheld or delayed.
- 3.46 Subject only to any statutory direction to the contrary to pay and satisfy any charge or levy that may hereafter be imposed under the Planning Acts in respect of the carrying out or maintenance to the Premises by the Tenant, any Group Company of the Tenant, any subtenant or their respective agents, servants, licensees or invitees of any operations which may constitute development or the institution of any such operations or the institution or continuance of any use which may constitute development.

- 3.47 Notwithstanding any consent which may be granted by the Landlord under this Lease not to carry out any development in or to the Premises (whether by alteration or addition or change of use thereto) before all necessary notices under the Planning Acts in respect thereof have been served and all such necessary planning permissions have been produced to the Landlord and in the case of a planning permission acknowledged by it in writing as satisfactory to it (such acknowledgement of satisfaction by the Landlord not to be unreasonably withheld or delayed) but so that the Landlord may refuse so to express its satisfaction with any such planning permission on the ground that any condition contained therein or anything omitted therefrom or the period thereof would in the reasonable opinion of the Landlord's Surveyor be or be likely to be materially prejudicial to its interest in the Building or any adjoining property whether during the subsistence of this Lease or following the determination or expiration thereof.
- 3.48 Unless the Landlord shall otherwise direct, to carry out and complete before the Termination of the Tenancy:
- (a) any works stipulated to be carried out to the Premises by a date subsequent to such expiration or sooner determination as a condition of any planning permission granted to the Tenant for any development begun before such expiration or sooner determination; and
 - (b) any works begun by the Tenant, any Group Company of the Tenant or any subtenant or their respective agents, servants, licensees or invitees upon the Premises.
- PROVIDED ALWAYS that the Tenant shall have the option of removing such works and reinstating the Premises to such condition as they were in before the relevant works were commenced.
- 3.49 If and when called upon so to do to produce to the Landlord or the Landlord's Surveyor all such plans documents and other evidence as the Landlord may reasonably require in order to satisfy itself that the provisions of this covenant have been complied with in all respects.
- User permitted*
- 3.50 To use and occupy the Premises only as high class offices and for ancillary purposes within paragraph (a) of Class B1 of the Town and Country Planning (Use Classes) Order 1987 (here meaning the 1987 Order and not any subsequent modification or re-enactment thereof notwithstanding the provisions of clause 1.3) but for the avoidance of doubt the Landlord agrees that the following ancillary uses are permitted in connection with the use of the Premises by the Tenant for so long as they remain ancillary in nature only:
- (a) kitchen and dining facilities; and
 - (b) auditorium for meetings.
- User prohibited*
- 3.51 Not to store or bring upon the Premises any materials or liquid of a specially combustible, inflammable, dangerous or offensive nature (other than those properly required in connection with the use of the Premises and then only in appropriate containers).
- 3.52 Not to do on the Premises or any part thereof or on the Roof Terrace any act or thing whatsoever which may be either (i) a legal nuisance to the Landlord or any other tenant or occupier of the Building or the owners or occupiers of any adjoining or neighbouring property or (ii) a breach of the Planning Acts.
- 3.53 Not to use the Premises or any part thereof for any illegal purpose.
- 3.54 Not to bring into or upon the Premises or do anything which puts on the Premises or any part thereof any load or weight in excess of that which the Premises or any part thereof are designed or constructed to bear nor knowingly to cause any undue vibration to the Premises or any part thereof by machinery or otherwise.
- 3.55 Not to obstruct or permit to be obstructed whether by loading or unloading goods or any other means any part of the Building or to do anything which is a source of danger to persons using the same and to load and unload goods only in accordance with the rights granted to the Tenant in Part I of the Second Schedule.

- 3.56 Not to hold any sales by auction, exhibitions, public meetings or public entertainments (other than for the benefit of the Tenant's or a Group Company's members of staff) at the Premises nor to permit any vocal or instrumental music to be performed therein which can be heard from outside the Premises provided that this sub-clause shall not prevent the Tenant or any permitted undertenant or occupier of the Premises from holding meetings of clients and their shareholders or members within the Premises.
- 3.57 Not to permit any person to reside in the Premises.
- 3.58 Not to obstruct, hinder or otherwise interfere with the proper exercise by the Landlord and authorised persons of the rights reserved in Part II of the Second Schedule hereto.
- 3.59 To use reasonable endeavours not to cause the drains to be obstructed by oil, grease or other deleterious matter.
- 3.60 Not to load or use the lifts in the Building in any manner that will or may cause strain or damage to the lifts in the Building beyond their design capabilities.
- 3.61 Not to permit any person to smoke anywhere on the Premises.

Alienation absolutely prohibited

- 3.62 Not to charge or assign part only of the Premises.
- 3.63 Not to part with possession or share occupation of or declare any trust in respect of the Premises or any part thereof other than by way of:
- (a) an assignment permitted under clause 3.65; or
 - (b) an underlease permitted under clauses 3.69 to 3.73,

PROVIDED THAT occupation of the Premises or any part or parts thereof by a Group Company of the Tenant and/or an Associated Entity shall not be in breach of this covenant provided further that:

- (c) no legal estate or other right of tenancy shall be created;
 - (d) the Tenant shall as soon as reasonably practicable upon being requested in writing to do so by the Landlord give the identity of such Group Company or Associated Entity, the relationship of the Group Company or Associated Entity to the Tenant and the area occupied; and
 - (e) the Tenant shall procure (and hereby covenants to this effect) that any such Group Company and/or Associated Entity shall vacate the Premises forthwith upon whichever is the earlier of the date of expiration or sooner determination of this Lease and the date on which such company or entity ceases to be a Group Company of the Tenant or Associated Entity (as the case may be).
- 3.64 Not by assignment, underletting or otherwise to permit the occupation of the Premises or any part thereof by or the vesting of any interest or estate therein in any person, firm, company or other body or entity which:
- (a) has the right to claim diplomatic immunity or exemption in relation to the observance and performance of the covenants and conditions of and contained in this Lease; or
 - (b) is a provider of serviced offices or co-working workspace,

PROVIDED ALWAYS that nothing in this clause 3.64 and shall prevent the Tenant from underletting to a sub-tenant where the Tenant agrees to provide managed services of any nature to such sub-lessee.

Assignment permitted

- 3.65 Not to assign the whole of the Premises without the prior written consent of the Landlord (such consent not to be unreasonably withheld or delayed). The Landlord and Tenant agree for the purposes of section 19(1A) Landlord and Tenant Act 1927 that the Landlord may impose all or any of the following conditions as a condition of its consent:
- (a) save in the case of an assignment to a Group Company the Tenant has first given written notice to the Landlord pursuant to the provisions of clause 3.75;
 - (b) the proposed assignee is reasonably acceptable to the Landlord assessed on the basis of the cumulative total of the rents that such proposed assignee will be contracting to pay within the Building (in respect of this and any other leases) against usual prudent institutional standards applied in the market place at the date of application for consent;
 - (c) if the Landlord so reasonably requires, on or before completion of the assignment the Tenant enters into a deed of guarantee in the form attached in the Eighth Schedule (with such amendments as the parties may reasonably agree) with the Landlord in relation to the proposed assignment (and any guarantor of the Tenant if the Landlord reasonably considers that the guarantee of the Tenant is not sufficient) guarantees in such form as the Landlord reasonably requires the Tenant's obligations under such authorised guarantee agreement;
 - (d) the consent pursuant to clause 3.65 shall be by deed containing covenants by the intended assignee directly with the Landlord to pay the rents hereby reserved and to perform and observe the Tenant's covenants herein contained including this covenant from the date of the assignment until the first subsequent assignment which is not an excluded assignment (as the expression is defined in the Landlord and Tenant (Covenants) Act 1995);
 - (e) if the Landlord so reasonably requires on or before completion of the assignment the assignee shall provide a guarantor or guarantors acceptable to the Landlord (acting reasonably) who shall covenant (jointly and severally) with the Landlord in the terms contained in the Seventh Schedule (or in such other terms as the Landlord may reasonably require due to changes in law).
- 3.66 The conditions set out in clause 3.65 shall not operate to limit the Landlord's right to impose any other reasonable conditions on the grant of such consent or to refuse consent on any other ground or grounds where such refusal would be reasonable.
- 3.67 Where an assignment would result in a proposed assignee taking a Level or Levels that are connected to other premises demised to the Tenant by an internal staircase and that assignee does not also simultaneously take an assignment of the relevant lease(s) relating to all such Levels, the Tenant shall remove such staircase(s) and reinstate the Premises so affected by such removal to reflect the condition set out in the section of the Specification marked "Category A Specification" and make good any physical damage caused by such reinstatement prior to the completion of the assignment PROVIDED ALWAYS that such reinstatement obligation will not apply if the assignee is a Group Company of the Tenant and the Tenant shall ensure that any transfer to a Group Company contains a provision stating that such Group Company shall comply with the reinstatement provisions of this clause 3.67 immediately upon such assignee and the Tenant ceasing to be Group Companies.
- 3.68 Where there is to be an assignment of either the Premises or the fourth floor premises demised by a lease of even date and made between the Landlord (1) the Tenant (2) and the Surety (3) and such assignment is to be to an entity which is not a Group Company of the Tenant, prior to completion of such assignment the Tenant will remove the stadium seating ("**Stadium Seating**") installed within the atrium pursuant to a Licence for Alterations of even date made between the Landlord (1) the Tenant (2) and the Surety (3) and make good any damage caused to the relevant premises or the Building to the reasonable satisfaction of the Landlord.

Underletting permitted

- 3.69 Not to underlet the whole of the Premises without the prior written consent of the Landlord (which consent shall not be unreasonably withheld or delayed) which may only be given by way of deed provided that:
- (a) the rent to be reserved by the underlease shall be the rent reasonably obtainable in the open market without taking a fine or premium and shall not be commuted or payable more than one quarter in advance; and
 - (b) prior to the entering into of any underlease (or if earlier the parties to that underlease becoming contractually bound to enter into it) the parties to the underlease will enter into a valid agreement under Section 38(a) of the Landlord and Tenant Act 1954 to exclude the provisions of Sections 24 to 28 of the Landlord and Tenant Act 1954 in relation to that underlease and the Tenant shall provide copies of such valid agreement to the Landlord prior to entering into any such underlease.
- 3.70 Not to underlet part only of the Premises without the prior written consent of the Landlord which shall not be unreasonably withheld or delayed provided that:
- (a) the rent to be reserved by the underlease shall be the rent reasonably obtainable in the open market without taking a fine or premium and shall not be commuted or payable more than one quarter in advance; and
 - (b) prior to the entering into of any underlease (or if earlier the parties to that underlease becoming contractually bound to enter into it) the parties to the underlease will enter into a valid agreement under Section 38(a) of the Landlord and Tenant Act 1954 to exclude the provisions of Sections 24 to 28 of the Landlord and Tenant Act 1954 in relation to that underlease and the Tenant shall provide copies of such valid agreement to the Landlord prior to entering into any such underlease; and
 - (c) at no time shall the number of occupiers of any floor of the Premises exceed four, any occupation by the Tenant being taking into account for this purpose (and any occupation by a Group Company of the Tenant ranking as occupation by the Tenant for this purpose); and
 - (d) the Tenant shall have regard (inter alia) to the position of the cores in the Building and means of escape from the underlet premises and ensure such demise is capable of separate and independent occupation.
- 3.71 To incorporate or procure the incorporation in every permitted mediate or immediate underlease of the Premises or any part thereof:
- (a) such provisions as are necessary to ensure that the rent thereunder is reviewed at the same frequency (but not necessarily on the same dates provided that where any underlease rent review would fall within six months either side of the rent review under this Lease then it is to coincide with the rent reviews provided for in this Lease) and upon substantially the same terms as for the review of rent under this Lease provided that if it is common market practice at the relevant time for the review of rents to be undertaken on an alternative basis the Tenant shall be entitled to underlet in accordance with then market practice and provided further that any underlease for a term of five years or less will not be required to provide for the rent thereunder to be reviewed; and
 - (b) a covenant that the undertenant shall not assign, charge or (in case of an underlease of part of the Premises) underlet part only of the premises thereby demised; and
 - (c) a covenant that the undertenant shall not assign the whole of the premises thereby demised unless on or before completion of the assignment the undertenant if reasonably required enters into an authorised guarantee agreement with the Tenant in such form as the Landlord reasonably requires in relation to the proposed assignment; and
 - (d) a covenant that the undertenant shall not assign the whole of the premises thereby demised without the consent of both the Landlord and the Tenant under this Lease which (in the case of the Landlord) shall not be unreasonably withheld or delayed; and

- (e) a covenant that the undertenant shall not part with or share possession or occupation of or declare a trust in respect of the premises thereby demised save by way of an assignment, underletting or charge pursuant to the provisions hereinbefore referred to (save for parting with or sharing occupation or possession with a Group Company or an Associated Entity of the undertenant upon like terms to those referred to in the proviso to clause 3.60); and
 - (f) a covenant by the undertenant prohibiting the undertenant from causing or suffering any act or thing upon or in relation to the premises underlet inconsistent with or in breach of the provisions of this Lease; and
 - (g) a condition for re-entry in the form or substantially in the *form* referred to in clause 5.1.
- 3.72 Upon any permitted underlease to procure that the undertenant shall give a direct covenant by deed in favour of the Landlord to observe and perform the covenants and conditions on the part of the Tenant contained in this Lease (save as to payment of the rents hereby reserved) insofar as the same relate to the premises underlet and if the Landlord reasonably so requires it to procure that such guarantor or guarantors for the underlessee as may be reasonably acceptable to the Landlord guarantee such covenants in the terms contained in the Seventh Schedule (or in such other terms as the Landlord may reasonably require).
- 3.73 In connection with any underlease the Tenant shall:
- (a) not consent to or participate in any variation to any such underlease (or any of the terms thereof) without the prior consent of the Landlord which shall not be unreasonably withheld or delayed;
 - (b) enforce all the covenants and obligations of the underlessee thereunder and not expressly or knowingly by implication waive any breach of the same;
 - (c) duly and efficiently operate and effect all reviews of rent pursuant to the terms of any such underlease and prior to agreeing any such review to give reasonable notice to the Landlord of the proposed level of rent and to have regard to (but without being bound by) any reasonable representations made by the Landlord in relation to such level of rent.
- 3.74 Within one month after any reasonable written request by the Landlord (but not more than once in any period of 12 months) to notify the Landlord in writing;
- (a) whether the Tenant occupies the Premises wholly or in part;
 - (b) whether the Tenant has granted an underlease of the whole or any part of the Premises and if so to advise the Landlord of the rent reserved by any underlease and the full name and address of any underlessee; and
 - (c) whether there are any other occupiers of the Premises and if so the identity of those occupiers their relationship with the Tenant and the principal terms on which they occupy.

Charging permitted

Not to charge the whole of the Premises (save by way of floating charge to a reputable institution in respect of substantially the whole of the Tenant's business where consent shall not be required) without the prior written consent of the Landlord, such consent not to be unreasonably withheld or delayed.

Intention to market

- 3.75 The Tenant shall notify the Landlord in writing of the bona fide terms on which it intends to market the Premises for disposal by way of assignment. The Tenant shall provide the Landlord with these details as soon as reasonably practicable after they become available and in any event prior to marketing the Premises and no less than 4 weeks prior to the date on which the Tenant applies for consent from the Landlord in accordance with clause 3.62.
- 3.76 The Tenant shall thereafter keep the Landlord informed of progress and of expressions of interest from potential assignees and shall afford the Landlord a reasonable opportunity to negotiate with the Tenant with regards to a potential surrender of the Lease.

Registration

- 3.77 Within one month after any assignment, underlease, assignment of underlease, mortgage, charge, transfer, disposition or devolution of the Premises or any part thereof or any devolution of the estate of the Tenant therein or of this Lease to give notice thereof in duplicate to the Landlord's solicitors and to supply them with a certified copy of the instrument or instruments (including any relevant probate letters of administration or assent) for retention by the Landlord.

Not to display advertisements

- 3.78 Save as expressly permitted by paragraph 6 of Part I of the Second Schedule not to erect, paint, affix, attach or display any placard, poster, notice, advertisement, name or sign or anything whatever in the nature of an advertisement by display or lights or otherwise in or upon the Premises and/or the Building or any part thereof (including the windows).

Insurance

- 3.79 Not to knowingly do anything whereby any policy of insurance relating to the Building and/or the Premises may become void or voidable or whereby the rate of premium thereon may be increased where the Tenant has been notified in writing of the relevant terms of the policy and to take such precautions against fire as may be deemed necessary by the Landlord (acting reasonably) or its insurers or required by-law and (in each case) notified to the Tenant.
- 3.80 Not to effect or maintain any insurance in respect of the Building and/or the Premises (except as to the Tenant's fixtures and contents).
- 3.81 To reimburse to the Landlord a fair and reasonable proportion of any sum payable in respect of excess payable on any insurance policy relating to the Building.

Notice of damage

- 3.82 As soon as reasonably practicable following the Tenant becoming aware of any material damage to or destruction of the Premises to give notice thereof to the Landlord stating (if possible) the cause of such destruction or damage.
- 3.83 In the event of the whole or any part of the Building being damaged or destroyed by any of the Insured Risks and the insurance money under the policy or policies of insurance effected thereon by the Landlord being wholly or partially irrecoverable by reason solely or in part of any act neglect or default of the Tenant or any Group Company of the Tenant or any undertenant or their respective servants, agents, licensees or invitees then the Tenant will within 21 days of written demand pay to the Landlord the whole or as the case may be a fair proportion of the amount so irrecoverable.
- 3.84 In the event of the whole or any part of the Premises being damaged or destroyed by any of the Insured Risks and the amount of the insurance monies received in respect of the reinstatement of any additions, alterations or other works carried out to the Premises by the Tenant or any person claiming title under the Tenant whether before or after the date of this Lease which the Landlord is obliged to insure pursuant to the provisions of clause 4.2 being less than the reinstatement cost thereof as a result of the Tenant failing to notify the Landlord of the full reinstatement values thereof pursuant to this Lease then in the event that the Landlord reinstates any additions, alterations or other works carried out to the Premises by the Tenant or by any person claiming title under the Tenant to pay to the Landlord the amount by which the actual reinstatement cost exceeds the amount of the insurance monies actually received subject to the Landlord demonstrating that the reinstatement cost will exceed the amount of the insurance monies already received.

Indemnity

- 3.85 To indemnify the Landlord against and to pay within 21 days of written demand all costs and expenses including professional fees incurred by the Landlord in connection with all and every loss and damage whatsoever incurred or sustained by the Landlord as a consequence of every breach of the covenants by and conditions on the part of the Tenant set out herein or implied

PROVIDED that such indemnity shall extend to and cover all costs and expenses properly incurred by the Landlord in connection with any steps which the Landlord may reasonably take to remedy any such breach and be without prejudice to any rights or remedies of the Landlord in respect of any such breach any such sum arising hereunder to be recoverable by action or at the option of the Landlord as rent in arrear PROVIDED FURTHER THAT the Landlord shall in relation to all indemnities given by the Tenant in this Lease:

- (a) as soon as reasonably practicable give the Tenant written notice and full details of any claim against the Landlord from a third party;
- (b) consider and pay due account to written representations made by the Tenant relating to any such claim;
- (c) not settle or compromise any such claim unless the Landlord is required to do so by its insurers;
- (d) use all reasonable endeavours to mitigate as far as practicable any loss or costs incurred by or caused to it as a result of such claim.

Landlord's costs

3.86 By way of further or additional rent to pay within 21 days of written demand all costs, expenses, charges, damages and losses (including but without prejudice to the generality of the foregoing solicitors' costs, counsel's, architects' and surveyors' and other professional fees and commissions payable to a bailiff) properly incurred by the Landlord of or incidental to:

- (a) the preparation and service of any notice under Sections 146 and 147 of the Law of Property Act 1925 (whether or not any right of re-entry or forfeiture has been waived by the Landlord or a notice served under the said Section 146 or 147 is complied with by the Tenant or the Tenant has been relieved under the provisions of the said Act and notwithstanding forfeiture is avoided otherwise than by relief granted by the court);
- (b) the recovery of any rent in arrear or other payments due hereunder;
- (c) the enforcement of the covenants given by the Tenant in this Lease including the remedying of any breaches;
- (d) in connection with every application for any consent made under this Lease whether such consent shall be granted or not or the application withdrawn except where such consent shall be unreasonably withheld or delayed by the Landlord or granted on terms which are unreasonable in either case in circumstances where it is not entitled to do so;
- (e) any schedule relating to wants of repair to the Premises whether served during or within three months after the termination of this Lease, provided that in the case of paragraphs (d) and (e) above such costs are to have been reasonably incurred by the Landlord.

VAT

3.87 To pay all VAT on any sums of money chargeable thereto which shall be due from the Tenant under or by virtue of the provisions of this Lease upon production of a valid VAT invoice addressed to the Tenant.

3.88 For the purposes of paragraphs 12 to 17 Schedule 10 to the VATA neither the Tenant nor any person connected with the Tenant is a development financier as defined in paragraph 14 of Schedule 10 to the VATA in relation to the Landlord's development of any part of the land and buildings of which the Building forms a part for use other than for eligible purposes with the intention or expectation that the Building would become or continue to be exempt land.

3.89 The Tenant is not intending to use and will not use all or any part of the Building for a relevant charitable purpose (within the meaning of Schedule 8, Group 5 (Note 6) VAT Act 1994).

- 3.90 If the covenant in clause 3.89 is breached by the Tenant and in consequence supplies made by the Landlord in relation to all or any part of the Building after the making of an Option are not taxable supplies the Tenant shall indemnify the Landlord against:
- (a) any VAT paid or payable by the Landlord which is or may become irrecoverable due to the Landlord's supplies not being taxable;
 - (b) any amount in respect of any VAT which the Landlord has to account for or will have to account for to HM Revenue & Customs under the provisions of Part XIV or Part XV of the VAT Regulations,
 - (c) any consequential penalties, interest and/or default surcharge; and
 - (d) any **additional liability to corporation tax on any payment made to the Landlord under this clause.**
- 3.91 For the avoidance of doubt references in clauses 3.87 to 3.90 to the Landlord or the Tenant shall include references to the representative member of the VAT Group of the Landlord or the Tenant as appropriate and references to the Landlord shall include references to a "beneficiary" of the Landlord as such term is defined under paragraph 40 Schedule 10 VATA.
- Regulations affecting the Premises*
- 3.92 To comply in all respects with the reasonable and proper regulations for the time being made by the Landlord for the use, operation, security and/or maintenance of the amenity and good order of the Building where made in the interests of good estate management and previously notified in writing to the Tenant PROVIDED ALWAYS THAT if there shall be any inconsistency between the terms of this Lease and any of the said regulation then the terms of this Lease shall prevail and PROVIDED FURTHER THAT such reasonable and proper regulations shall not materially adversely affect the Tenant and its permitted undertenants and occupiers of the Premises and their respective visitors gaining access to and egress from the Building at all times (save in the case of an emergency).
- Obstructions and encroachments*
- 3.93 Not to stop up, darken or obstruct any of the windows, lights or ventilators belonging to the Premises and/or the Building (but the Tenant may place moveable, non-permanent items used in the course of its business or by its members of staff such as boxes, TVs on wheels, files or hat stands by or in front of the windows) nor to knowingly permit any new window, light, ventilator, passage, drainage or other encroachment or easement to be made or acquired into against upon or over the Premises or any part thereof AND in case any encroachment or easement whatsoever shall be attempted to be made or acquired by any person whomsoever to give notice thereof to the Landlord within 14 days of the same coming to the knowledge of the Tenant and at the request and cost of the Landlord do all such things as may be proper for preventing any such encroachment or such easement being made or acquired.
- 3.94 Nothing in clause 3.93 above shall prevent the Tenant from installing window blinds in any of the external or internal windows surrounding the Premises as are agreed between the Tenant and the Landlord (each acting reasonably) and in accordance with the Occupier Fit Out Guide and closing and opening such blinds on such occasions and in such a manner as the Tenant shall determine.
- Covenants and provisions affecting the Landlord's title*
- 3.95 By way of indemnity only to observe and perform the covenants and provisions (other than any obligation to pay any monies) affecting the title of the Landlord specified in the deeds and documents set out in the Fourth Schedule insofar as they relate to the Premises and are still subsisting.

Operation of plant and equipment

3.96 To operate and use all such plant, machinery and equipment as is installed in the Premises from time to time and connected to the Landlord's Services Equipment in accordance with the manufacturers' recommended method of operation and not to use such plant, machinery and equipment in such manner as to affect in a materially adverse manner the operation of the Landlord's Services Equipment.

Obligations relating to entry and services

3.97 At all times when exercising any right granted to the Tenant for entry to any other part of the Building:

- (a) to cause (and procure that all those exercising the said rights on its behalf cause) as little damage and interference as is reasonably practicable to the remainder of the Building and the business of the tenants and occupiers thereof carried on thereat and to make good any physical damage caused to such areas to the reasonable satisfaction of the Landlord and the tenants and occupiers thereof;
- (b) to comply with the reasonable security requirements of the Landlord and the tenants and occupiers of the remainder of the Building and where requisite the Tenant or such other person exercising the said rights shall only exercise such rights while accompanied by a representative of the Landlord or the tenant or occupier of the relevant part of the remainder of the Building.

Surety

3.98 In the event that any person firm or body corporate which has or shall have guaranteed the Tenant's obligations contained in this Lease shall die or an event shall occur in relation to such person a firm or body corporate of the type referred to in clauses 5.1(c) to 5.1(f) then without delay to give notice thereof to the Landlord and if so required by the Landlord (acting reasonably and having regard to the financial covenant strength of the Tenant) at the expense of the Tenant within 30 working days thereafter to procure that some other guarantor or guarantors reasonably acceptable to the Landlord execute a guarantee in respect of the Tenant's obligations contained in this Lease in the form referred to in the Seventh Schedule (or on such other terms as the Landlord shall reasonably require).

Registration

3.99 To apply for first registration of this Lease at the Land Registry as soon as reasonably practicable after this Lease is granted.

3.100 To provide to the Landlord as soon as each is available:

- (a) a note of the title number allocated to this Lease; and
- (b) an official copy of the registered title to this Lease showing the Tenant as registered proprietor.

3.101 On determination of this Lease (whether by effluxion of time or otherwise) to apply to the Land Registry for closure of the Tenant's registered title to this Lease and for removal of all notices relating to this Lease from the Landlord's title.

Energy Performance Certificates

3.102 Before instructing an energy assessor to prepare any Energy Performance Certificate in respect of the Premises the Tenant shall first give notice to the Landlord informing the Landlord of the area to which the proposed Energy Performance Certificate will relate and the identity of the energy assessor must be reputable and suitably qualified.

3.103 At the Landlord's request the Tenant shall supply the energy assessor with any drawings specifications data or other information that the Landlord (acting reasonably) provides to the Tenant.

- 3.104 The Tenant shall provide to the Landlord a copy of any Energy Performance Certificate that the Tenant obtains in respect of the Premises.
- 3.105 The Tenant shall within 72 hours of receipt of written request permit any energy assessor instructed by or on behalf of the Landlord to enter on and inspect the Premises (in the company of an employee of the Tenant if required by the Tenant) at reasonable times and the Tenant shall provide to such energy assessor such information as the Landlord may reasonably request at the cost of the Landlord.

Bicycle Spaces

- 3.106 Not to permit any of the bicycle spaces referred to in paragraph 7 of Part I of the Second Schedule to be used other than by an occupier of the Premises which is permitted pursuant to the terms of this Lease.
- 3.107 Not to do anything in or about the bicycle parking spaces referred to in paragraph 7 of Part I of the Second Schedule or the service roads or accessways leading thereto which would or could constitute a nuisance, annoyance, obstruction, disturbance or cause damage to the Landlord or the tenants or other occupiers of the Building.
- 3.108 To comply and ensure that the Tenant's visitors comply with such reasonable and proper regulations as the Landlord may make for the regulation of the traffic to and from and use of the bicycle parking spaces referred to in paragraph 7 of Part I of the Second Schedule and previously notified in writing to the Tenant.

Compliance with Head Lease provisions

- 3.109 To observe and perform the covenants, obligations, provisions and conditions on the part of the tenant under the Head Lease so far as the same relate to or otherwise affect the Premises except for the payment of the rents reserved thereunder and, so far as the obligation to insure falls on the Landlord under this lease, to insure.
- 3.110 Not to do or omit anything which would or might cause the Landlord to be in breach of the Head Lease.

4 LANDLORD'S COVENANTS

The Landlord covenants with the Tenant:

Quiet enjoyment

- 4.1 That the Tenant may peaceably hold and enjoy the Premises without any interruption by the Landlord or any person rightfully claiming under or in trust for the Landlord or by title paramount.

Insurance

- 4.2 To insure:
- (a) the Building and keep the same insured with a reputable insurer in the name of the Landlord subject to such exclusions, excesses and limitations as may be imposed by the insurers and as are common in the London insurance market from time to time against:
- (i) the Insured Risks in such a sum as shall be determined from time to time by the Landlord or the Landlord's Surveyor acting reasonably as being the full cost of rebuilding and reinstatement of the Building (and for these purposes "Building" means the Building constructed in accordance with the Base Building Definition including such works to prepare the Premises to generally no lesser standard than that described in the section of the Specification entitled "Category A Specification") and the Landlord covenants to have due regard to any reasonable request by the Tenant to increase such sums in respect of the Building together with architects', surveyors', consultants' legal and other fees in relation to the repair, rebuilding or reinstatement of the Building (including any cost or increased cost resulting from the requirements of local or other authorities, statutes, bye-

laws, regulations or orders as to the method of or design of or materials to be used in such repairing, rebuilding or reinstatement) and making due allowance for the effects of inflation and escalation of building costs and any fees and the cost of site clearance, demolition and debris removal and VAT on all such sums including any VAT resulting from any deemed self-supply as a result of such rebuilding or reinstatement;

- (ii) loss of the Principal Rent and the rent thirdly reserved for such period (being not less than five years and not more than seven years) as the Landlord may from time to time reasonably deem necessary which may be calculated having regard to any relevant reviews or increases of rent and to the likely period required for obtaining planning permission and reinstating the Building;
 - (iii) (to the extent to which the same is not covered by clause 4.2(a)(i)) where applicable engineering and electrical plant and machinery being part of the Building against sudden and unforeseen damage breakdown and inspection;
 - (iv) property owner's liability and such other insurances as the Landlord may from time to time (acting reasonably) deem necessary to effect;
- (b) subject to request by the Tenant in writing and notification in writing by the Tenant of the full reinstatement cost of such items, any installations, fixtures, fittings, and equipment resulting from the completion of the Tenant's Works (as defined in the Agreement for Lease) or any other completed works carried out by the Tenant and any sub-tenant in accordance with the provisions of this Lease.

Landlord's obligations in relation to insurance

4.3 In relation to the policy or policies of insurance effected by the Landlord pursuant to its obligations contained in this Lease:

- (a) to produce not more than once in any 12 month period (and one further time in such 12 month period if requested by the Tenant) at the cost of the Tenant and as soon as reasonably practicable following demand either a complete copy or full details of the policy or policies of insurance with full details of any additions or amendments made thereto and either a copy of the last premium, renewal, receipt or reasonable evidence of the fact that the last insurance premium has been paid;
- (b) to procure (unless having used all reasonable endeavours it is unable to procure such a policy at commercial rates) that the interest of the Tenant and any mortgagee of the Tenant (or a general interests clause) is noted or endorsed on the policy or policies of insurance;
- (c) to use all reasonable endeavours to procure that the insurance policy contains terms whereby the insurers will not pursue subrogation rights against the Tenant and its lawful undertenants, licensees and agents (other than where the loss has been occasioned or contributed to by the fraudulent or criminal or malicious act of the Tenant or its undertenants, licensees or agents);
- (d) to use all reasonable endeavours to procure that the insurance policy contains a non-invalidation clause.

Reinstatement

4.4 If the Building (or any part or parts thereof) and/or the Premises (or any part or parts thereof) and/or the means of access to the Premises shall be destroyed or damaged by any of the Insured Risks and subject to the provisions of clause 5.4 and to the payment by the Tenant of any amounts due pursuant to clauses 3.83 to 3.84 (and without prejudice to the liability of the Tenant to make any such payments or any amounts due pursuant to clause 3.81) and subject to obtaining any planning permission or other permission or approval necessary for rebuilding and reinstating the Premises and to the necessary labour and materials being and remaining available the Landlord shall apply all monies received by the Landlord by virtue of such insurance and

referable to the works required to reinstate the Premises (other than money received for loss of the Principal Rent and the rent thirdly reserved which shall automatically be payable to the Landlord) in rebuilding reinstating and making good the means of access to the Premises and/or (as the case may be) the Premises to generally no lesser standard than Specification and separately the Building (which may include aesthetic and specification improvements) permitted with all reasonable speed and making good any shortfall in the insurance proceeds from the Landlord's own resources (but not so as to provide accommodation identical in layout provided that the accommodation provided is no less commodious and does not differ materially in size to the accommodation provided at the date hereof) and the Landlord shall use all reasonable endeavours to obtain all necessary licences, consents, planning permissions and approvals therefor as soon as reasonably practicable and shall use reasonable endeavours to procure in favour of the Tenant a package of collateral warranties or third party rights relating to the design and carrying out of such works in a form consistent with market practice at the relevant time.

- 4.5 It is agreed that all monies claimed or received by the Landlord pursuant to clause 4.2(b) belong to the Tenant and shall be held on trust for the Tenant pending application in reinstatement and the Landlord shall keep the Tenant fully informed regarding any claim in respect of insurance monies pursuant to clause 4.2(b) and act in accordance with the Tenant's reasonable instructions at the Tenant's cost.

Obligations relating to Services for the Tenant

- 4.6 To provide or procure the provision of:

- (a) the Services during Normal Business Hours (and Normal Business Hours shall in the case of security and reception facilities for the Building be on a 24/7 basis); and
- (b) outside Normal Business Hours such of the Services as the Landlord shall in its reasonable discretion deem appropriate; and
- (c) such other of the Services outside the Normal Business Hours as the Tenant shall previously request,

(having regard to the Design Standards and subject to the provisions of clause 5.14) Provided that the Landlord shall be entitled to employ such reputable managing agents, professional advisers, contractors and other persons as may reasonably be required from time to time in the interests of good estate management for the purpose of the performance of the Services.

Building Services and Estate Services

- 4.7 The Landlord covenants that any item of Service Cost will be allocated properly to either the Building Services or the Estate Services and that no item of Service Cost will be charged to the Tenant more than once.

- 4.8 To provide or procure the provision of electricity to the Premises and the Building (subject to the provisions of clause 5.16) and (in each case) each and every part thereof designed to receive such to the extent necessary to meet the reasonable requirements of the Tenant and to use reasonable endeavours to procure that the same shall not be less than the Design Standards having regard to all relevant statutory provisions from time to time regulating the supply and utilisation of electricity and the terms and conditions relative thereto from time to time imposed by the relevant statutory undertaker.

- 4.9 As soon as reasonably practicable following any request made in writing by the Tenant the Landlord shall supply to the Tenant full details in writing of (and any supporting evidence reasonably requested by the Tenant):

- (a) the total Energy Costs and the method of calculation of the proportion of the Energy Costs included in the Energy Levy; and
- (b) the method of calculation of the proportion of the Energy Levy which comprises the Energy Levy Rent.

- 4.10 In so far as such rights are not held by the Landlord, to procure for the benefit of the Tenant and all persons authorised by the Tenant the rights over the Estate Common Parts as are set out in the Second Schedule, it being agreed that if the Tenant is prevented from exercising such rights in breach of this clause the Estate Services Costs payable by the Tenant shall be adjusted accordingly.

Building Defects

- 4.11 Where the Building suffers a defect the Landlord shall, where the Landlord reasonably believes there is a reasonable chance of success and reasonably believes that there is an economic and commercial benefit of pursuing such party, use all reasonable endeavours to recover the cost of remedying any such defect from any professional or contractor employed by the Landlord or its predecessors in title in relation to any building works leading to the occurrence of such defect and shall credit any sums received against the Service Charge to the extent the Landlord has legitimately already recovered any of the costs of remedying any such defect through the Service Charge.

Head Lease rents

- 4.12 To pay the rents reserved by the Head Lease at the times and in the manner provided in the Head Lease and to perform and observe all the covenants on the part of the tenant contained in the Head Lease insofar as they relate to any part of the premises thereby demised and which are not to be observed and performed by the Tenant pursuant to clause 3.109.

Retail Units

- 4.13 The Landlord agrees not to let or enter into an agreement for lease or permit any right of occupancy or permit any change of use of the Retail Units where the use is a Prohibited Use and to include within any lease or licence of a Retail Unit an express prohibition on a Prohibited Use.

- 4.14 The Landlord shall procure that any lease or licence of a Retail Unit shall include:

- (a) a covenant on the part of the tenant not to cause any legal nuisance to be suffered by the Tenant or its lawful occupiers of the Premises and the Landlord shall at the request and cost of the Tenant enforce such covenant where reasonably requested to do so;
- (b) only rights granting access to the Premises that are on the same terms as the rights reserved to the Landlord under this Lease including the obligation to comply with the Tenant's reasonable requirements and regimes as regards access as provided for in the provision to paragraph 2 of Part II of the Second Schedule.

Restriction on naming

- 4.15 So long as the tenant of this Lease is Mimecast Services Limited (company number 04901524) or a Group Company thereof and such entities are together in occupation of at least 70,000 square feet of office space within the Building, the Landlord covenants not to name the Building after any other tenant of the Building.

- 4.16 If clause 4.15 ceases to apply, the Landlord shall only grant naming rights in relation to the Building to an entity that occupies the majority of the office space within the Building and only for the duration such entity occupies the majority of the office space within the Building.

5 PROVISOS

IT IS HEREBY AGREED AND DECLARED as follows:

Re-entry

- 5.1 If:
- (a) the Rents or any part thereof shall be in arrear for 21 days next after becoming payable (whether in the case of the Principal Rent, the rent has been demanded or not); or

- (b) there shall be any material breach, non-performance or non-observance of any of the Tenant's covenants; or
- (c) the Tenant shall enter into any arrangement or composition for the benefit of the Tenant's creditors or convene a meeting of the Tenant's creditors (or a nominee calls such a meeting on its behalf); or
- (d) the Tenant or the Surety (being one or more individuals):
 - (i) is the subject of an interim order under Part VIII of the Insolvency Act 1986 or makes application to the Court for such an order or makes a voluntary arrangement under such Part; or
 - (ii) has a bankruptcy order made against him; or
 - (iii) a receiver is appointed in respect of all or any of the assets or undertaking of the Tenant or such surety; or
- (e) the Tenant or the Surety (being a company or partnership):
 - (i) makes a voluntary arrangement or submits to its creditors or any of them a proposal under Part I of the Insolvency Act 1986; or
 - (ii) makes an application to the Court under Section 425 of the Companies Act 1985 or resolves to make such an application; or
 - (iii) is the subject of an administration order (whether an interim order or otherwise) made under Part II of the Insolvency Act 1986 or is subject to a resolution passed by the directors or shareholders for the presentation of an application for such an order or is the subject of a notice of intention to appoint an administrator or files a notice of appointment of an administrator with the court or passes a resolution by its directors or shareholders for the filing of such a notice; or
 - (iv) is the subject of a resolution for voluntary winding up (otherwise than for the purpose of an amalgamation or reconstruction which has been approved by the Landlord) or a meeting of creditors is called to consider a resolution for winding up; or
 - (v) has an interim order or winding up order made against it; or
 - (vi) has an administrative receiver or receiver appointed in respect of all or any of its assets; or
 - (vii) ceases to exist; or
 - (viii) becomes "Bankrupt" within the meaning of the Interpretation (Jersey) Law 1954; or
- (f) where the Tenant is a company or partnership incorporated outside the United Kingdom analogous proceedings or events to those referred to in clause 5.1(e) shall be instituted or occur in the country of incorporation,

it shall be lawful for the Landlord at any time thereafter to re-enter the Premises or any part thereof in the name of the whole and thereupon this Lease shall absolutely determine but without prejudice to any rights of action of the Landlord or the Tenant against the other in respect of any antecedent breach by the Landlord or the Tenant (as the case may be) of any of the covenants herein provided that in the event that the Tenant comprises more than one person then the Landlord will be entitled to re-enter the Premises and this Lease shall thereupon absolutely determine upon the happening of any of the events referred to in clauses 5.1(c) to 5.1(f) hereof in relation to any one of them.

Replacement of surety

- 5.2 In the event of the occurrence of any of the events referred to in clauses 5.1(d) or 5.1(e) in respect of the Surety, the Landlord shall not exercise its right pursuant to clause 5.1 without first allowing the Tenant a period of 30 working days to procure that some other guarantor or guarantors reasonably acceptable to the Landlord execute a guarantee in respect of the Tenant's obligations contained in this Lease in the form referred to in the Seventh Schedule (or on such other terms as the Landlord shall reasonably require).

Payment of rent not waiver

- 5.3 No demand for or receipt or acceptance of any part of the Rents or any payment on account thereof shall operate as a waiver by the Landlord of any right which the Landlord may have to forfeit this Lease by reason of any breach of covenant by the Tenant and the Tenant shall not in any proceedings for forfeiture be entitled to rely on any such demand receipt or acceptance as aforesaid as a defence PROVIDED that this clause shall only have effect in relation to a demand receipt or acceptance made or given during such period as may in all the circumstances be reasonable for enabling the Landlord to conduct any negotiations with the Tenant for remedying the breach commenced upon the Landlord becoming aware of such breach.

Suspension of rent

- 5.4 If the Premises or the Building or the means of access to the Premises shall at any time be so damaged or destroyed:
- (a) by any of the Insured Risks as to render the Premises or the means of access to the Premises unfit for occupation or use then (save to the extent that the insurance monies shall be irrecoverable or the policy rendered void by reason of any act or default on the part of the Tenant any sub-tenant or their respective servants, agents, licensees or invitees) the Principal Rent, the Rent secondly reserved and the Rent thirdly reserved or a fair proportion thereof according to the nature and extent of the damage sustained shall be suspended immediately from the date of such damage or destruction until the earlier of:
 - (i) the date of issue of the Reinstatement Certificate; and
 - (ii) the expiration of the period in respect of which the Landlord has covenanted to insure for loss of the Principal Rent and the Rent thirdly reserved pursuant to clause 4.2(a)(ii),and any dispute with reference to this clause 5.3(a) shall be referred by the Landlord or the Tenant to arbitration in accordance with the Arbitration Act 1996;
 - (b) by an Uninsured Risk as to render the Premises or the means of access to the Premises unfit for occupation or use then (save to the extent that damage or destruction results from the default of the Tenant, or Group Company of the Tenant or any sub-tenant or their respective agents, servants, licensees or invitees) the Principal Rent, the Rent secondly reserved and the Rent thirdly reserved or a fair proportion thereof according to the nature and extent of the damage sustained shall be suspended from the date 12 months after the date of such damage or destruction until the date of issue of the Reinstatement Certificate and any dispute with reference to this proviso shall be referred by the Landlord or the Tenant to arbitration in accordance with the Arbitration Act 1996.

Damage before Rent Commencement Date

- 5.5 If clause 5.4 applies before the Rent Commencement Date the number of days between the date of the damage or destruction and the Rent Commencement Date (or where only a proportion of the Principal Rent is or would have been suspended, an equivalent proportion of those days) will be added to the date the period of rent suspension ends and the resulting date will become the Rent Commencement Date.

Determination if damage or destruction

- 5.6 If the Premises or the Building or the means of access to the Premises shall be destroyed or damaged by an Uninsured Risk so that the Premises are unfit for occupation or use the Landlord may elect not to carry out and complete the rebuilding and reinstatement of the Premises pursuant to clause 5.7 by serving notice to such effect on the Tenant and upon service of such notice this Lease shall determine but without prejudice to any claim by the Landlord or the Tenant against the other. If the Landlord shall not have served a notice on the Tenant pursuant to this clause 5.6 by a date prior to the date 12 months after such damage or destruction then either party shall be entitled at any time thereafter by notice in writing to the other party to determine this Lease and upon service of such notice this Lease shall determine but without prejudice to any claim by the Landlord or the Tenant against the other in respect of any antecedent breach of any covenant or provision herein contained.
- 5.7 If the Premises or the Building or the means of access to the Premises shall be destroyed or damaged by an Uninsured Risk so that the Premises are unfit for occupation or use the Landlord may elect at any time prior to the date 12 months after the date of damage or destruction to carry out and complete the rebuilding and reinstatement of the Premises by serving written notice to that effect on the Tenant whereupon the Landlord shall, subject to obtaining any planning permission or other permission or approval necessary for rebuilding and reinstating the Building, the Premises and the means of access to the Premises and to the necessary labour and materials being and remaining available, be obliged to rebuild reinstate and make good (as the case may be) the Building, to generally no less a standard than that set out in the Base Building Definition and the Premises and the means of access to the Premises to generally no lesser standard than that described in the section of the Specification entitled "Category A Specification") (which may include aesthetic and specification improvements) with all reasonable speed (but not so as to provide accommodation identical in layout provided that the accommodation provided is no less commodious and does not differ materially in size to the accommodation provided at the date hereof) and the Landlord shall use all reasonable endeavours to obtain all necessary licences, consents, planning permissions and approvals therefor as soon as reasonably practicable and shall use reasonable endeavours to procure in favour of the Tenant a package of collateral warranties or third party rights relating to the design and carrying out of such works in a form consistent with market practice at the relevant time provided always that such rebuilding or reinstating shall be at the cost of the Landlord and the costs of or in any way relating to rebuilding or reinstating the Premises following damage or destruction of the Premises or the Building or any part thereof by an Uninsured Risk shall not be recoverable from the Tenant via the Service Charge provisions in the Fifth Schedule.
- 5.8 If:
- (a) the Premises or the Building or the means of access to them shall at any time be so damaged or destroyed by any of the Insured Risks as to render the Premises unfit for occupation or use and the Landlord has not commenced the works of reinstatement referred to in clause 4.4 within two and a half years of the date of damage or destruction; or
 - (b) the Premises or the Building or the means of access to them shall at any time be so damaged or destroyed by any of the Insured Risks as to render the Premises unfit for occupation or use and the Landlord having used all reasonable and commercially prudent endeavours to do so has not completed the works of reinstatement referred to in clause 4.4 prior to the expiration of a period of five years following the date of such damage or destruction; or
 - (c) the Premises or the Building or the means of access to them shall at any time be so damaged or destroyed by an Uninsured Risk as to render the Premises unfit for occupation and use and the Landlord has not commenced the works of reinstatement referred to in clause 5.7 within two and a half years of the date of damage or destruction; or

- (d) the Premises or the Building or the means of access to them shall at any time be so damaged or destroyed by an Uninsured Risk as to render the Premises unfit for occupation and use the Landlord having used all reasonable and commercially prudent endeavours to do so has not completed the works of reinstatement referred to in clause 5.7 within five years of the date of damage or destruction,

then the Landlord or (subject to clause 5.9) the Tenant may in the circumstances referred to in clauses 5.8(a) and 5.8(c) by giving to the other not less than three months' notice in writing or (subject to clause 5.9) the Tenant may in any the circumstances referred to in clauses 5.8(b) and 5.8(d) by giving to the Landlord not less than one month's notice in writing to that effect determine this Lease and upon the expiry of such notice this Lease shall (unless before the expiry of such notice the Landlord has in the circumstances of clause 5.8(a) or clause 5.8(c) commenced such works of reinstatement or in the circumstances of clause 5.8(b) or clause 5.8(d) completed such works of reinstatement by the expiry of such notice in which case the notice shall be of no effect) determine and this Lease shall cease to be of effect but without prejudice to any claim by the Landlord or the Tenant in respect of any antecedent breach by the other of any of the terms of this Lease.

5.9 The Tenant shall not be entitled to serve notice on the Landlord pursuant to clause 5.8 if:

- (a) in the case of clauses 5.8(a) or 5.8(b) the insurance monies are irrecoverable or the policy rendered void by reason of any act or default on the part of the Tenant, any Group Company of the Tenant, any sub-tenant or their respective servants, agents, licensees or invitees unless the Tenant has complied with its obligations in clause 3.81; or
- (b) in the case of clauses 5.8(c) or (d) the damage or destruction results from the default of the Tenant, any Group Company of the Tenant, any sub-tenant or their respective agents, servants, licensees or invitees.

5.10 If this Lease is determined under clauses 5.6 to 5.7 the Landlord shall be entitled to retain the insurance monies payable in respect of the Building but will hold on trust for the Tenant (and pay to the Tenant such monies within ten working days of receipt) any monies due to it in respect of works insured by it under clause 4.2 and use all reasonable endeavours to obtain such monies for the benefit of the Tenant whether received by the Landlord or by the Tenant.

Roof Terrace

5.11 If at any time during the term of this Lease the Western Roof Terrace shall cease to be designated for exclusive use by Mimecast Services Limited (or a Group Company of it if such Group Company takes an assignment of this Lease); the definition of "Roof Terrace" in clause 1.1 of this Lease shall, at the Landlord's option (which, if exercised, the Landlord shall notify the Tenant of in writing) be amended such that it shall also refer to the Western Roof Terrace and all references in this Lease to "Roof Terrace" shall be construed accordingly.

Warranty to use

5.12 Nothing herein shall be deemed to constitute any warranty by the Landlord that the Premises or any part thereof are under the Planning Acts or any other relevant laws or regulations now or from time to time in force authorised for use for any specific purpose.

Service of notices

5.13 Any notices required to be served hereunder shall be validly served if served in accordance with Section 196 of the Law of Property Act 1925 or Section 23 of the Landlord and Tenant Act 1927 and (in the case of notices to be served on the Tenant) by sending the same to the Tenant at the Premises.

Disputes between tenants/occupiers

- 5.14 That in case any dispute or controversy shall at any time or times arise between the Tenant and the tenants and occupiers of the Building and/or any neighbouring, adjoining or contiguous property belonging to the Landlord relating to Service Conduits and Appliances serving the Building and/or the Premises or any such adjoining or contiguous property or any easements or privileges whatsoever affecting or relating to the Building and/or the Premises or such neighbouring, adjoining or contiguous property the same shall from time to time be settled and determined by the Landlord's Surveyor or agent (in either case acting reasonably) to which determination the Tenant shall submit (save in the case of manifest error).

Apportionment

- 5.15 Where any question as to the amount or method of apportionment of any sum falls to be determined under the provisions of this Lease (other than any amount or apportionment to be determined pursuant to the provisions of the Fifth Schedule) the same shall be referred (upon application to be made by either party) to and conclusively (save in case of manifest error) determined by the Landlord's Surveyor (acting reasonably) in accordance with the principles of good estate management and whose reasonable and proper fees for so acting shall be added to and deemed for all purposes to form part of the sum to be so apportioned and shall be borne accordingly.

Exclusions of Landlord's liability

- 5.16 Notwithstanding anything in any other provision herein contained (save where such event arises due to a breach of the covenants and conditions on the part of the Landlord set out herein) the Landlord shall not be liable to the Tenant nor shall the Tenant have any claim against the Landlord in respect of:

- (a) any temporary interruption in any of the Services or the supply of electricity to the Premises caused by factors outside the Landlord's reasonable control; or
- (b) temporary closure or diversion of any of the Common Facilities or Service Conduits and Appliances by reason of inspection, repair, maintenance or replacement thereof or any part thereof or of any plant, machinery, equipment, installations or apparatus used in connection therewith or damage thereto or destruction thereof by any risk (whether or not an Insured Risk); or
- (c) by reason of electrical, mechanical or other defect or breakdown or frost or other inclement conditions or shortage of fuel, materials, supplies or labour or whole or partial failure or stoppage of any mains supply outside the reasonable control of the Landlord,

SUBJECT TO the Landlord using reasonable endeavours to minimise the adverse effects of any of the above events or circumstances and using reasonable endeavours to reinstate and remedy such event or circumstance as expeditiously as reasonably possible AND PROVIDED ALWAYS that the Landlord shall (if reasonably practicable) have previously given reasonable notice of any intended interruption or closure of the nature mentioned above.

Development of adjoining property

- 5.17 That subject to compliance with the Landlord's covenants in clause 4.1 the Landlord or any superior landlord may at any time or times without obtaining any consent from or making any arrangement with the Tenant carry out any development or works (or permit the same) or whatsoever nature to the Building (other than the Premises) and/or the Estate and/or any neighbouring, adjoining or contiguous land or premises whether or not the light or air now or at any time or times enjoyed by the Tenant may be diminished PROVIDED THAT proper means of access to and egress from the Premises is afforded at all times and the rights hereby granted expressly to the Tenant are not prejudiced.

5.18 Any access of light and air now or at any time during the Contractual Term enjoyed by the Premises shall be deemed to be by consent or agreement in writing for that purpose within the meaning of Section 3 of the Prescription Act 1832 so that neither the enjoyment thereof nor this Lease shall prevent any such development or works referred to in clause 5.16 and the Tenant shall permit such development or works without interference or objection.

Removal of property

5.19 If at such time as the Tenant has vacated the Premises after the determination of this Lease any property of the Tenant shall remain in or on the Premises and the Tenant shall fail to remove the same within 28 days after being requested by the Landlord so to do by a notice in that behalf then and in such case the Landlord may (in addition to any other remedies available to it) as the agent of the Tenant (and the Landlord is hereby irrevocably appointed by the Tenant to act in that behalf) sell such property and shall then hold the proceeds of sale after deducting the reasonable costs and expenses of removal, storage and sale reasonably and properly incurred by it on trust for and to the order of the Tenant PROVIDED THAT the Tenant will reimburse the Landlord against any liability properly incurred by it to any third party whose property shall have been sold by the Landlord in the bona fide mistaken belief (which shall be presumed unless the contrary be proved) that such property belonged to the Tenant and was liable to be dealt with as such pursuant to this clause.

VAT

5.20 Any rent or other sum payable by any party hereunder is exclusive of VAT that is or may be payable thereon and shall be paid upon receipt of a valid VAT invoice.

5.21 Where under this Lease any party (the "Indemnified Party") is entitled to recover from another party (the "Paying Party") the cost of any goods or services supplied to the Indemnified Party, the Paying Party will indemnify the Indemnified Party against so much of the input tax on the cost for which the Indemnified Party is not entitled to credit allowance under Section 24-26 of VATA.

5.22 If VAT is chargeable in respect of any supplies of goods and/or services by any party to the other party under this Lease the recipient of such supplies shall pay such VAT in addition to the amounts (if any) provided for under this Lease and in respect of the supplies made to it under this Lease subject to receipt of a valid VAT invoice.

Exclusion of easements

5.23 Nothing herein contained other than those rights expressly granted to the Tenant in Part I of the Second Schedule shall by implication of law or otherwise operate to confer on the Tenant any easement, right or privilege whatever over or against any neighbouring, adjoining, contiguous or other property which might restrict or prejudicially affect the future rebuilding, alteration or development of such neighbouring, adjoining, contiguous or other property.

Sharing of information

5.24 The Landlord and the Tenant agree that they will:

- (a) share the data they hold in respect of energy and water use and waste production/ recycling and other environmental matters as are applicable to the use of the Premises between themselves and with any other third party who the parties agree needs to receive such data;
- (b) keep the data disclosed under this clause 5.24 confidential and will only use such data for the purposes of ensuring that the Building is run in a sustainable way that minimises its environmental impact,

provided always that this shall not prevent the Landlord from publishing information giving all details as to how central building energy costs are apportioned across the Building nor the general energy performance of the Building.

5.25 The Landlord and the Tenant agree that the Tenant's covenant contained in clause 3.1 of this Lease to pay the Energy Levy Rent shall survive the Termination of the Tenancy, but only until the Tenant has paid the Energy Levy Rent in full to the Landlord.

6 SURETY

The Surety in consideration of this Lease having been granted as its request covenants with the Landlord in the terms contained in the Seventh Schedule.

7 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Unless expressly stated to the contrary nothing in this Lease confers on anyone other than the parties to it any right pursuant to the Contracts (Rights of Third Parties) Act 1999.

8 DETERMINATION

8.1 The Tenant may terminate this Lease as at the tenth anniversary of the Term Commencement Date (the "relevant date") by serving not less than twelve calendar months' notice on the Landlord.

8.2 This Lease shall not terminate as a result of any notice served by the Tenant if on the relevant date:

- (a) the Tenant has not paid in cleared funds any part of the Principal Rent (or any VAT in respect of it), which was due to have been paid up to and including the relevant date; or
- (b) the Tenant or any third party remains in occupation of any part of the Premises; or
- (c) the Tenant and/or a Group Company of the Tenant (and assuming for these purposes that they are one entity) is not, or on the date immediately following the relevant date it will not be, in occupation of one vertically contiguous space within the Building;

except to the extent if at all the Landlord in its absolute discretion expressly and in writing waives compliance with one or more of the pre-conditions specified in this sub-clause.

8.3 Termination of this Lease under this clause 8 does not affect any obligation on the Tenant that applies on or at the expiry of this Lease or any right, accrued by the expiry of this Lease, which either the Landlord or the Tenant then has against the other or against any third party.

8.4 Waiver of a pre-condition under 8.2 shall not affect any right which the Landlord may have against the Tenant or against any third party in respect of a breach of the Tenant's obligations.

8.5 Time is of the essence of all dates and periods referred to in this clause 8.

8.6 If notice is not served by the Tenant to terminate this Lease on the relevant date pursuant to clause 8.1 the Landlord and Tenant agree that the Principal Rent shall be reduced to a peppercorn for the period of 9 months from and including the relevant date.

8.7 The parties agree that to the extent the Tenant has paid any Rent or Service Charge to a date which is beyond the relevant date the Landlord shall refund to the Tenant within 14 days of the relevant date all such sums to the extent they have been paid for a period beyond the relevant date.

8.8 The parties agree by way of explanation and example in order to clarify the meaning of "one vertically contiguous space" in clause 8.2(c) above that if the Tenant was the tenant of each of the third floor, fourth floor and fifth floor prior to the date of service of a determination notice by the Tenant and each lease contained in a clause in the terms of this clause 8, the Tenant would be entitled to validly determine any one or more of the following leases by exercising its rights in this clause 8:

- (a) the Third Floor alone;
- (b) the Fifth Floor alone;

- (c) the Third and Fourth Floor together;
- (d) the Fourth and Fifth Floor together; or
- (e) the Third Floor, Fourth Floor and the Fifth Floor together.

9 RIGHT TO RENEW

- 9.1 The Tenant may exercise its option to take the Renewal Lease by serving written notice on the Landlord not less than twelve calendar months' prior to the Term Expiry Date.
- 9.2 The Tenant's option under clause 9.1 shall be of no effect if:
- (a) on the Term Expiry Date:
 - (i) the Tenant and/or a Group Company of the Tenant (assessed together so for these purposes the Tenant and the relevant Group Company are assumed to be the same entity) shall not be in occupation of at least 70,000 square feet of contiguous office space within the Building; and
 - (ii) this Lease is not subsisting, and
 - (b) on the date following the Term Expiry Date the Tenant and/or a Group Company of the Tenant (assessed together so for these purposes the Tenant and the relevant Group Company are assumed to be the same entity) will not be in occupation of at least 70,000 square feet of contiguous office space within the Building.
- 9.3 For the purposes of clause 9.2 above it is agreed the contiguous office space means space let to the Tenant and/or a Group Company of the Tenant on sequential floors of the Building (with no lettable area between any such floors which is not let to the Tenant or a Group Company of the Tenant (as the case may be)).
- 9.4 The Renewal Lease shall be made on the same terms as this lease save that:
- (a) the Term Commencement Date shall be the date immediately following the day of expiry of this Lease;
 - (b) the Term shall be five (5) years;
 - (c) the Principal Rent shall be ascertained in accordance with clause 9.5;
 - (d) the "Review Dates" shall be the term commencement date and the term expiry date of the Renewal Lease;
 - (e) the Tenant's option to break in clause 8 and all references to it shall be omitted; and
 - (f) the term "Renewal Lease", this clause 9 and all references to them shall be omitted.
- 9.5 The Principal Rent payable on and from the term commencement date of the Renewal Lease shall be the higher of the Principal Rent passing on the last day of this lease (ignoring any suspension or abatement) and the Open Market Rent calculated in accordance with the provisions of the Third Schedule of this Lease. The provisions of paragraph 7 of the Third Schedule will apply if the Principal Rent payable under the Renewal Lease has not been agreed or assessed by the term commencement date of the Renewal Lease.
- 9.6 If at the Term Expiry Date the Rents are suspended whether in whole or in part due to the occurrence of damage or destruction by an Insured Risk or an Uninsured Risk then the parties agree that for the purposes of the Renewal Lease it shall be assumed that such damage or destruction is an event which applies to the Renewal Lease so that such suspension continues and the time periods referred to in clauses 5.5 and 5.6 shall be reduced so as to take into account any part of these time periods that have occurred during the term of this Lease.

- 9.7 Any guarantor who is guaranteeing the obligations of the Tenant at the expiry of the Contractual Term shall be obliged to guarantee the Tenant's obligations under the Renewal Lease on the same terms (but shall not be obliged to do so if during the 12 month period prior to the Term Expiry Date the Tenant itself would have been able to satisfy the condition in clause 3.64(b) if at any time during such period the Tenant had wished to take an assignment of the Lease).
- 9.8 Subject to clause 9.2, if the Tenant exercises its option pursuant to clause 9.1, the Landlord shall grant and the Tenant shall accept the Renewal Lease on the date specified in clause 9.4(a).
- 9.9 Time is of the essence of the dates and periods referred to in this clause 9.

10 GOVERNING LAW AND JURISDICTION

- 10.1 This Lease and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law and within the exclusive jurisdiction of the English courts, to which the parties irrevocably submit.
- 10.2 Each party agrees that any claim form or other document to be served under the Civil Procedure Rules may be served on it by being delivered to or left at a correct address for the purposes of clause 5.13.
- 10.3 If any provision of this Lease is void or prohibited under any Act due to any applicable law, it shall be deemed to be deleted and the remaining provisions of this Lease shall continue in force.

IN WITNESS whereof this deed has been executed by the parties hereto and is intended to be and is hereby delivered on the day and year first above written.

FIRST SCHEDULE

The Premises

ALL THAT accommodation on Level 3 of the Building as the same is shown edged red and shaded blue on Plan 5 and which shall include:

- (a) one half severed medially of the non-structural and non-load bearing walls which divide the Premises from the remainder of the Building;
- (b) the entirety of all other non-structural or non-load bearing walls and columns;
- (c) the internal plaster surfaces and other finishes of load bearing walls and columns;
- (d) the ceiling finishes and the whole of any false ceilings and voids between the ceilings (including light fittings) and false ceilings;
- (e) void between the floor screed (but not the floor screed itself nor any of the floor joists or supporting structure) and any raised floors, all raised floors, the carpet or other covering or material;
- (f) the Landlord's fixtures and fittings;
- (g) the Landlord's Services Equipment within and exclusively serving the Premises;
- (h) the whole of any internal windows and the doors, partitions, equipment, fittings and lights of the Premises;
- (i) all Service Conduits and Appliances exclusively serving and within the Premises, but there are excluded from the demise;
- (j) any structural parts, load bearing walls, columns, roofs, Foundations and Services, external walls, cladding, window frames and glass in the external facades of the Building and joists in and around the Premises;
- (k) any atria in the Building (including any glass therein);
- (l) such of the Landlord's Services Equipment and such of the Service Conduits and Appliances as are used in common with other parts of the Building.

SECOND SCHEDULE

Part I

Rights granted

- 1 The right for the Tenant and all persons authorised by the Tenant at all times:
- (a) to pass and repass on foot only over and along the pedestrian accessways access ways within the Building from time to time designated by the Landlord and to pass and repass on foot only through and over the Common Facilities and the Estate Common Parts and any part or parts thereof to gain access to and from the Premises and generally to use the Common Facilities and the Estate Common Parts for all purposes in connection with the use and enjoyment of the Premises;
 - (b) to pass and repass with or without vehicles over and along the roads and accessways within the Building and the Estate Common Parts from time to time reasonably designated by the Landlord on the Building for the purpose of gaining access to and egress from the bicycle parking spaces referred to in paragraph 7 of this Part I of the Second Schedule and access to and egress from the loading bay in the Building;
 - (c) to use the loading bays in the Building in such locations from time to time designated by the Landlord acting reasonably;
 - (d) to use any compactor in the loading bay in the Building from time to time in such location as shall from time to time designated by the Landlord (acting reasonably);
 - (e) to use such emergency escape routes from the Premises through the building building and the Estate Common Parts as comply from time to time with statutory requirements and any requirements from time to time of the local authority or local fire authority
 - (f) otherwise to use the Common Facilities and the Estate Common Parts for the purpose for which they are intended,

(subject in each case to such regulations in relation thereto as may be imposed from time to time pursuant to clause 3.92 and/or clauses 3.106 to 3.108) in each case such rights being exercised in common with others entitled thereto.

- 2 The right of passage and use of all such Service Conduits and Appliances which now or may hereafter during the Contractual Term pass or run into, through, along, under or over the Building and the Estate in each case such rights being exercised in common with others entitled thereto.

- 3 Subject to clauses 3.19 to 3.31:

- (a) the right at all times to connect into and use (subject to the regulations of any appropriate authority) the Service Conduits and Appliances for the s u p p l y of services and for drainage and to connect into and use such other Service Conduits and Appliances as may from time to time be available for connection to the Premises;
- (b) the right at all times to connect into and use such of the Landlord's Services Equipment as may from time to time be available for connection to the Premises,

provided that such connection and use does not materially adversely affect the supply of services to other premises within the Building having regard to the Specification and on the basis that any residual capacity in such Service Conduits and Appliances and the Landlord's Services Equipment over and above that set out in the Specification shall be available and allocated to all occupiers of the Building on a fair and reasonable basis.

- 4 The right of support shelter and protection from the remainder of the Building.
- 5 The right at all reasonable times and upon reasonable prior notice (except in the case of emergency) to enter other parts of the Building for the purposes of carrying out any works required to comply with the covenants and conditions of the Tenant herein contained and where such works cannot otherwise conveniently be carried out without such entry the Tenant in the exercise of such right causing as little inconvenience and interference as is reasonably practicable in the circumstances to the Landlord or other occupier of the part of the Building so entered and its trade or business carried on therein and making good to the reasonable satisfaction of the Landlord or the other occupier (as the case may be) any physical damage thereby caused.
- 6 The right for the Tenant and any other lawful occupier of the Premises to display its name (in the Landlord's house style) on the sign board provided by the Landlord for that purpose in the main reception area of the Building subject to the Landlord's prior approval (such approval not to be unreasonably withheld or delayed) as to the size and design of the signage concerned and its location).
- 7 The exclusive right for the Tenant and any lawful occupier of the Premises only at all times to use 65 bicycle parking spaces in the area shown shaded red on Plan 6 and 65 lockers in the area shown shaded red on Plan 6 (the Landlord having the right at any time and from time to time on not less than 14 days' notice to nominate an alternative space or spaces within the Building provided such nomination is agreed by the Tenant (such agreement not to be unreasonably withheld or delayed)) provided that the Landlord shall be entitled to temporarily suspend all or any such rights after prior consultation with the Tenant as to timing and duration of the proposed works (save in the case of an emergency) and having proper regard to the Tenant's representations in relation thereto for the purpose of carrying out works of repair and maintenance to the parts of the Building in which the relevant spaces are located where it would not be practical to carry out the relevant works without such suspension and the Landlord shall use reasonable endeavours to keep any such period of suspension to the minimum reasonably practicable.
- 8 The right in common with other occupiers of the Building to use the showers in Level -1 of the Building as are from time to time provided.
- 9 Subject to the Landlord's entitlement to access and remain on the Roof Terrace in connection with any of the purposes listed in paragraph 2 of Part II of the Second Schedule the right for the Tenant in common with other occupiers of the Building to access onto the Roof Terrace for uses ancillary to the Tenant's use of the Premises and which are consistent with a high class office building provided that the Tenant shall obtain the Landlord's prior approval to any furniture or other item to be placed on the Roof Terrace (such approval not to be unreasonably withheld or delayed).
- 10 The right in common with other occupiers of the Building to install in part or parts of the areas shown coloured red and blue on Plan 7 (being tenant roof plant space) from time to time (subject to obtaining consent from the Landlord (such consent not to be unreasonably withheld or delayed) by deed and containing covenants of the type referred to in the provisos at the end of clause 3.31 to such installation and subject to the Tenant obtaining all necessary consents and approvals) plant, machinery, satellite dishes aerals and equipment (including air conditioning equipment) together with the right to install and lay associated cabling and other service media (with any ancillary plant and equipment) in under over and through the Building for connection to the Premises and to use the same provided that the Landlord will manage the allocation of the tenant roof plant space with due regard to the requirements of all tenants in the Building and taking the following into account:

- (a) where reasonably possible plant areas will be separate for each tenant and will take into account the riser allocation strategy (being the proviso to paragraph 11 below) and the location of the tenant's facilities requiring connection to those plant areas;
- (b) the tenant plant space available for allocation will exclude the plant space set aside for tenant's generators;
- (c) the Landlord reserves the right to run cables/pipes and other service media over under or along such areas provided that these shall not materially adversely affect the Tenant's use of the same and that the Landlord obtains the Tenant's prior written consent (such consent not to be unreasonably withheld or delayed) to the location of such cables/pipes and other service media;
- (d) the proportion that the Net Internal Area of the Premises bears to the Net Internal Area of all of the offices within the Building let or intended to be let.

11 The right to use a fair and reasonable proportion of the riser space and telecoms intake room or rooms allocated to tenants for their use within the Building based on are the proportion that the Net Internal Area of the Premises bears to the total Net internal Area of all offices within the Building for the purpose of running Service Conduits and Appliances exclusively serving the Premises provided that the installation of such cabling shall be subject to the Landlord's prior written consent such consent not to be unreasonably withheld or delayed and provisos (a) to (d) at the end of clause 3.31 shall apply to such installation and consent Provided that the Landlord will manage the allocation of the riser space for the purposes of the use of and connections to the S e r v i c e and Appliances the Landlord's Services Equipment and such telecoms intake room or rooms on the following basis:

- (a) space shall be allocated between each of the tenants (and undertenants shall be not be taken into account for these purposes) in the same proportion as the Net Internal Area they occupy bears to the total Net Internal Area of the Building;
- (b) where reasonably possible separate risers will be allocated to each tenant and will take into account the location of the premises demised to the tenant;
- (c) where reasonably possible the allocation of riser space to be used for IT purposes shall be on the basis of separate cages within the risers provided that the Tenant will reimburse the Landlord for the reasonable cost of such cages;
- (d) the Landlord reserves the right to run cables/pipes and other service media through such risers provided that these shall not materially adversely affect the Tenant's use of the same and that the Landlord obtains the Tenant's prior written consent (such consent not to be unreasonably withheld or delayed) to the location of such cables/pipes and other service media.

Wayleaves

12 The Landlord acknowledges that the Tenant may wish to enter into wayleaves for cabling from external third parties for connection through the Estate and the Building into the Premises and confirms that:

- (a) it will consent to any such wayleave without payment of a premium for such wayleaves;
- (b) it will not unreasonably withhold or delay its consent to the entering into of any such wayleave in a form reasonably approved by the Landlord.

Staircase Rights

13 For such duration as the internal staircases connecting the third and fourth floors exist the right to pass and repass through the airspace of the slabs separating the third and fourth floors for the purposes of utilising such connecting staircase.

Stadium Seating

14 The right to construct, retain, modify, amend and use the Stadium Seating within the atrium forming part of the Premises.

Part II

Rights excepted and reserved

- 1 The passage and use of all such Service Conduits and Appliances (if any) as now pass or run into through along under or over the Premises and which are designed to be used for the benefit of the remainder of the Building.
- 2 The right for the Landlord and all authorised persons at all reasonable times upon not less than 24 hours' prior notice (except in case of emergency) to enter the Premises and to enter and remain on the Roof Terrace for the purposes of carrying out the Services for all or any of the following purposes:
 - (a) inspecting the Premises and the state and condition thereof;
 - (b) survey measurement or valuation of the Premises;
 - (c) reading electricity, water and other check meters or sub-meters installed within the Premises;
 - (d) preparation of a schedule of fixtures and fittings in or about the Premises;
 - (e) remedying any breach of covenant by the Tenant after failure by the Tenant so to do in accordance with the provisions of clause 3.18;
 - (f) access to or egress from any of the plant rooms or Service Conduits and Appliances included within the Premises or accessed from the Premises;
 - (g) to comply with obligations owed by the Landlord (or any developer) to third parties or with the covenants on the part of the Landlord (or any developer) contained in this Lease or contained in the Agreement for Lease;
 - (h) maintaining, amending, renewing, cleaning, repairing or rebuilding any adjoining premises in so far as such works cannot be carried out without entering upon the Premises;
 - (i) to prepare any Energy Performance Certificate for the Premises or the Building;
 - (j) in connection with the provision of Services,

PROVIDED ALWAYS THAT the Landlord or other person exercising such rights shall cause as little interference and inconvenience as reasonably practicable to the Tenant or other occupier of the Premises and its or their trade or business carried on therein and as soon as reasonably practicable make good to the reasonable satisfaction of the Tenant any damage thereby caused to the Premises and the Tenant's fixtures and fittings and stock and PROVIDED FURTHER THAT the Landlord or other person exercising such rights complies with the reasonable security requirements of the Tenant or other occupier and where requisite the Landlord or other person exercising such rights shall only exercise such rights while accompanied by a representative of the Tenant or occupier of the relevant part of the Premises PROVIDED THAT such a representative shall be made available at reasonable times on reasonable request by the Landlord and if such a representative is not made available after a reasonable period after such request (or in the case of emergency) entry may be made without such a representative.

- 3 All rights of light air and other easements and rights (but without prejudice to any expressly granted to the Tenant by this Lease (if any)) now or hereafter belonging to or *enjoyed by* the premises from or over any adjoining neighbouring or contiguous land or building.

- 4 The right to build or rebuild or alter or carry out any development or works to any adjoining neighbouring or contiguous land or building in any manner whatsoever (and to authorise any adjoining owner or occupier to do the same) and to let or authorise the letting of the same for any purpose or otherwise deal therewith notwithstanding that the light or air to the Premises is in any such case thereby diminished or any other liberty, easement, right or advantage belonging to the Tenant is thereby diminished or prejudicially affected and so that any access of light and air now or at any time enjoyed by the Premises shall be deemed to be by consent or agreement in writing for that purpose within the meaning of Section 3 of the Prescription Act 1832 so that the enjoyment thereof shall not prevent such building, rebuilding, alteration, development, works, letting or dealing as aforesaid and the Tenant shall permit such matters without interference or objection PROVIDED THAT the rights reserved by this paragraph 4 shall not be exercised so as to prejudice the rights expressly granted to the Tenant under this Lease.
- 5 The right to support and shelter and all other easements and rights now and hereafter belonging to or enjoyed by all adjoining, neighbouring or contiguous land or buildings an interest wherein possession or reversion is at any time vested in the Landlord.
- 6 The right to build on or into any boundary or party wall of the Premises provided always that the Landlord or the person exercising this right shall make good any damage thereby caused to the Premises and the Tenant's fixtures fittings and stock to the reasonable satisfaction of the Tenant.

THIRD SCHEDULE
Review of Principal Rent

1 In this Schedule:

relevant Review Date

means *[insert date which is the date which is five years from the Term Commencement Date]* and each fifth anniversary thereafter and any other date that becomes a Review Date pursuant to paragraph 8

Completed Premises

means the Premises on the assumption that:

- (a) the Landlord has completed the Premises at its own cost to the specification and standard described in the section of the Specification entitled "Category A Specification" and in compliance with every applicable Act;
- (b) the Tenant has removed all fitting out works carried out by the Tenant or any permitted occupier and made good all damage so caused by such removal so that the Premises are at the relevant Review Date in the same specification as in (a) above and in compliance with statutory requirements;
- (c) if the Premises or the means of access thereto have been destroyed or damaged they have been completely rebuilt or reinstated and fully restored

Open Market Rent

means the yearly rent which would reasonably be expected to become payable in respect of the Completed Premises after the expiry of a rent free period of such length as would be negotiated in the open market between a willing lessor and a willing lessee for the time required for fitting out the Completed Premises on the assumption that such rent free period has expired prior to the relevant Review Date upon a letting of the Completed Premises as a whole by a willing lessor to a willing lessee in the open market at the relevant Review Date for a term of 10 years commencing on the relevant Review Date in every case with rent reviews on each fifth anniversary of term commencement and with vacant possession without a fine or premium and for the use or uses permitted under this Lease but otherwise upon the terms of this Lease (other than (i) the length of the Contractual Term and (ii) the amount of the rent hereby reserved (but including the provisions for review of the Principal Rent)) and where at the relevant Review Date the Tenant has in fact the benefit of the Reception Side Letter and the Western Terrace Side Letter, the hypothetical tenant of this Lease shall be assumed also to have the benefit of the Reception Side Letter and the Western Terrace Side Letter, such benefit to be assumed to be shared on the same basis the benefit is in fact shared with other occupiers by the Tenant on the relevant Review Date, assuming whether or not it be the case:

- (a) that all the Landlord's and Tenant's covenants and obligations in this Lease have been fully complied with (provided that in the case of the Landlord the Landlord is at the relevant Review Date using all reasonable endeavours to remedy any subsisting breach which the Tenant notified the Landlord in writing as subsisting a reasonable period before the relevant Review Date); and
- (b) that the Completed Premises are available and suitable for immediate occupation and use for fitting out as offices;

but disregarding:

- (c) any goodwill attached to the Premises by reason of the carrying on thereat by the Tenant or by any person deriving title or any right to occupy through or under the Tenant of any business;
- (d) any effect on rent of any alteration or improvement to the Premises made by the Tenant or any person deriving title or any right to occupy through or under the Tenant or their respective predecessors in title before or after the grant of this Lease other than an alteration or improvement carried out to the Completed Premises pursuant to an obligation to the Landlord which shall include any alteration or improvement carried out as a consequence of a statutory obligation;
- (e) any effect on rent of the fact that the Tenant or any person deriving title or any right to occupy through or under the Tenant or their respective predecessors in title may have been in occupation of the Premises or other premises in the Building or on the *Estate*, but so that it will be assumed that such other premises in the Building are fully let at the relevant Review Date;
- (f) any effect on rent of any works to or alterations to the Premises carried out by the Tenant or any person deriving title or any right to occupy through or under the Tenant or their respective predecessors in title which reduce their rental value; and
- (g) the provisions of clause 8

Reception Side Letter means the side letter granting Mimecast Services Limited exclusive use of a reception desk or reception point in the Building on the terms set out therein, the form of which is attached at Appendix E to this Lease

Surveyor means an independent chartered surveyor agreed upon by the Landlord and the Tenant (both acting reasonably) or in default of agreement appointed by the President in accordance with paragraph 3 of this Schedule

Western Terrace Side Letter means the side letter granting Mimecast Services Limited exclusive use of the Western Roof Terrace on the terms set out therein, the form of which is attached at Appendix F to this Lease

agree or agreed means agree or agreed in writing between the Landlord and the Tenant.

- 2 From each Review Date the Principal Rent shall be such as may at any time be agreed between the Landlord and the Tenant as the Principal Rent payable from that Review Date or (in default of such agreement) whichever is the greater of:
- (a) the Open Market Rent; and
 - (b) the Principal Rent contractually payable immediately before that Review Date (ignoring any rent abatement under clause 5.3).
- 3 If by a date three months before the relevant Review Date the rent payable from that Review Date has not been agreed the Landlord and the Tenant may agree upon a person to act as the Surveyor who shall determine the Open Market Rent but in default of such agreement then either the Landlord or the Tenant may at any time make application to the President to appoint a surveyor to determine the Open Market Rent and every application shall request that the Surveyor to be appointed shall if practicable be a specialist experienced in the letting or rental valuation of office premises in the area in which the Premises are situate.

- 4 Unless the Landlord and the Tenant otherwise agree the Surveyor shall act as an arbitrator in accordance with the Arbitration Act 1996.
- 5 If the Surveyor whether appointed as arbitrator or expert refuses to act or is or becomes incapable of acting or dies the Landlord or the Tenant may apply to the President for the further appointment of a surveyor.
- 6 If the Surveyor is appointed as an expert he shall be required to give notice to the Landlord and the Tenant inviting each of them to submit to him within such time as he shall stipulate a proposal for the Open Market Rent supported (if so desired by either of the parties) by any or all of:
- (a) a statement of reasons:
 - (b) a professional rental valuation or report; and
 - (c) submissions in respect of each others' statement of reasons,
- but notwithstanding the foregoing the Surveyor shall determine the Open Market Rent in accordance with his own judgement but shall issue the determination with a statement of reasons.
- 7 If by a Review Date the Principal Rent payable from the Review Date has not been ascertained pursuant to this Third Schedule the Tenant shall continue to pay the Principal Rent at the rate payable hereunder immediately before that Review Date and on the quarter day next after such ascertainment the Tenant shall pay to the Landlord the difference between the Principal Rent paid and the Principal Rent so ascertained for the period from the Review Date and ending on the said quarter day together with interest on such difference for such period at the Prescribed Rate (calculated by reference to such difference or the relevant parts thereof from the date or the respective dates on which the same would have become due had the Principal Rent payable from the relevant Review Date been ascertained by such Review Date).
- 8 If at any Review Date there is by virtue of any Act a restriction which operates to restrict the Landlord's right to review the Principal Rent or if at any time there is by virtue of any Act a restriction which operates to restrict the right of the Landlord to recover an increase in the Principal Rent otherwise payable then upon the ending removal or modification of such restriction the Landlord may at any time within three months thereafter give to the Tenant not less than one month's notice requiring an alternative rent review upon the succeeding quarter day which quarter day shall for the purposes of this Schedule be a Review Date.
- 9 A memorandum of the Principal Rent ascertained from time to time in accordance with this Schedule shall be endorsed on this Lease and the counterpart thereof by way of evidence only and signed by or on behalf of the Tenant and the Landlord respectively.
- 10 In this Schedule time shall not be of the essence in agreeing or determining the Open Market Rent nor appointing the Surveyor.

FOURTH SCHEDULE

Matters to which the demise is subject

The entries on the registers of title number NGL770398 dated 6 October 2017 and timed at 12:10:07.

FIFTH SCHEDULE
The Service Charge

1 In this Schedule:

Accounting Period	means 1 April in each year to (and including) 31 March in the following year or such other period being a whole year as shall be notified by the Landlord to the Tenant in writing
Base Figure	means the figure being the amount of the all items index figure of the RPI published for the month falling three months preceding the commencement of the Accounting Period in the year of grant of this Lease
Base Service Charge Cap	means the sum of [<i>calculate £12 p.s.f.</i>] pounds (£[]) (exclusive of VAT)
Building Services Cost	means all proper expenditure incurred by or on behalf of the Landlord on the provision of the Building Services for an Accounting Period and on all related costs specified in Part 1 of the Sixth Schedule, excluding any Outside Normal Business Hours Charge
Capped Element	means 3 proportion of the Building Service Cost for that Accounting Period which the Landlord reasonably determines is fairly and reasonably attributable to the Premises (from which, for the purposes of this definition only, Utility Costs, Energy Levy and Services specifically requested by the Tenant shall be excluded)
Capped Period	means the term of this Lease
Estate Services Cost	means all proper expenditure incurred by or on behalf of the Landlord on the provision of the Estate Services for an Accounting Period and on all related costs specified in Part 2 of the Sixth Schedule, excluding any Outside Normal Business Hours Charge
Incidental Services	means the reasonable costs and expenses reasonably and properly incurred by the Landlord or with the Landlord's authority in connection with the Services as set out in Part III of the Sixth Schedule
Incidental Service Costs	means all proper expenditure incurred by or on behalf of the Landlord on the provision of Incidental Services
Index Figure	means the figure being the amount of the all items index figure of the RPI published for the month falling three months prior to the expiry of the Accounting Period in respect of which the calculation is being made
Interim Sum	means a yearly sum assessed by the Landlord or the Landlord's Surveyor (acting reasonably) on account of the Service Charge for each Accounting Period being a fair and reasonable estimate of the Service Charge payable by the Tenant in respect of that Accounting Period

RPI	means the Retail Prices Index (all items) published monthly in the United Kingdom by the Office for National Statistics or any official publication substituted for it
Service Charge	<p>means for any Accounting Period:</p> <ul style="list-style-type: none"> (a) the Capped Element (b) a fair and reasonable proportion of the Estate Service Cost for that Accounting Period which the Landlord reasonably determines is fairly and reasonably attributable to the Premises (c) a fair and reasonable proportion of the Utility Costs for that Accounting Period as reasonably determined by the Landlord (d) a proportion of the Incidental Service Cost for that Accounting Period which the Landlord reasonably determines is fairly and reasonably attributable to the Premises (e) (to the extent the Tenant does not pay it directly to the relevant supplier) the total cost of all utilities separately metered and exclusively supplied to the Premises <p>PROVIDED ALWAYS THAT all interest earned on all Interim Sums and any other service charge monies held by the Landlord whether in anticipation of future expenditure or otherwise shall be credited against Service Costs</p>
Service Charge Cap	<p>means the following amounts (exclusive of VAT):</p> <ul style="list-style-type: none"> (a) in relation to the first Service Period, or proportionately for the relevant part of the first Accounting Period, the Base Service Charge Cap; (b) in relation to the second and all subsequent Accounting Periods the higher of: <ul style="list-style-type: none"> i. the Service Charge Cap for the preceding Accounting Period; and ii. an amount calculated in accordance with the following formula: <p style="margin-left: 40px;">SRC x $\frac{\text{Index Figure}}{\text{Base Figure}}$</p> <p>where SRC is the amount of the Service Charge Cap for the preceding Service Period; and</p>
Service Charge Certificate	means a certificate showing the Service Cost and Service Charge for each Accounting Period served pursuant to paragraph 8 of this Schedule
Service Charge Code	The RICS Service Charges in Commercial Property - a Code of Practice -- 3 rd Edition - which is effective from 4 February 2014 but not as updated or replaced from time to time thereafter

Service Cost means the total sum calculated in accordance with paragraph 2 of this Schedule.

Utility Costs means together the cost of the supply of electricity and gas:
(a) for the provision of the Services; and
(b) to the whole or any part of the Common Facilities.

- 2 The Service Cost shall be the total of the aggregate of the reasonable and proper costs reasonably and properly incurred by the Landlord in any Accounting Period in carrying out or procuring the carrying out of the Services and providing each item of the Services including (without prejudice to the generality of the foregoing) the Incidental Services but excluding for the avoidance of doubt any costs attributable to the provision of any of the Services outside Normal Business Hours at the specific request of the Tenant or any other tenant or tenants of the Building.
- 3 The Capped Element of the Service Charge shall not exceed the Service Charge Cap for the Capped Period.
- 4 If at any time and from time to time the method or basis of calculating or ascertaining the cost of any item of the Services shall alter or the basis of calculating or ascertaining the Service Charge in relation to any item of the Services shall change and in the reasonable opinion of the Landlord or the Landlord's Surveyor such alteration or change shall require alteration or variation of the calculation of the Service Charge in order to achieve a fairer and better apportionment of the Service Cost amongst the tenants of the Building then and in each and every such case the Landlord shall have the right to vary and amend the Service Charge and to make appropriate adjustments thereto.
- 5 The Tenant shall pay to the Landlord the Interim Sum without deduction by equal quarterly instalments in advance on the usual quarter days.
- 6 Before the commencement of every Accounting Period the Landlord shall serve or cause to be served on the Tenant written notice of the Interim Sum for the relevant Accounting Period Provided that without prejudice to the provisions of paragraphs 11 and 12 of this Schedule if the written notice aforesaid shall be served after the first occurring quarter day in the relevant Accounting Period the Tenant shall until service of the written notice aforesaid make payments on account of the Interim Sum for the relevant Accounting Period on the days and in the manner provided by paragraph 5 of this Schedule at an annual rate equal to the Interim Sum for the immediately preceding Accounting Period.
- 7 In the event that the Landlord shall not have served written notice of the interim Sum for any Accounting Period before any quarterly instalments of the Interim Sum becomes due the Tenant shall within 21 days of the service of such notice pay to the Landlord an amount equal to the difference between instalments of the Interim Sum due on the date of service of such notice and the amount paid by the Tenant on account of the interim Sum pursuant to paragraph 6 of this Schedule.
- 8 As soon as practicable after the expiry of every Accounting Period (are in any event no later than the expiry of three months after the expiry of the relevant Accounting Period) the Landlord shall serve or cause to be served a Service Charge Certificate on the Tenant for the relevant Accounting Period.
- 9 A Service Charge Certificate shall contain a detailed summary of the Service Cost in respect of the Accounting Period to which it relates together with the relevant calculations showing the Service Charge which shall be binding upon the Landlord and the Tenant (save in the case of manifest error).

- 10 The Tenant may request the Landlord to provide or at the Landlord's option make available for inspection further details of the breakdown of the expenditure under a Service Charge Certificate or any particular item or items shown in a Service Charge Certificate by giving notice thereof in writing to the Landlord within three months of the date of service on the Tenant of the relevant Service Charge Certificate and upon receipt of such a notice the Landlord shall furnish to the Tenant or at the Landlord's option make available for inspection and afford to the Tenant all reasonable facilities to enable the Tenant to make copies of full details of such expenditure and other service charge information and documentation as may be reasonably required as soon as reasonably practicable and in any event within 28 days of each and every request PROVIDED ALWAYS that notwithstanding the giving of any such notice the Tenant shall nevertheless pay all Interim Sums and Service Charges as and when they fall due or as may be underpaid from time to time.
- 11 Within 21 days after the service on the Tenant of a Service Charge Certificate showing that the Service Charge for any Accounting Period exceeds the Interim Sum for that Accounting Period the Tenant shall pay to the Landlord or as it shall direct a sum equal to the amount by which the Service Charge exceeds the Interim Sum provided that and the Tenant hereby acknowledges that if there shall be any such excess in respect of the Accounting Period the amount of such excess shall be a debt due from the Tenant to the Landlord notwithstanding that the Contractual Term may have expired or been determined before the service by or on behalf of the Landlord of the relevant Service Charge Certificate.
- 12 If in any Accounting Period the Service Charge is less than the Interim Sum for that Accounting Period a sum equal to the amount by which the Interim Sum exceeds the Service Charge shall be accumulated by the Landlord and shall be applied in or towards the Service Charge for the next following Accounting Period and following the last year of this Lease howsoever determined any excess shall be repaid to the Tenant within 28 days of the date of service on the Tenant of the Service Charge Certificate for such Accounting Period.
- 13 The Landlord and Tenant agree that should the Termination of the Tenancy occur during any Accounting Period then the Tenant's liability in respect of the Service Charge shall be apportioned on a daily basis up to the date of Termination of the Tenancy but that the Tenant shall have no liability in respect of the Service Charge for any period after the Termination of the Tenancy but this paragraph shall be without prejudice to any balancing payments to be made pursuant to paragraphs 11 or 12 of this Schedule.
- 14 The Landlord will in the provision and management of the Services have due and proper regard to and shall use reasonable endeavours to comply with the Service Charge Code.
- 15 The Landlord shall not be entitled to require any payment from the Tenant towards the establishment or maintenance of any sinking or reserve fund in respect of the Service Cost.
- 16 CHANGES TO THE RPI**
- 16.1 In the event of any change after the date of this Lease in the reference base used to compile the RPI the all items index figure taken to be shown in the RPI after the change shall (where possible) be the all items index figure which would have been shown in the RPI if the reference base current at the date of this lease had been retained.
- 16.2 If the Landlord reasonably believes that any change referred to in paragraph 16.1 above would fundamentally alter the calculation of the Service Charge Cap or in the event of it becoming impossible or impracticable, by reason of any change after the date of this lease in the methods used to compile the RPI or for any other reason whatsoever, to calculate the Service Charge Cap there shall be substituted such other provisions for calculating the Service Charge Cap as shall be agreed between the Landlord and the Tenant or, in default of agreement, as may be determined pursuant to paragraph 17 below.

17 DISPUTES

17.1 If any dispute or question arises between the Landlord and the Tenant as to the calculation of the Service Charge Cap or as to the interpretation, application or effect of any of the provisions of paragraph 16 then the matter in question may (without prejudicing the parties' ability to agree it at any time) be referred for determination by an independent person (the "Expert") who is to be appointed (in default of agreement) on the application of either party by the President for the time being of either (taking into account the nature of the matter in dispute) the Royal Institution of Chartered Surveyors or the Institute of Actuaries and in respect of any Expert appointed to act under this paragraph 17:

17.2 he shall:

- (a) act as an expert and not as an arbitrator;
- (b) allow the Landlord and the Tenant to make written representations and cross-representations concerning the Service Charge Cap (or other matter in dispute) within such time limits as he may prescribe;
- (c) seek appropriate professional advice on any relevant matter beyond his professional expertise; and
- (d) make a reasoned determination which shall be final and binding between the parties unless it contains a manifest error;

17.3 he shall have full power to determine the dispute or matter in question including (without limitation) substituting an alternative index for the RPI that most closely resembles it (but having regard to paragraph 16;

17.4 his fees and the cost of his nomination shall be paid as he may determine or, otherwise, equally by the Landlord and the Tenant; and

17.5 if he refuses to act, or is or becomes incapable of acting or dies, the Landlord or the Tenant may apply for the appointment of another Expert.

SIXTH SCHEDULE

Part I

Building Services

- 1 The maintenance, repair, decoration and inspection and when reasonably necessary (where in the reasonable opinion of the Landlord the item is beyond economic repair) the renewal of the Building and each and every part thereof (including the glass in the outside walls of the Building in any atria in the Building and in the Common Facilities) excepting;
 - (a) the Premises; and
 - (b) other premises within the Building as are from time to time let or intended to be let.
- 2 The operation, maintenance, repair, inspection and cleansing and when reasonably necessary (where in the reasonable opinion of the Landlord the item is beyond economic repair) the renewal of any roof terrace and the Common Facilities including (without prejudice to the generality of the foregoing) the lifts and escalators within and forming part of the Building, the Service Conduits and Appliances, water treatment systems, sanitary apparatus, pneumatics, vehicle turntables, electrically/mechanically operated barrier gates, computer monitoring system, closed circuit television, surveillance system, control security system and indicator installation, refuse compactors and all other mechanical and electrical systems and all plant, machinery and equipment associated therewith (except Landlord's Services Equipment) within the Building.
- 3 The:
 - (a) operation, maintenance, repair, inspection and cleansing and when reasonably necessary (where in the reasonable opinion of the Landlord the item is beyond economic repair) the renewal and replacement of the Standby Generators and the Landlord's Services Equipment (excluding such parts as are within the Premises or any other parts of the Building let or intended to be let by the Landlord and respectively serve the Premises or such other parts of the Building let or intended to be let by the Landlord exclusively) and provision of heating, cooling and ventilation to all parts of the Building;
 - (b) external cleaning of the Building; and
 - (c) external and internal cleaning of the Common Facilities,

in all such cases as often as in the Landlord's reasonable opinion may be requisite and such maintenance shall include the preparation, cleaning, decoration, repointing, painting, graining, varnishing, papering, polishing and other treatment or replacement of finishes (walls, floors and ceilings) with good quality materials of their several kinds and in a suitable manner for maintenance in good condition as may be appropriate for the particular external or internal finishes.
- 4 The provision (but not the initial capital cost of the provision of equipment) and maintenance of security services (including (without prejudice to the generality of the foregoing) 24 hour security guards in respect of the Common Facilities and electronic surveillance systems as the Landlord shall reasonably deem necessary).
- 5 The lighting (including the maintenance, repair and for the purposes of repair the proper replacement of the lighting equipment and fittings) of any atria in the Building and the Common Facilities.
- 6 The disposal of refuse from the Building including the collection and compaction thereof and the provision of receptacles and plant and equipment in connection therewith.

- 7 The cleaning of the outside of all exterior windows of the Building and all atria glazing (other than such as is the responsibility of any tenant of the Building) and glazing in the Common Facilities as often as may be requisite and the maintenance cleansing, repair, inspection and (where in the reasonable opinion of the Landlord the item is beyond economic repair), renewal of all window cleaning cradles, carriages and runways.
- 8 The provision (but not the initial capital cost of providing the same), cultivation, maintenance and replacement of plants and other decorative landscaping on the exterior of the Building in the Common Facilities and in any atria in the Building.
- 9 The continuous provision of hot water (in compliance with statutory requirements as to minimum temperatures) and cold water to each level of the Building.
- 10 The provision of a caretaker, engineers, building technicians, receptionist and such other staff as the Landlord may deem reasonably and properly necessary for the good management and security of the Building in accordance with principles of good estate management with on-site security and reception services for the Building to be provided on a 24/7 basis.
- 11 The reasonable cost of making good any damage occasioned to the Premises or any other premises in the Building let to tenants of the Building as an unavoidable result of carrying out any of the Services.
- 12 The expenses reasonably and properly incurred by the Landlord in respect of any repairing, rebuilding and re-cleansing any party walls, fences, sewers, drains, channels, sanitary apparatus, pipes, wires, passageways, stairways, entrance ways, roads, pavements and other things the use of which is or is capable of being common to the Building and any other property.
- 13 The installation and (where appropriate) replacement or updating of separate sub-metering of utilities used in the Common Facilities and the Premises.
- 14 The provision of all such other services and facilities for the benefit of the Building and the tenants and occupiers of the Building generally as the Landlord shall from time to time reasonably consider to be necessary or expedient in accordance with good principles of estate management prevailing from time to time.

Part II
Estate Services

- 1 The provision of security services, personnel, plant and equipment (including security gates and barriers) and traffic control systems for the purpose of monitoring, supervising and controlling the Estate and persons present on the Estate (whether with or without vehicles).
- 2 The maintenance, repair, renewal, replacement, resurfacing, cleansing and keeping open and free from obstructions and detritus all accessways, areas, surfaces and paving (including roadways, footways, ramps, turntables, car parking areas and loading bays) laid out on the Estate from time to time and available for passage, access and parking.
- 3 The taking of all appropriate steps to clean and maintain on a regular basis the Estate.
- 4 The provision and operation of means of collection, storage, compaction and disposal of refuse and rubbish (including litter and pest control) arising or occurring on the Estate.
- 5 The provision of suitable landscaping and planting and to keep such parts of the Estate as are laid out with landscaping and planting from time to time in good order and condition and properly tended, maintained, cultivated and planted including where appropriate or necessary replanting.

- 6 The maintenance and keeping in good repair and working condition efficient fire and smoke detection, fire preventative and firefighting equipment for the Estate (including sprinklers, hydrants, hoses, fire extinguishers, fire alarms, fire escapes and fire escape routes and general means of escape) all in compliance with statutory requirements the requirements of the Chief Fire Officer and any other competent statutory or other authorities underwriters and insurers.
- 7 The effecting, maintaining and renewing of:
- (a) such insurance on such terms and in such amount as shall be reasonably determined by the Landlord against any liabilities which the Landlord or any of the owners of other buildings on the Estate may incur to third parties on account of the condition of the Estate or any part thereof; and
 - (b) such other insurance in connection with the Estate as the Landlord may reasonably determine.
- 8 The provision of any water, fuel, oil, gas, electricity and other energy supplies as may be required for use in running or operating any of the Services to the Estate except such as are for the exclusive use of a particular tenant or tenants including (if the Landlord reasonably considers it necessary or appropriate) standby power generators and plant.
- 9 The inspection and maintenance of the Estate.
- 10 The lighting to an adequate and sufficient standard throughout such periods of the day and night as may be requisite all parts of the Estate to which access is available in fact or by right and the heating, cooling and ventilation as necessary of the underground parts of the Estate.
- 11 As often as may be necessary the erection, placing, renewal and replacement in suitable locations on the Estate such direction signs, notices, artwork, sculptures, seats/benches, public toilets and other fixtures, fittings and chattels as are in the interests of good estate management appropriate for the enjoyment or better enjoyment of those parts of the Estate to which the public have access in common with the owners of the buildings on the Estate or persons authorised by them provided that no addition will be made which would result in a material adverse change to the nature or quality of the Estate.
- 12 The maintenance, repair and renewal of such special highway finishes on land immediately adjacent to the Estate or any part thereof as exist at the date hereof until such time as such land and finishes are dedicated to the relevant highway authority and the highway authority assumes responsibility for the maintenance of the same.
- 13 The installation, cleaning maintenance, repair, insurance, reinstatement and renewal of any canopies that may exist from time to time over any part of the Estate.
- 14 The provision of other services and benefits which the Landlord properly considers to be in the interest of good estate management generally for the Estate as a whole including without prejudice to the generality of the foregoing holding private functions and entertainments and/or events for general or public benefit.
- 15 Making (and as appropriate from time to time replacing) and enforcing reasonable regulations for the management operation and control of the Estate as a whole and entering into agreements deeds or other arrangements with tenants or users of the Estate or any part or parts thereof and adjoining or neighbouring owners for the purpose of performing any of the Services.

Any reference in Part II of this Schedule to renewal includes renewal, in accordance with the principles of good estate management, of the relevant part of the Estate which is beyond its natural life or deemed by the Landlord (acting reasonably) to be of insufficient quality to maintain standards in keeping with the remainder of the Estate, even though such item is not malfunctioning or in a state of disrepair.

Part III

Incidental costs and expenses to be included in the Service Cost

- 1 The proper cost of fuel, oil, gas and electricity or other energy supplies or power sources from time to time used in running or operating any of the Services.
- 2 All existing and future rates, taxes, assessments, charges and outgoings of whatsoever nature payable in respect of the Building or any part thereof (including general and water rates and in respect of the Common Facilities and Communal Areas) other than:
 - (a) rates and other outgoings payable in respect of:
 - (i) the Premises; and/or
 - (ii) other premises within the Building as are from time to time let or intended to be let but not then let;
 - (b) any tax payable or assessed as a result of any dealing with (including any actual or deemed disposal of) any reversion immediately or mediately expectant on this Lease; and/or
 - (c) any tax payable or assessed in respect of the Rents or other payments reserved or payable hereunder; and/or
 - (d) any future property ownership tax or assessment in respect of any reversionary interest in the Premises; and/or
 - (e) any tax payable or assessed on the Landlord in respect of or arising out of or relating to the grant of this Lease.
- 3 All reasonable and proper costs, fees, expenses and other outgoings incurred in connection with:
 - (a) the employment or engagement of such independent contractors, agents, consultants, professional advisers or other personnel as are reasonably necessary in connection with the provision or carrying out of the Services;
 - (b) the salaries, wages, pensions and pension contributions and other emoluments and statutory employer's contributions or levies of all persons properly employed in connection with the provision or carrying out of the Services;
 - (c) the provision of any necessary uniforms, protective or specialist clothing, tools, appliances, plant, equipment and materials as may be necessary or desirable for use in connection with the provision or carrying out of the Services.
- 4 The reasonable and proper fees and disbursements of managing agents engaged by the Landlord in connection with the provision or carrying out of the Services which shall be in line with market rates for a central London office building,
- 5 All reasonable fees and costs properly incurred in respect of keeping full and proper records and accounts of the Services and Service Cost and the preparation of all necessary accounts statements and certificates in relation to the recovery of the Service Cost from tenants of the Building.
- 6 Reasonable bank charges and interest on overdrawings for discharging items of Service Cost and the collection of the Service Charges after giving credit for any interest earned thereon in respect of the same Accounting Period.

- 7 Rent rates and all other outgoings in respect of accommodation properly incurred for use or occupation by the Landlord its agents, servants, employees, workmen or other persons employed directly in connection with the provisions and carrying out of the Services PROVIDED THAT:
- (a) where such accommodation is within the Building or on other premises owned by the Landlord and no rent is paid to the Landlord the Landlord shall be entitled to include in the Service Cost an amount equal to market rent of such accommodation as properly and reasonably determined annually by the Landlord's Surveyor; and
 - (b) where such accommodation is not used exclusively for the provision and carrying out of the Services a fair and reasonable proportion of such rent or deemed rent shall be allocated to the Service Cost.
- 8 All proper and reasonable legal and other professional fees and disbursements properly incurred by the Landlord in connection with the enforcement of any contract or agreement entered into by or on behalf of the Landlord with any third party in connection with the provision or carrying out of the Services.
- 9 The reasonable and proper cost of any maintenance or service agreements or insurance contracts in respect of any of the plant, equipment, services or facilities used in connection with the Services.
- 10 The supply of requisites to the lavatories comprised in the Common Facilities and such other facilities in the Common Facilities.
- 11 The reasonable and proper cost of taking steps to comply with or making representations concerning the requirements of any statutes, by-laws and other regulations affecting the Building.
- 12 The payment of all VAT properly payable on any item of expenditure in connection with the provision or carrying out of the Services to the extent that it is not otherwise recoverable by the Landlord.
- 13 The cost of making up any amount properly deducted by the insurers pursuant to any excess provisions contained in any insurance policy of the Building.
- 14 Any other proper and reasonable expense properly incurred by the Landlord or its managing agents or other provider of the Services attributable to the provision supervision and management of the Services or the improvement from time to time of the standard thereof as shall be reasonably considered advisable or necessary not otherwise specifically mentioned in the Schedule.
- 15 A fair and reasonable proportion of the Energy Levy which, is attributable on a fair and reasonable basis to the Common Facilities which proportion shall be based on a comparison of the energy supplied to the Common Facilities with the energy supplied to the Building

PROVIDED ALWAYS that:

- (a) where in this Schedule there are references to matters or things which are then stated to include certain particular matters or things which are not also stated to be without prejudice to the generality of the wording preceding it nevertheless the reference to the particular matters or things shall be deemed to be and in each case shall be without prejudice to the generality of the wording preceding it;
- (b) the Landlord may temporarily withdraw any item of service matter or thing specified in this Schedule if such withdrawal is in the interest of good estate management provided that the use and enjoyment of the Premises is not thereby impaired in any material respect;

- (c) the Landlord shall have the right (provided that the occupation and use of the Premises is not materially adversely affected) to cease or to procure the cessation of the provision of or add to or procure the addition to any item of Services matter or thing specified in this Schedule if the Landlord in its reasonable discretion shall deem it desirable or expedient to do so but in reaching such decision the Landlord is to have regard to the principles of good estate management and the interests of the tenants in the Building;
- (d) any parts of the Building occupied by the Landlord for any purpose otherwise than in connection with or incidental to the provision of the Services shall be deemed to be premises "let or intended to be let" for one purposes of this Schedule;
- (e) the Landlord shall credit to the Service Cost any cost or expense to the extent to which the Landlord is paid or reimbursed by any person in connection with the maintenance and repair of the Building including but not necessarily limited to the cost of any item for which the Landlord is paid or reimbursed by insurance proceeds warranties service contracts or otherwise;
- (f) the Service Cost and the Service Charge shall not include:
 - (i) costs and expenses attributable to any part or parts of the Building or the Estate let or intended to be let to any other tenant or occupier (other than management accommodation which for the avoidance of doubt shall not include marketing suites temporarily located in parts of the Building or the Estate intended to be let) which are not so let or occupied nor the costs in respect of collection of rents and Service Charge or arrears and Service Charge or review of principal yearly rents in respect of such parts of the Building and such costs and expenses shall be borne and be payable by the Landlord;
 - (ii) any costs and expenses attributable in any way whatsoever to the initial construction of the Building (including landscaping and the Foundations and Services) and Services) and the Estate, the Base Building Definition and the initial installation of the Landlord's Services Equipment and the Services Conduits and Appliances;
 - (iii) any fees, costs and commissions of whatsoever nature incurred in procuring or attempting to procure other tenants for the Building;
 - (iv) the costs of remedying any disrepair, damage or destruction caused by any of the Insured Risks or by an Uninsured Risk to the Building or the Estate;
 - (v) any costs in connection with enforcing covenants in any other lease of any part of the Building on the Estate;
 - (vi) any sums payable by the Landlord in relation to any of its charges or indebtedness or financing;
 - (vii) the costs of commissions and charges in respect of collecting of principal rents, service charges and electricity cost and Outside Normal Business Hours charge and of reviewing rents payable by other tenants of the Building;
 - (viii) costs of CIL and any costs associated with CIL;
 - (ix) costs associated with Historic Contamination;
 - (x) costs attributed to the Developer's Works (as defined in the Agreement for Lease);
 - (xi) costs which would otherwise form part of the Service Costs but which are directly recoverable in full from any third party occupier in the Estate;
 - (xii) costs incurred in connection with applications to assign, sublet or alter in respect of any lease or other occupational document relating to the Building other than in relation to the Premises;
 - (xiii) costs in respect of any voids or vacant area in the Building which are available to let and/or intended for letting;

- (xiv) future redevelopment costs;
- (xv) costs associated with any breach of the Landlord of its obligations to repair and maintain the Estate and the Building in accordance with its obligations in this Lease; and
- (xvi) any amounts recovered from a third party contractor or professional employed by the Landlord or its predecessors in title in relation to the construction, modification or improvement of the Building on the Estate (less reasonable and proper costs incurred by the Landlord in making such recovery);

SEVENTH SCHEDULE

Surety's Covenant

- 1 The Surety hereby covenants with the Landlord as a primary obligation that:
- (a) the Tenant will pay the rents reserved by this Lease on the days and in manner aforesaid and will duly perform and observe all the Tenant's covenants contained in this Lease and that in case of default the Surety will pay and make good to the Landlord on demand all loss, damages, costs and expenses thereby arising or incurred by the Landlord;
 - (b) the Surety will (to the extent properly required by the Landlord in accordance with the terms of this Lease) enter into any further lease granted by the Landlord to the Tenant whether pursuant to the Landlord and Tenant Act 1994 or otherwise to guarantee the obligations of the Tenant under such lease such guarantee to be in terms identical (mutatis mutandis) to the terms of this guarantee or in such other terms as may be required by the Landlord;
 - (c) in the event that a liquidator or trustee in bankruptcy shall disclaim this Lease the Surety shall if the Landlord so requires by notice in writing given to the Surety within three months after such event take a new lease of the Premises for the residue of the term unexpired at the date of such event and at the rents then payable and subject to the terms of this Lease in every respect and to execute and deliver to the Landlord a counterpart thereof and to pay to the Landlord the reasonable costs thereof;
 - (d) in the event that the Landlord shall not require the Surety to take up a lease in accordance with the provisions of paragraph 1(b) hereof following the disclaimer of this Lease then the Surety shall pay to the Landlord a capital sum in the amount of the Rents that would have otherwise have been payable under this Lease for the period of 6 months from the date of such disclaimer;
 - (e) for the purposes of paragraph (b):
 - (i) the new lease shall:
 - (A) be completed within 4 weeks after the date when the Landlord notifies the requirement to the Surety; and
 - (B) take effect from the date of forfeiture, subject to any third party rights of vesting and possession; and
 - (ii) the contractual term of the new lease shall expire when the Contractual Term would have expired but for the disclaimer.
- 2 PROVIDED ALWAYS THAT IT IS HEREBY AGREED THAT:
- 2.1 The Surety shall not be released or discharged in any way from its obligations under this Lease by:
- (a) any neglect or forbearance of the Landlord in endeavouring to obtain payment of the Rents when the same become payable or to enforce performance or observance of the Tenant's covenants herein and any time which may be given by the Landlord to the Tenant;
 - (b) any variation of the terms of this Lease with the Surety's consent;
 - (c) the transfer of the Landlord's reversionary interest immediately expectant on the determination of this Lease;
 - (d) any refusal by the Landlord to accept rent tendered by or on behalf of the Tenant at a time when the Landlord was entitled to re-enter the Premises;
 - (e) any legal limitation and/or incapacity of the Tenant and/or any change in the constitution or powers of the Tenant the Surety or the Landlord;

- (f) any liquidation, administration or bankruptcy of the Tenant or the Surety; or
 - (g) any other act, omission, matter or thing whatsoever whereby but for this provision the Surety would be released (other than a release of the Surety by Deed entered into by the Landlord).
- 2.2 The Surety shall not be entitled to participate in or be subrogated to any security held by the Landlord in respect of the Tenant's obligations or otherwise to stand in the place of the Landlord in respect of any such security.
- 2.3 The Surety hereby waives any right to require the Landlord to pursue against the Tenant any rights which may be available to the Landlord before proceeding against the Surety.
- 2.4 The Surety abandons and waives any right it may have at any time under the law whether existing or future (whether by virtue of the droit de discussion or division or otherwise) to require that:
- (a) the Landlord, before enforcing this Lease or any right, interest or obligation under this Lease, takes any action, exercises any recourse or seeks a declaration of bankruptcy against the Tenant or any other person, makes any claim in a bankruptcy, liquidation, administration or insolvency of the Tenant or any other person or enforces or seeks to enforce any other right, claim, remedy or recourse against the Tenant or any other person;
 - (b) the Landlord, in order to preserve any of its rights against the Surety joins the Surety as a party to any proceedings against the Tenant or any other person or the Tenant or any other person as a party to any proceedings against the Surety or takes any other procedural steps or observes any other formalities; or
 - (c) the Landlord divides or apportions the liability of the Surety under this Lease with any other person or such liability is reduced in any manner.

EIGHTH SCHEDULE

Form of authorised guarantee agreement
AUTHORISED GUARANTEE AGREEMENT

DATE: _____

PARTIES

- (1) [] whose registered office is at/of [] [(Co. Regn. No.)] (the "**Landlord**"); and] [(Co. Regn. No.)] (the "**Existing Tenant**"); and
(2) [] whose registered office is at/of []1 [(Co. Regn. No.).] (the "**Existing Tenant**"); and
(3) [[] whose registered office is at/of []2 [(Co. Regn. No.)] (the "**Existing Tenant's Guarantor**")]

BACKGROUND

- (A) This agreement is supplemental and collateral to the Lease.
(B) The Landlord is entitled to the immediate reversion to the Lease.
(C) The residue of the term granted by the Lease is vested in the Existing Tenant.
(D) The Existing Tenant intends to assign the Lease and in accordance with the provisions of the Lease has agreed to enter into an authorised guarantee agreement with the Landlord.
(E) [Under the Lease the Tenant's obligations are guaranteed by the Existing Tenant's Guarantor.]

IT IS AGREED AS FOLLOWS:

1 DEFINITIONS AND INTERPRETATION

In this agreement:

1.1 the following expressions have the respective specified meanings:

"Assignee" the person or persons defined as assignee in the Licence to Assign;

"Assignment" means the assignment authorised by the Licence to Assign, which for the purposes of this agreement, occurs on the date of the transfer of the Lease to the Assignee whether or not the transfer requires to be completed by registration at HM Land Registry;

"Lease" a lease of [] floor of 1 Finsbury Avenue, London EC2 dated [date] and made between (1) B.L.C.T. (PHC 15A) Limited, (2) Mimecast Services Limited and (3) Mimecast Limited, and includes all documents collateral to it including this agreement;

"Licence to Assign" a licence to assign the Lease dated the date hereof and made between [parties];

"Tenant's obligations" has the same meaning as is given by the 1995 Act to the expression "tenant covenants" and applies in relation to the tenancy created by the Lease; and

"1995 Act" means the Landlord and Tenant (Covenants) Act 1995;

1 If a foreign company, include an address for service in the UK and specify that it is such an address.
2 If a foreign company, include an address for service in the UK and specify that it is such an address.

- 1.2 where a party comprises more than one person, that party's obligations take effect jointly and severally; and
- 1.3 references to any clause are to the corresponding clause in this agreement and the headings do not affect the construction or interpretation of this agreement.

2 AUTHORISED GUARANTEE AGREEMENT

This authorised guarantee agreement is entered into by the Existing Tenant in consideration of the Landlord's entering into the Licence to Assign and, accordingly, the Existing Tenant as a principal obligor agrees with the Landlord that:

2.1 Guarantee

The Existing Tenant's obligations will be complied with by the Assignee and, to the extent they are not, the Existing Tenant will comply with them and will indemnify the Landlord against any loss it suffers as a result of any non-compliance, without deduction or set-off.

2.2 Preservation of the guarantee

The Existing Tenant's obligations under this clause are not affected by:

- 2.2.1 any delay or other Indulgence, compromise or neglect in enforcing the Tenant's obligations or any refusal by the Landlord to accept tendered rent;
- 2.2.2 any partial surrender of the Lease (and the Existing Tenant's liability shall continue but only in respect of the continuing Tenant's obligations);
- 2.2.3 without prejudice to clause 2.4, any disclaimer of the Assignee's liability under the Lease;
- 2.2.4 any legal limitation, immunity, incapacity, insolvency or the winding-up of the Assignee (or, if the Assignee is more than one person, of any such person) or by the Assignee (or any such person) otherwise ceasing to exist;
- 2.2.5 any act or omission in connection with any right or remedy against the Assignee or with any other security which the Landlord holds at any time for the Tenant's obligations or in connection with re-letting the Premises;
- 2.2.6 any other act or omission which, but for this provision, would have released the Existing Tenant from liability,

or any combination of any such matters and, subject as provided in section 18 of the 1995 Act, the Existing Tenants obligations are not released by, but shall be construed so as to require compliance with, the terms of any consent or approval by the Landlord or of any variation or waiver of any of the Tenant's obligations and the Existing Tenant shall, if the Landlord requests, join in any such consent, approval, variation or waiver in order to acknowledge and confirm that requirement.

2.3 Subrogation rights, etc.

The Existing Tenant:

- 2.3.1 may not participate in, or exercise any right of subrogation in respect of, any security which the Landlord holds at any time for the Tenant's obligations;
- 2.3.2 will unconditionally waive any right of contribution by the Assignee towards the Existing Tenant's liability under this clause, to the extent the waiver is requisite for preserving that liability;
- 2.3.3 acknowledges that the Existing Tenant's obligations under this clause are and shall remain additional to and separate from any other security which the Landlord holds at any time for the Tenant's obligations and shall be complied with irrespective of any such other security;

2.3.4 shall not:

- (A) claim in competition with the Landlord in any proceedings or any type of arrangement in connection with the Assignee's insolvency; or
 - (B) exercise any other right or remedy against the Assignee whether insolvent or not, in respect of any performance of the Existing Tenant's obligations under this clause unless and until all of those obligations are fully performed (and, if, notwithstanding, the Existing Tenant does receive any money pursuant to any such claim, right or remedy, it shall hold the money on trust for the Landlord until those obligations are fully performed); and
- 2.3.5 warrants that it has not taken and agrees that it will not take any security over the Assignee's assets for any liability owed to the Existing Tenant (and, if, notwithstanding, the Existing Tenant does receive any such security, it shall hold the security on trust for the Landlord until the Existing Tenant's obligations under this clause are fully performed).

2.4 Disclaimer, etc.

2.4.1 If the Assignee's liability under the Lease is disclaimed, the Landlord may require the Existing Tenant to accept (and, if so, the Existing Tenant will accept) a new lease of the Premises on and giving effect to the same terms, and containing the same agreements, as the Lease except this clause (and, where any such term applies as at a particular date or period, as at the same date or period), and as the terms had effect immediately before the disclaimer such that the obligations of the new lease are no more onerous than the Tenant's obligations, subject as provided in clause 2.4.2.

2.4.2 For the purposes of clause 2.4.1:

- (A) the Landlord's requirement must be notified to the Existing Tenant within six months after the date of the Landlord's receipt of notice of the disclaimer;
- (B) the new lease shall:
 - (1) be granted in all respects at the Existing Tenant's cost;
 - (2) be completed within four weeks after the date when the Landlord notifies the requirement to the Existing Tenant; and
 - (3) take effect from the date of disclaimer, subject to any third party rights of vesting and possession; and
- (C) the contractual term of the new lease shall expire when the Term would have expired but for the disclaimer.

2.4.3 In the event that the Landlord shall not require the Existing Tenant to take up a new lease of the Premises following the disclaimer of the Lease then the Tenant will continue to pay to the Landlord the rents reserved by the Lease for a period of six months from the date of disclaimer or until the date the Premises are re-let, whichever first occurs.

3. [AGA GUARANTEE]

In consideration of the Landlord entering into the Licence to Assign, the Existing Tenant's Guarantor as a principal obligor agrees with the Landlord, with effect from the Assignment, that:

3.1 Guarantee

Until the date when the Existing Tenant is released by the 1995 Act from the guarantee and supplementary provisions in clause 2 (referred to in this clause as the "Authorised Guarantee Agreement") the Existing Tenant will comply with the Authorised Guarantee Agreement and, to the extent the Existing Tenant does not, the Existing Tenant's Guarantor will comply with them and will indemnify the Landlord against any loss it suffers as a result of any non-compliance, without deduction or set-off.

3.2 Preservation of the guarantee

The Existing Tenant's Guarantor's obligations under this clause are not affected by:

- 3.2.1 any delay or other indulgence, compromise or neglect in enforcing the Authorised Guarantee Agreement;
- 3.2.2 any partial surrender of the Lease (and the Existing Tenant's Guarantor's liability shall continue but only in respect of the continuing Authorised Guarantee Agreement);
- 3.2.3 without prejudice to clause 3.4, any disclaimer of the Authorised Guarantee Agreement;
- 3.2.4 any legal limitation, immunity, incapacity, insolvency or the winding-up of the Existing Tenant (or, if the Existing Tenant is more than one person, of any such person) or by the Existing Tenant (or any such person) otherwise ceasing to exist;
- 3.2.5 any act or omission in connection with any right or remedy against the Existing Tenant or with any security which the Landlord holds at any time for the Tenant's obligations or in connection with re-letting the Premises;
- 3.2.6 any other act or omission which, but for this provision, would have released the Existing Tenant's Guarantor from liability,

or any combination of any such matters and, subject as provided in section 18 of the 1995 Act, the Existing Tenant's Guarantor's obligations in connection with the Authorised Guarantee Agreement are not released by, but shall be construed so as to require compliance (through the Authorised Guarantee Agreement) with, the terms of any consent or approval by the Landlord or of any variation or waiver of any of the Tenant's obligations and the Existing Tenant's Guarantor shall, if the Landlord requests, join in any such consent, approval, variation or waiver in order to acknowledge and confirm that requirement.

3.3 Subrogation rights, etc.

The Existing Tenant's Guarantor:

- 3.3.1 may not participate in, or exercise any right of subrogation in respect of any security which the Landlord holds at any time for the Tenant's obligations;
- 3.3.2 will unconditionally waive any right of contribution by the Existing Tenant towards the Existing Tenant's Guarantor's liability under this clause, to the extent the waiver is requisite for preserving that liability;
- 3.3.3 acknowledges that the Existing Tenant's Guarantor's obligations under this clause are and shall remain additional to and separate from any other security which the Landlord holds at any time for the Tenant's obligations and shall be complied with irrespective of any such other security;
- 3.3.4 shall not:
 - (A) claim in competition with the Landlord in any proceedings or any type of arrangement in connection with the insolvency of any person who owes the Landlord liability for the Tenant's obligations; or
 - (B) exercise any other right or remedy against any such person whether insolvent or not,in respect of any performance of the Existing Tenant's Guarantor's obligations under this clause unless and until all of those obligations are fully performed (and, if, notwithstanding, the Existing Tenant's Guarantor does receive any money pursuant to any such claim, right or remedy, it shall hold the money on trust for the Landlord until those obligations are fully performed); and

3.3.5 warrants that it has not taken and agrees that it will not take any security over the Existing Tenant's assets for any liability owed to the Existing Tenant's Guarantor (and, if, notwithstanding, the Existing Tenant's Guarantor does receive any such security, it shall hold the security on trust for the Landlord until the Existing Tenant's Guarantor's obligations under this clause are fully performed).

3.4 Disclaimer, etc.

3.4.1 If a new lease is to be granted to the Existing Tenant pursuant to clause 2.4, the Existing Tenant's Guarantor shall be a party to it in order to guarantee compliance with the Existing Tenant's obligations under it and to accept a further lease following any disclaimer or forfeiture by or against the Existing Tenant as tenant of the new lease.

3.4.2 The Existing Tenant's Guarantor's obligations in clause 3.4.1 shall be on the same terms, subject to any necessary differences of fact, as applied to the obligations which the Existing Tenant's Guarantor had under the Lease before the Assignment.

3.4.3 If the Existing Tenant fails to comply with clause 2.4.1, the Existing Tenant's Guarantor will do so by taking the new lease in its own name.

4. TRANSMISSION OF GUARANTEES

The benefit of every guarantee provided for in this agreement shall;

4.1 be annexed and incident to the whole, and to each and every part, of the immediate reversion to the Lease; and

4.2 pass on an assignment of the whole or any part of that reversion.

5. SEVERANCE

If any provision of this agreement is void or prohibited under any statutory enactment due to any applicable law, it shall be deemed to be deleted and the remaining provisions of this agreement shall continue in force.

6. GOVERNING LAW AND JURISDICTION

6.1 This agreement and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law and within the exclusive jurisdiction of the English courts, to which the parties irrevocably submit.

6.2 Each party irrevocably agrees that any claim form or other document to be served under the Civil Procedure Rules may be served on it by being delivered to or left at its address in the United Kingdom as stated in this document or as otherwise notified to [each] [the] other party and each party undertakes to notify the others in advance of any change from time to time of such address for service and to maintain an appropriate address at all times.

7. EXCLUSION OF THIRD PARTY RIGHTS

The parties confirm that no term of this agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to it.

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

.EXECUTED as a **DEED** by **[INSERT NAME OF COMPANY]** acting by two directors / a director and its company secretary

(Signature of director)

(Signature of director / secretary)

EXECUTED as a **DEED** by **[INSERT NAME OF COMPANY]** acting by a director in the presence of:

(Signature of director)

(Name of witness)

(Address of witness)

(Signature of witness)

Signed as a deed on behalf of **BLCT (PHC 15A)**
LIMITED, a company incorporated in Jersey,
by _____, being a
person who, in accordance with the laws of that
territory, is acting under the authority of the company

Signature(s): _____

Authorised Signatory

EXECUTED as a **DEED** by **MIMECAST**
SERVICES LIMITED acting by two
directors /a director and its
company secretary

(Signature of director)

(Signature of director / secretary)

Signed as a deed on behalf of **MIMECAST**
LIMITED, a company incorporated in Jersey,
by _____, being a
person who, in accordance with the laws of that
territory, is acting under the authority of the company

Signature(s): _____

Authorised Signatory

Appendices Intentionally Omitted

ANNEXURE E: FOURTH FLOOR LEASE IN AGREED FORM

This is Annexure E to the agreement for lease dated 2 January 2018 in respect of the 3rd, 4th and 5th floors of 1 Finsbury Avenue, London EC2 as made between (1) B.L.C.T. (PHC 15A) Limited (2) Bluebutton Developer Company (2012) Limited (3) Bluebutton Properties UK Limited (4) Mimecast Services Limited and (5) Mimecast Limited

Signed on behalf of:

B.L.C.T. (PHC 15A) Limited [Illegible]

Bluebutton Developer Company (2012) Limited [Illegible]

Bluebutton Properties UK Limited [Illegible]

Mimecast Services Limited /s/ Peter Bauer

Mimecast Limited /s/ Peter Bauer

.....201*

B.L.C.T. (PRC 15A) LIMITED
and
MIMECAST SERVICES LIMITED
and
MIMECAST LIMITED

1 FINSBURY AVENUE, LONDON EC2
LEASE OF 4th FLOOR

Herbert Smith Freehills LLP

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Appendices:

Appendix A: Plans

Appendix B: Base Building Definition

Appendix C: Occupier Fit-Out Guide

Appendix D: Specification

Appendix E: Reception Side Letter

Appendix F: Western Terrace Side Letter

[Appendix G: Agreement to Surrender in agreed form]¹

¹ Drafting note: Only to be included if this is the highest floor lease being taken by the tenant at the time of grant (i.e. the tenant has exercised its option to contract over the whole of level 5).

LAND REGISTRY PARTICULARS

LR1.	Date of Lease	
LR2.	Title number(s):	
LR2.1	Landlord's title number(s)	NGL770398
LR2.2	Other title numbers	
LR3.	Parties to this Lease	Landlord
		B.L.C.T. (PHC 15A) LIMITED (company registration number 76075 (Jersey)) whose registered office is at 47 Esplanade, St Helier, Jersey JE1 0BD c/o York House, 45 Seymour Street, London W1H 7LX (the " Landlord ")
		Tenant
		MIMECAST SERVICES LIMITED (company registration number 04901524) whose registered office is at 6 th Floor, CityPoint, One Ropemaker Street, London EC2Y 9AW (the " Tenant ")
		Other parties
		MIMECAST LIMITED (company registration number 119119 (Jersey)) whose registered office is at 22 Grenville Street, St Helier, Jersey JE4 8PX c/o 6th Floor, CityPoint, One Ropemaker Street, London EC2Y 9AW (the " Surety ").
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 defined as "Premises" in Part 1 of the Particulars to this Lease.
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.
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 as specified in Part 1 of the Particulars to this Lease
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	The right set out in clause 9 of this Lease.
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	The covenants set out in clauses 4.13 and 4.14 of this Lease.
LR11.	Easements:	
LR11.1	Easements granted by this Lease for the benefit of the Property	The easements set out in Part I of the Second Schedule to this Lease.
LR11.2	Easements granted or reserved by this Lease over the Property for the benefit of other property	The easements set out in Part II of the Second Schedule to this Lease.
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	None.

PARTICULARS

PART 1

"Premises"	The fourth floor of the Building being the premises described in the First Schedule together with all alterations, additions and improvements thereto other than Tenant's or trade fixtures and fittings
"Term Commencement Date"	means [<i>the date determined by the Agreement for Lease</i>]
"Contractual Term"	Fifteen years from and including the Term Commencement Date
"Principal Rent"	£[<i>to be determined in accordance with the Agreement for Lease</i>] per annum (subject to review in accordance with the provisions of the Third Schedule)
"Rent Commencement Date"	[<i>the date determined pursuant to the terms of the Agreement for Lease</i>]
"Review Dates"	20[] and every fifth anniversary of that date during the Contractual Term and any date stipulated under paragraph 8 of the Third Schedule
"Permitted Use"	High class offices and for ancillary purposes within paragraph (a) of Class B1 of the Town and Country Planning (Use Classes) Order 1987 (here meaning the 1987 Order and not any subsequent modification or re-enactment thereof notwithstanding the provisions of clause 1.3)

PART 2

Term Expiry Date	[<i>insert date of expiry of 15 years from TCD</i>]
Landlord's option to break	None
Tenant's options to break	[<i>insert date of 10th anniversary of TCD</i>]
Landlord and Tenant Act 1954	Not excluded
Interest on late payments	2% above base rate
Interest on shortfall of rent review	0% above base rate

UNDERLEASE (referred to throughout as "**this Lease**")

DATED

201[]

BETWEEN

- (1) **B.L.C.T. (PHC 15A) LIMITED** (the "**Landlord**")
- (2) **MIMECAST SERVICES LIMITED** (the "**Tenant**")
- (3) **MIMECAST LIMITED** (the "**Surety**")

WITNESSETH as follows:

1 INTERPRETATION

In this Lease:

1.1 The following expressions shall have the following meanings:

Act	means any Act of Parliament now or hereafter to be passed and includes any instrument, order or regulation or other subordinate legislation deriving validity from any Act of Parliament
Agreement for Lease	means the agreement for lease dated [] made between (1) Bluebutton Developer Company (2012) Limited (2) the Landlord (3) Bluebutton Properties UK Limited (4) the Tenant and (5) the Surety
approved and authorised	mean approved or authorised in writing by the Landlord
Associated Entity	means independent contractors employed by the Tenant in connection with the services the contractors are providing to the Tenant in relation to the Premises and other bodies, professional advisers and entities and which facilitate the operation of the Tenant's business at the Premises
Base Building Definition	means the base building definition applying to the Building attached at Appendix B
Building	means the land and buildings known as 1 Finsbury Avenue, London EC2 shown edged red on Plan 1 and includes (without limitation) the Foundations and Services
Building Services	means the services and amenities to be provided by the Landlord for the benefit of the Building (or some part or parts thereof) (but being for the benefit of the tenants of the Building as a whole) as are set out in Part I of the Sixth Schedule and such other services and amenities as are consistent with the management of a high class office building which the Landlord may from time to time reasonably require should be provided or carried out for the benefit of the tenants of the Building as a whole
CIL	means community infrastructure levy under the Planning Acts and any charge, levy, tax or imposition substituted for it and including related interest, penalties, surcharges, liabilities and costs of compliance

Common Facilities	means each and every part or parts of the Building (other than Landlord's Services Equipment) which are from time to time provided by the Landlord (acting reasonably) for common or general use by or for the benefit of the Tenant and other tenants, licensees and occupiers of the Building, their employees, agents, servants, licensees and customers and all others authorised by the Landlord including (but without limiting the generality of the foregoing) entrance lobbies, lift lobbies, goods lifts, loading bays, lifts, escalators, staircases, corridors, passageways, accessways, communal plant rooms and lavatories, showers and locker rooms and water closet accommodation
company	means a body corporate wheresoever incorporated
consent of the Landlord	means a consent in writing signed by the Landlord
Design Standards	means the level of services (including electricity supply) which the Landlord's Services Equipment are designed to supply to the Premises (brief details of which are set out in the Specification) and as the same may be increased from time to time with, if the increase is to increase a cost to the Tenant, the consent of the Tenant (such consent not to be unreasonably withheld or delayed)
Electricity Cost	means the actual cost of the provision of electricity to the Premises for consumption by the Tenant in accordance with the Landlord's covenant contained at clause 4.6 being the measured proportion as reasonably determined by the Landlord of the actual or total cost of the provision of electricity to the areas of the Building let or intended to be let from time to time which proportion shall be based upon readings taken in such manner and at such times as the Landlord shall from time to time determine (acting reasonably) of the check meters relating to the Premises and other parts of the Building from time to time installed and where estimated shall be subject to annual reconciliation
Energy Costs	means any taxes, levies, charges (except for sums payable to utilities suppliers) or assessments (whether parliamentary, parochial, local or of any other description) properly and reasonably paid by the Landlord or by a Group Company of the Landlord and/or any credits, allowances or permits properly and reasonably purchased by the Landlord or by a Group Company of the Landlord in each case relating to the consumption of energy or emission of greenhouse gases by or from or supply of energy to the properties of the Landlord and/or any Group Company of the Landlord from time to time and including but without limitation all proper and reasonable costs and payments properly and reasonably incurred pursuant to or in connection with the Scheme

Energy Levy

means a fair and reasonable proportion of the Energy Costs that are directly incurred under the Scheme in respect of any Scheme Year wholly in connection with or in relation to the supply of energy to the Building or any part of the Building and such proportion of the Energy Costs shall be made on the following assumptions:

- (a) the Landlord is a participant in the Scheme; and
- (b) the Landlord is supplied with energy only at the Building and makes no carbon emissions other than those made from the Building and consumes no energy other than within the Building

(and such proportion shall be based upon a comparison of the supply of energy to the Building with the total energy supplied to all the buildings included in the Energy Costs provided that it is agreed by the Landlord that the Energy Levy shall not include any costs incurred in the administration and coordination of compliance with the Scheme by the Landlord or any Group Company of the Landlord within the Scheme nor any fees or expenses of legal advisers, surveyors or other professional advisers engaged by the Landlord or any Group Company of the Landlord in connection with the Scheme)

Energy Levy Rent

means a fair and reasonable proportion of the Energy Levy which is attributable on a fair and reasonable basis to the Premises which proportion shall be based:

- (a) (in the case of energy supplies the use or consumption of which at the Premises is not separately metered) a fair and reasonable proportion of the energy supplied to the Building; and
- (b) (in the case of energy supplies the use or consumption of which at the Premises is separately metered) on the energy supplied to the Premises as evidenced by the meters or other measuring devices serving the Premises

Energy Performance Certificate

means an energy performance certificate and recommendation report as defined in the Energy Performance of Buildings (England and Wales) Regulations 2012

Estate

means the Broadgate Estate from time to time, as shown at the date of this Lease edged red on Plan 2

Estate Common Parts

means each and every open part or parts of the Estate (other than any building or structure) which are from time to time provided by the Landlord or its Group Companies (acting reasonably) for common or general use by or for the benefit of the Tenant and other tenants, licensees and occupiers of the Estate, their employees, agents, servants, licensees and customers and all others authorised by the Landlord or its Group Companies

Estate Services	means the services and amenities to be provided by the Landlord for the benefit of the Estate (or some part or parts thereof as are set out in Part II of the Sixth Schedule) and such other services and amenities as are consistent with the management of a high class estate which the Landlord may in its discretion from time to time reasonably decide should be provided or carried out for the benefit of the tenants and occupiers of the Estate or some part or parts thereof (and which in all cases benefit the tenants and occupiers of the Estate as a whole)
Fire Safety Order	means the Regulatory Reform (Fire Safety) Order 2005
Foundations and Services	means: <ul style="list-style-type: none"> (a) the foundations, piles, footings, columns, beams and other load bearing structures (including transfer structures as necessary) steelwork, bracings, access and inspection pits, escalator pits, lift pits and other structures and fire proofing; and (b) the drains, sewers, pipes, wires, ducts, cables and other conduits; and (c) the meter rooms; and (c) The meter rooms; and (d) the steps serving the Building as exist from time to time
Fourth Floor Terraces	means the external terraces shown edged green on Plan 3
Group Company	a company is a Group Company of another company if it is from time to time the holding company of that company or a subsidiary company of that company or any company whose holding company is the holding company of that company where the expressions "holding company" and "subsidiary" have the meanings given in Section 1159 and Schedule 6 of the Companies Act 2006
Head Lease	means the lease dated 17 February 1999 and made between (1) B.L.C.T (17810) Limited and (2) Broadgate (PHC 15a) Limited
Historic Contamination	means the presence under the Building and/or the Estate of any natural or artificial substances or materials (whether solid, liquid, gas or otherwise and whether alone or in combination with any substance or material) capable of causing harm to human health and/or the environment, including, for the avoidance of doubt, radiation, heat, vibration, waste, carbon dioxide and/or any other greenhouse gases which were caused or were present prior to the date of this Lease

Insured Risks

means loss or damage, whether total or partial, caused by the following risks to the extent that insurance cover is available for the same in the London insurance market at reasonable cost namely fire, storm, earthquake, tempest, flood, lightning, explosion, aircraft and other aerial devices or articles dropped therefrom, riot or civil commotion, malicious damage, impact, bursting and overflowing of pipes or water tanks, acts of terrorism, subsidence, groundslip and heave, breakdown and sudden and unforeseen damage to engineering plant and equipment and such other risks (in respect of which cover is available as aforesaid) as the Landlord (acting as a prudent Landlord) shall from time to time reasonably and properly determine having regard to the interests of the tenants of the Building

Landlord

includes where the context so admits the estate owner for the time being of the reversion immediately expectant on the Termination of the Tenancy

Landlord's Services Equipment

means all the plant, machinery and equipment (with associated Service Conduits and Appliances) within or serving the Building from time to time comprising or used in connection with the following systems (to the extent specified in the following paragraphs of this definition):

- (a) the whole of the sprinkler system within the Building (including sprinkler heads);
- (b) the whole of the fire detection and fire alarm systems;
- (c) the whole of the permanent firefighting systems (but excluding portable fire extinguishers installed by the Tenant or other tenants of the Building);
- (d) the whole of the chilled water system;
- (e) the whole of the perimeter heating system and underfloor heating system at the base of any atria (if any);
- (f) the whole of the building management system installed by the Landlord;
- (g) the central electrical supply system from the mains supply to the Building so far as (and including) the electrical riser busbars connecting to the distribution boards at each level in the Building which is let or intended to be let by the Landlord;
- (h) the air handling system limited at each level which is let or intended to be let by the Landlord to the air handling units at each such level and the electricity supply and control systems for the same and the air ducts leading from such air handling units in each case up to the point where such ducts enter the office accommodation

Landlord's Surveyor	means the surveyor for the time being of the Landlord being a MRICS or FRICS member (or equivalent from time to time) of the Royal Institution of Chartered Surveyors
Level	means the floors of the building so identified on the Plans
Normal Business Hours	means 7 am to 7 pm Monday to Fridays (including Bank Holidays) or such longer hours as the Landlord may in its reasonable discretion determine from time to time and notify in writing with reasonable advance notice to the Tenant
notice	means notice in writing
Managed Spectrum	means any licensed or unlicensed radio spectrum which can be utilised for the purposes of providing Wireless Data Services or analogous services
Net Internal Area	means the net internal area of the Premises calculated in accordance with the RICS Code of Measuring Practice, 6th edition (2007)
Occupier Fit Out Guide	means the tenant guide headed "1 Finsbury Avenue — Office Occupier's Fit-out Guide — Broadgate Estates Limited" attached at Appendix C together with such reasonable amendments or updates as may be made from time to time by the Landlord
Option	means an option to tax the Building by the Landlord pursuant to Schedule 10 VATA
Outside Normal Business Hours Charge	means (where such Services are provided for the benefit of the Tenant alone) the whole of the cost of carrying out or providing any of the Services at the request of the Tenant outside Normal Business Hours (including (without prejudice to the generality of the foregoing) costs and expenses in the nature of those set out in Part III of the Sixth Schedule) or in the event of any of the Services being carried out or provided outside Normal Business Hours to the Tenant and any other tenant or tenants of the Building a fair and reasonable proportion thereof as determined by the Landlord (acting reasonably)
Particulars	means the particulars set out at the beginning of this Lease and so titled
Plan	means the plans annexed hereto and numbered accordingly
Planning Acts	means the Act or Acts for the time being in force relating to town and country planning
Prescribed Rate	means either the base rate of National Westminster Bank PLC or if no such base rate can be ascertained then the rate at the relevant time which such Bank shall utilise for equivalent purposes or if such alternative rate cannot be ascertained then such other rate as the Landlord shall reasonably select as being equivalent thereto

President	means the President for the time being of the Royal Institution of Chartered Surveyors or his duly appointed deputy
Principal Rent	means the rent first reserved in clause 2
Prohibited Uses	means any of the following uses: <ul style="list-style-type: none"> (a) turf accountant or betting office; (b) staff or employment agency; (c) amusement arcade; (d) sex shop; (e) sauna or massage parlour (professional physiotherapy or sports massage therapy uses will be permitted); (f) pet shop; (g) launderette or dry cleaners (save where premises to be let are let for the purpose of collection for dry cleaning off the premises); (h) any Government Agency or Department at which the general public are permitted to call without appointment; (i) night club; or (j) traditional high street charity shop
Reinstatement Certificate	means the certificate property issued by or on behalf of the Landlord certifying that the works to be undertaken by the Landlord in accordance with clause 4.4 have been practically completed
Renewal Lease	means the lease of the Premises to be granted pursuant and on the terms set out in clause 9
Rents	means all the rents reserved in clause 2
Retail Units	means those lettable parts of the ground and basement floors of the Building
Roof Terrace	means the roof terrace at Level 8 on the eastern side of the Building shown coloured pink and marked "East Terrace" on Plan 4
Scheme	means the mandatory UK cap and trade scheme known as the Carbon Reduction Commitment Energy Efficiency Scheme or the CRC Energy Efficiency Scheme as implemented under the Climate Change Act 2008 and the CRC Energy Efficiency Scheme Order 2010 the CRC Energy Efficiency Scheme Order 2013 (and any modification, amendment, re-enactment or replacement from time to time) and any other similar scheme amending or replacing it (and any other trading scheme relating to greenhouse gas emissions introduced pursuant to Section 44 of the Climate Change Act 2008)
Scheme Year	means 1 April to 31 March in each year or such other annual period designated under the Scheme

Service Conduits and Appliances	means gas, water, drainage, electricity, telephone, telex, signal and telecommunications, heating, cooling, ventilation and other pipes, drains, sewers, mains, cables, wires, supply lines and ducts and other channels through which the same pass and all ancillary appliances apparatus and services
Services	means the Building Services and the Estate Services
Specification	means the specification relating to the Premises and office common parts annexed hereto at Appendix D
Spectrum Management Policy	means any policy issued by the Landlord from time to time for effectively managing the utilisation of the Managed Spectrum in relation to the Building provided that any such policy is not materially adverse to the operation of the Tenant's business from the Premises
Stadium Seating	has the meaning given to it in clause 3.68
Standby Generators	means the standby generators and associated switch gear cabling and controls in the Building for the use of the Premises in case of emergency
Tenant	includes where the context admits the successors in title and permitted assigns of the Tenant
Termination of the Tenancy	means the determination of this Lease whether by effluxion of time, re-entry, notice, surrender (whether by operation of law or otherwise) or by any other means whatsoever
underlease	includes an agreement for underlease other than one which is conditional on obtaining the Landlord's consent
Uninsured Risk	means a risk which would be an Insured Risk but for the fact that insurance is not available (or is available but only at rates which are not commercially acceptable and which the Landlord is not prepared to accept) in the London insurance market at the date of destruction or damage save to the extent that such Insured Risk is not fully insured or is subject to limitation, excess or exclusion due to any breach, non-observance or non-performance of any of the Tenant's covenants contained in this Lease
VAT	means value added tax as defined in VATA and any future tax of a like nature
VATA	means the Value Added Tax Act 1994 as amended from time to time or any re-enactment thereof
VAT Group	means two or more bodies corporate registered as a group for the purposes of Section 43 of VATA
VAT Regulations	means the Value Added Tax Regulations 1995 (SI 1995/2518) as amended from time to time or any re-enactment thereof
Western Roof Terrace	means the roof terrace at Level 8 on the western side of the Building shown coloured green and marked "West Terrace (Dedicated)" on Plan 5

Wireless Data Services

means the provision of wireless data, voice or video connectivity or wireless services either permitting or offering access to the internet or any wireless network mobile network or which involves a wireless or mobile device.

- 1.2 Where the context requires:
- (a) words importing the singular include the plural and vice versa;
 - (b) words importing the masculine include the feminine and neuter;
 - (c) where a party consists of more than one person, covenants and obligations of that party shall take effect as joint and several covenants and obligations.
- 1.3 Except where the context otherwise requires references to any Act include references to any statutory modification or re-enactment thereof for the time being in force and any order, instrument, regulation or bye-law made or issued thereunder.
- 1.4 The clause headings shall not in any way affect the construction of this Lease.
- 1.5 References to a clause or Schedule shall mean a clause or Schedule of this Lease.
- 1.6 The powers, rights, matters and discretions reserved to or exercisable by the Landlord hereunder shall also be reserved to or exercisable by their (or any superior landlord's) properly authorised servants, managers, agents, appointees or workmen (the identity of which have been notified to the Tenant in advance where exercise of such rights or reservations requires access to the Premises) but in all cases subject to the same obligations as the Landlord under this Lease.
- 1.7 Wherever in this Lease the consent or approval of the Landlord is required the relevant provision shall be construed as also requiring the consent or approval of any superior landlord where the same shall be required pursuant to the Head Lease which the Landlord shall use all reasonable endeavours to obtain as expeditiously as possible and the Tenant shall bear the cost of obtaining such consents together with all surveyors' professional or other fees and disbursements in connection therewith unless such consent is unreasonably withheld or delayed in circumstances where it is unlawful to do so.
- 1.8 Any covenant on the part of either party not to do any act or thing includes a covenant not to suffer or permit the doing of that act or thing.
- 1.9 If any provision of this Lease or its application to any person or circumstance or for any period is held to be invalid or unenforceable by any judicial or other competent authority, all other provisions of this Lease and the application of that provision to other persons or circumstances or for other periods shall remain in full force and effect and shall not in any way be impaired. If any provision of this Lease is held to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, or the period of the obligation reduced in time, or the range of activities or area covered reduced in scope, the provision in question will apply with the minimum modifications necessary to make it valid and enforceable.

2 DEMISE HABENDUM AND REDDENDUM

The Landlord demises with full title guarantee the Premises to the Tenant TOGETHER WITH the rights set out in Part I of the Second Schedule but EXCEPTING AND RESERVING to the Landlord and all others authorised by the Landlord the rights set out in Part II of the Second Schedule TO HOLD the same for the Contractual Term (determinable as herein provided) SUBJECT to (and so far as applicable with the benefit of) the exceptions and reservations, rights, covenants, conditions, agreements or other matters contained or referred to in the Head Lease and the deeds and documents referred to in the Fourth Schedule so far as the same relate to or affect the Premises reserving as rent:

FIRST:

- (a) in respect of the period from the Term Commencement Date to and including the day before the Rent Commencement Date a rent of one peppercorn on demand;
- (b) in respect of the period from and including the Rent Commencement Date until and including [*insert day before first Review Date*] 20[] the yearly rent of [*to be calculated pursuant to the Agreement for Lease*] Pounds (£[]);
- (c) thereafter the yearly rent determined in accordance with the provisions of the Third Schedule,

such rent to be paid by four equal quarterly payments in advance on the usual quarter days the first payment to be made on the Rent Commencement Date in respect of the period commencing on the Rent Commencement Date and expiring on but including the day immediately preceding the next following quarter day; and

SECONDLY a yearly rent equal to a fair and reasonable proportion to be determined by the Landlord (acting reasonably) of the sum or sums paid by the Landlord in performance of the Landlord's covenant for insurance in clause 4.2 (and including the costs properly incurred by the Landlord in connection with the revaluations of the Building for insurance purposes not more than once in every three years and annual desk top updatings of such valuations) such yearly rent to be paid within 21 days of written demand; and

THIRDLY a yearly rent equal to whichever shall be the greater of the Service Charge or the Interim Sum (each as defined in the Fifth Schedule such yearly rent to be paid at the times and in the manner provided in the Fifth Schedule and the first instalment of the Interim Sum shall become due on the date hereof and shall relate to the period commencing on [*date of issue of Certificate of Sectional Completion of Section One*] and ending on and including [*insert date that is day before quarter day after date of this Lease*]; and

FOURTHLY by way of additional rent to be paid within 21 days of receipt of written demand an amount equal to interest calculated on a daily basis at an annual rate equivalent to two percentage points above the Prescribed Rate on any instalment (or part thereof) of the Rents or any other sum of money of whatsoever nature due from the Tenant to the Landlord under the provisions of this Lease not received by the Landlord on the due date for payment and all such interest to be in addition and without prejudice to the right of re-entry or to any other remedy herein contained or by-law vested in the Landlord; and

FIFTHLY by way of additional rent any VAT payable pursuant to clauses 3.87 to 3.91.

3 TENANT'S COVENANTS

The Tenant covenants with the Landlord:

Rent

- 3.1 To pay the Rents at the times and in manner aforesaid without any deduction or set-off (whether legal or equitable) save as may be required by-law.

Outgoings

- 3.2 To pay or reimburse the Landlord for (or in the absence of direct assessment on the Premises to pay to the Landlord or reimburse the Landlord against a fair and reasonable proportion to be determined by the Landlord's Surveyor acting properly and reasonably of) all existing and future rates, duties, taxes, assessments, impositions, charges and other outgoings whatsoever (whether parliamentary, parochial, local or of any other description and whether or not of a capital or non-recurring nature or of a wholly novel character) which are now or at any time during the Term charged, levied, assessed, imposed upon, payable in respect of or attributable to the Premises or in respect of any part thereof or upon or by any owner, landlord, tenant or occupier of them or any Group Company of an owner, landlord, tenant or occupier thereof other than:
- (a) any tax payable or assessed as a result of any dealing with (including any actual or deemed disposal of) any reversion immediately or mediately expectant on this Lease; or
 - (b) any tax payable or assessed in respect of the Rents or other payments reserved or payable hereunder (save for VAT); or
 - (c) any future property ownership tax payable or assessment in respect of any reversionary interest in the Premises (except to the extent specifically herein provided to be paid by the Tenant); or
 - (d) any tax payable or assessed on the Landlord in respect of or arising out of or relating to the grant of this Lease.
- 3.3 Not to agree any valuation of the Premises for rating purposes or agree any alteration in the rating list in respect thereof without notifying the Landlord of the Tenant's intention to do so and giving the Landlord a reasonable opportunity to make reasonable representations and having regard to such reasonable representations in relation to such valuation.
- 3.4 Upon making any proposal to alter the rating list so far as the list relates to the Premises or lodging an appeal in respect thereof to supply to the Landlord promptly copies of all relevant correspondence and documentation.
- 3.5 Without prejudice to clause 3.3 within 14 days of receipt to provide the Landlord with a copy of any notice of an alteration or proposed alteration in the rating list that will or may affect the Premises.
- Water, gas and electricity charges and equipment/Outside Normal Business Hours Charges/Electricity Cost*
- 3.6 To the extent that the same are not included in the Service Charge (as defined in the Fifth Schedule), the Outside Normal Business Hours Charges or the Electricity Cost to pay to the suppliers thereof all charges for water and electricity (including meter rents) consumed in the Premises (or in the absence of direct assessment on the Premises to pay the Landlord a fair and reasonable proportion thereof to be determined by the Landlord's Surveyor acting reasonably).
- 3.7 To comply with the requirements and regulations of the respective supply authorities with regard to the water and electrical installations and equipment in the Premises.
- 3.8 To pay the Outside Normal Business Hours Charges monthly in arrears within 21 days of receipt of written demand.
- 3.9 To pay the Electricity Cost either annually or by no more than four instalments on the usual quarter days) subject to receipt of a written demand in respect of the Electricity Cost at least 14 days prior to the relevant payment day.
- Repair*
- 3.10 At all times to keep the Premises in good and substantial repair and condition and maintained cleansed and amended in every respect (fair wear and tear excepted) and as often as may be necessary to reinstate, renew (for the purposes of repair) or replace (for the purposes of repair) the Premises and each and every part thereof (damage by any of the Insured Risks and the

Uninsured Risk excepted save in the case of an Insured Risk to the extent that the policy or policies of insurance shall have been vitiated or payment of any of the policy monies withheld or refused in whole or in part by reason of any act, neglect or default of the Tenant or any sub-tenant or their respective servants, agents, licensees or invitees).

- 3.11 In the event that the Building and/or the Premises shall be destroyed or damaged and this Lease shall not have been determined under clause 5.6 the Tenant shall, if so reasonably required by the Landlord, join with the Landlord (at the Landlord's cost) in making application for planning or other permission necessary for rebuilding or reinstating the Premises including (without limitation) entering into any agreement necessary to obtain the same (but without taking on any liability on any such planning or other permission save for a consent to the creation of the planning agreement) and in pursuing any claim against the insurers of the Building and/or the Premises provided that the Landlord reimburses the Tenant in respect of any liabilities or costs reasonably and properly incurred in relation to any such claim.

Decoration and maintenance

- 3.12 As often as may be reasonably necessary to clean the internal surfaces of the windows and other glazing in or forming part of the Premises including the internal surfaces of any glazing between the Premises and any atria.

Yield up

- 3.13 Subject to clause 3.15, at the Termination of the Tenancy quietly to yield up unto the Landlord in a clean and tidy and broom swept condition (the Tenant having no other dilapidations liability save to the extent that the condition of the Premises are in a worse condition than the condition they are required to in pursuant to clause 3.10 above, having removed the Tenant's furniture and effects and, if any alterations have been made which shall have resulted in the Net Internal Area of the Premises being reduced below that specified in the Specification by the Tenant or any person deriving title under the Tenant whether before or after the date hereof, to remove or reinstate such alterations only to the extent necessary so that the Net Internal Area is no less than the Net internal Area existing at the date of grant of this Lease and in such respect of such removal to restore those parts of the Premises so affected to such state and condition described in the section of the Specification entitled "Category A Specification" (or in the case of such other parts of the Building to their former state and condition) the Tenant making good any damage caused to the Premises or such other parts of the Building to the reasonable satisfaction of the Landlord and to the satisfaction of the relevant supply authorities.
- 3.14 Upon removal of any tenant's fixtures or fittings (if required by the Tenant at its discretion) then in respect of such fixtures and fittings as are connected to or take supplies from any of the Service Conduits and Appliances to remove and seal off such Service Conduits and Appliances as the Landlord shall reasonably require, such removal and sealing off to be carried out so as not to interfere with the continued function of the remainder of the Service Conduits and Appliances.
- 3.15 If the Termination of the Tenancy occurs other than by way of effluxion of time (e.g. by virtue of the exercise of rights of re-entry by the Landlord, a surrender of this Lease or as the result of the exercise of the determination rights granted to the Tenant pursuant to clause 8) then the Tenant shall be obliged to yield up the Premises in good and substantial repair and condition, clean and decorated in a good and workmanlike manner and in a colour scheme and, with materials reasonably approved by the Landlord, such decoration having been carried out no longer than a year prior to such termination.
- 3.16 If the Termination of the Tenancy occurs as the result of the exercise of the determination rights granted to the Tenant pursuant to clause 8, whilst clause 3.13 will apply at the date of determination the Landlord shall be entitled to recover from the Tenant dilapidations subsequent to the determination of the Lease pursuant to exercise of clause 8 on the basis that the Tenant had a repairing obligation at the termination of the Lease in the Lease in the terms of clause 3.15 above.

Landlord's rights of entry

- 3.17 To permit the Landlord, its agents and all persons authorised by the Landlord at all reasonable times on not less than 24 hours' prior notice (except in the case of emergency) to enter and remain upon the Premises for the purposes of the exercise of all or any of the rights set out in paragraph 2 of Part II of the Second Schedule subject to the conditions set out in such paragraph.

Compliance with notices to remedy

- 3.18 To commence as soon as reasonably practicable in the circumstances and thereafter diligently to proceed with any works to the Premises which are necessary to comply with any notice properly given by the Landlord requiring the Tenant to remedy any breach of the Tenant's covenants relating to the state and condition of the Premises found upon any such inspection but the Landlord agrees that it will not be entitled to serve any such notice during the last five years of the Contractual Term.
- 3.19 If the Tenant shall not within a reasonable period have commenced and be diligently proceeding to comply with any such notice to permit the Landlord and any authorised person to enter the Premises on not less than 24 hours' prior written notice to remedy any such breach and at times so far as possible reasonably convenient to the Tenant.
- 3.20 To pay to the Landlord within 21 days of receipt of written demand the reasonable and proper costs and expenses properly and reasonably incurred by the Landlord under the provisions of clause 3.17 which sums shall be recoverable as rent in arrears.

Improvements and alterations

- 3.21 Subject to the provisions of clauses 3.22 to 3.35 the Tenant shall not erect or permit or suffer to be erected any other building, structure, pipe, wire mast or post upon the Premises nor to make or permit or suffer to be made any alteration therein or addition thereto nor to commit or permit or suffer any destruction in or upon the Premises nor to cut, injure or remove or suffer to be cut, injured or removed any of the roof, walls (whether outside or inside), floor, joists, timbers, wires, pipes, drains, appurtenances or fixtures thereof.
- 3.22 Not to make any structural alterations or additions to the Premises save that the Tenant may make minor structural alterations which when taken alone or in the aggregate would not adversely affect the structural stability of the Building or affect the external appearance of the Building or materially adversely affect the Landlord's Services Equipment with the prior consent of the Landlord (such consent not to be unreasonably withheld or delayed) and carried out in accordance with drawings and (if appropriate) specifications previously submitted to and approved by the Landlord (such approval not to be unreasonably withheld or delayed).
- 3.23 Not to make any alterations, additions or adjustments to the Premises or the Landlord's Services Equipment within the Premises or any other plant, machinery or equipment within the Premises that would whether alone or in aggregate:
- (a) have a materially adverse effect on the operation or efficiency of the Landlord's Services Equipment whether within the Premises or in any other part of the Building;
 - (b) result in any increase in the level of services to be provided to the Premises by the Landlord's Services Equipment in excess of the Design Standards; or
 - (c) adversely affect the Energy Performance Certificate of the Premises or the Building (were such Energy Performance Certificate to be re-assessed following completion of the proposed alterations, additions or adjustments).
- 3.24 Not to make any other alterations, additions or adjustments to the Landlord's Services Equipment within the Premises without the prior consent of the Landlord (which consent shall not be unreasonably withheld or delayed) or otherwise than in accordance in all respects with drawings and specifications previously submitted to and approved by the Landlord (such approval not to be unreasonably withheld or delayed).

- 3.25 Not to make any alterations or additions to the electrical wiring and installations within the Premises that would result in a loading on such wiring or installations beyond that which they are designed to bear but for the avoidance of doubt save as mentioned in this clause 3.25 the Tenant will not require the consent of the Landlord to the carrying out of any such works.
- 3.26 Not to make any other alterations or additions to the electrical wiring and installations within the Premises to the extent that the same are comprised within the Landlord's Services Equipment or Service Conduits and Appliances otherwise than in accordance with conditions laid down by the Institution of Electrical Engineers and/or other regulations of the relevant statutory undertaker.
- 3.27 Not to install or maintain within the Premises any equipment or systems providing Wireless Data Services in such a manner as shall have a material adverse effect on other tenants' equipment or systems within the Building or the Landlord's Services Equipment it being agreed that the installation of any equipment or systems providing Wireless Data Services which are not likely to have any such a material adverse effect shall not require the consent of the Landlord.
- 3.28 To take all reasonably necessary steps to alter (and if alteration is not possible to remove) any such equipment or systems providing Wireless Data Services as soon as reasonably possible following notice from the Landlord requiring the Tenant to do so if such equipment or systems can be shown by the Landlord to have a material adverse effect on other tenants' equipment or systems within the Building or the Landlord's Services Equipment
- 3.29 Non-structural alterations including the erection and alteration of any partitions, light switches, floor boxes, lights, air conditioning grilles and associated cabling, ductwork and fixings within the Premises are permitted without the consent of the Landlord provided that they are made:
- (a) in such a manner as not to affect in an adverse manner (save temporarily until they have been rebalanced) the operation or efficiency of the Landlord's Services Equipment or to impact on the Building's health and safety systems and provided further that the Tenant shall remove any such works that can be reasonably shown by the Landlord to affect in an adverse manner the operation or efficiency of the Landlord's Services Equipment or to impact on the Building's health and safety systems as soon as reasonably possible upon notice from the Landlord requiring it to do so (the Landlord acknowledging that in respect of the Tenant's Works being carried out pursuant to the Agreement for Lease it shall have no right to require that the Tenant's Works are removed or altered pursuant to clauses 3.29 to 3.30); and
 - (b) in such a manner (provided the Landlord has to the Tenant given full details (where details have not already been provided prior to the date of this Lease) of the relevant trade contract and/or relevant appointment of the member of the professional team) as not to affect adversely the Landlord's ability to pursue a trade contractor or member of the professional team in respect of a breach of contract appointment or warranty in connection with the carrying out of the works to construct the Building; and
 - (c) in accordance with the Occupier Fit Out Guide.
- 3.30 Not to cause any dedicated access points to any Service Conduits or Appliances which now are under or in or pass through the Premises to be or become materially more difficult to access than is the same now.
- 3.31 Not to puncture or pierce the internal finishes of the curtain wall surrounding the Premises or any mullions or other parts of the exterior of the Premises and not to affix anything to any of the same save that the Tenant may attach internal partitioning to mullions and make minor bore holes in the structure of the Building without the consent of the Landlord in order to fix and accommodate the other alterations permitted without consent by clauses 3.21 to 3.30,
PROVIDED ALWAYS that:
- (a) any consent of the Landlord required under the provisions of clauses 3.21 to 3.31 may only be given by way of deed;

- (b) any such deed shall contain covenants by the Tenant with the Landlord in regard to the execution of the works to the Premises and other conditions and restrictions such form as the Landlord may reasonably require;
 - (c) where the works affect the Landlord's Services Equipment, the Service Conduits and Appliances or the structural stability of the Building the Landlord shall be entitled to require to approve the identity of the contractors, builders or other professionals or persons appointed in respect of the works for which consent is given (which approval will not be unreasonably withheld or delayed) and may if reasonable depending on the nature of the works require the Tenant to procure appropriate collateral warranties or third party rights in the Landlord's favour from the Tenant's relevant contractors and professionals in a form reasonably required by the Landlord; and
 - (d) the Tenant shall pay the reasonable and proper legal and surveyors' costs and expenses reasonably and properly incurred by the Landlord In relation to the granting of any such consent.
- 3.32 To provide the Landlord with plans and (if appropriate) specifications within 30 days of the practical completion of any relevant works showing any alterations for which consent is not required under the preceding provisions of clauses 3.21 to 3.29.
- 3.33 In the event that the Tenant shall carry out works to the Premises in breach of the provisions of clauses 3.18 to 3.29 the Landlord may give to the Tenant notice of any such breach and if the Tenant shall not have remedied such breach within 21 days of the giving of any such notice (or earlier in case of emergency) the Landlord will be entitled having given not less than five days' notice (or earlier in case of emergency) to enter the Premises and remove such works or any part thereof and reinstate the Premises provided always that the proper costs thereby incurred including interest calculated at four per cent above the Prescribed Rate shall be paid by the Tenant within seven days of demand and shall be recoverable by the Landlord as rent in arrears.
- Connectivity and Spectrum Management*
- 3.34 Subject to obtaining the Landlord's prior written consent (such consent not to be unreasonably withheld or delayed) and in compliance with the Spectrum Management Policy, the Tenant may install, maintain or permit to be installed or maintained within the Premises any equipment or systems which permit any visitor to, or customer of, the Tenant access to Wireless Data Services within the Premises.
- 3.35 Subject to obtaining the Landlord's prior written consent (such consent not to be unreasonably withheld or delayed) and in compliance with the Spectrum Management Policy, the Tenant may install, maintain or permit to be installed or maintained within the Premises any mobile or wireless telephony system, network base station, wireless access point, gateway or any analogous wireless or mobile transmitter providing Wireless Data Services in the Managed Spectrum.
- 3.36 The Landlord and Tenant hereby acknowledge that, taking account of their respective, rights, duties and obligations in this Lease and the Landlord's overriding obligation to ensure that the tenants of individual demises within the Building have the quiet enjoyment of their respective demises, the provisions of clauses 3.34 and 3.35 together with the application of the Spectrum Management Policy represent a fair and reasonable arrangement, in relation to the Premises and are:
- (a) reasonably necessary in order to ensure the efficient and effective use of the radio spectrum in accordance with regulatory objectives and best practice relating to the management of such radio spectrum in the United Kingdom; and
 - (b) reasonably necessary in order to ensure compliance with applicable statutory and non-statutory health and safety rules, regulations and best practice in relation to exposure to electromagnetic radio waves promulgated by the International Committee on Non-Ionizing Radiation Protection and the National Radiological Protection Board, the European Council and The Health & Safety Executive.

- 3.37 The Landlord and Tenant hereby acknowledge that during the Contractual Term there are likely to be technological innovations and legislative changes which will require the parties to co-operate and agree variations to the provisions of clauses 3.34 to 3.37 inclusive in order to achieve the intent and effect of such provisions and the Landlord and Tenant hereby agree to co-operate fully in order to agree promptly and implement promptly any such variations but with the intention of allowing the Tenant to retain Wireless Data Services which are consistent with its business objectives and policies at the relevant time.
- Notices of a competent authority*
- 3.38 Within 14 days (or sooner if requisite) of the receipt by the Tenant of any notice, order, requisition, direction or plan given, made or issued to or by a competent authority relating to the Premises or the Building or involving any liability or alleged liability on the part of the Landlord or any superior landlord to supply a copy thereof to the Landlord and at the request and cost of the Landlord to make or join in making such objections or representations against the same or in respect thereof as the Landlord may reasonably require unless the Tenant reasonably considers that to support any objection as represented is against the bona fide business interests of the Tenant.
- To comply with enactments*
- 3.39 At all times to observe and comply with the provisions and requirements of any and every Act so far as they relate to the Premises or the user thereof and without derogating from the generality of the foregoing to execute all works and provide and maintain all arrangements which by or under any enactment or by any government department local authority or other public authority or duly authorised officer or Court of competent jurisdiction acting under or in pursuance of any enactment are or may be directed or required to be executed, provided or maintained upon or in respect of the Premises in respect of any such user thereof and to reimburse the Landlord at all times against all proper fees, costs, charges and expenses of or incidental to the execution of any works or the provision or maintenance of any arrangements so directed or required as aforesaid.
- 3.40 Not knowingly at any time to do or omit to be done in on or about the Building and/or the Premises any act or thing by reason of which the Landlord may under any Act incur or have imposed upon it or become liable to pay any penalty, damage, compensation, fees, costs; charges or expenses,
- 3.41 To notify the Landlord in writing as soon as reasonably practicable after the Tenant becomes aware of any physical defect in the Building and/or the Premises.
- 3.42 Upon the Tenant becoming aware of the happening of any occurrence or receipt of any notice order direction or other thing from a competent authority affecting the Building and/or the Premises whether the same shall be served directly upon the Tenant or the original or a copy thereof be received from any underlessee or other person whatsoever to as soon as reasonably practicable deliver a copy thereof to the Landlord and at the cost of the Landlord to make or join in making such objection or representations against or in respect thereof as the Landlord may reasonably require unless the Tenant reasonably considers that to support any objection or representation is against the bona fide business interests of the Tenant.
- 3.43 At the Landlord's request and cost provide the Landlord with a copy of any fire risk assessment carried out by or on behalf of the Tenant and details of all measures taken by or on behalf of the Tenant to comply with the Fire Safety Order (including the names of all competent persons appointed by the Tenant pursuant to Article 18) and any other information properly requested by the Landlord to assist the Landlord in complying with its own obligations under the Fire Safety Order in relation to the Premises.
- To comply with town planning legislation etc*
- 3.44 To comply with the provisions and requirements of the Planning Acts and of all planning permissions so far as the same respectively relate to the Premises or any part thereof or any operations works acts or things already or hereafter to be carried out executed done or omitted thereon or the use thereof for any purpose.

- 3.45 Not to make any application for planning permission in respect of the Premises without the previous written consent of the Landlord, which shall not be unreasonably withheld or delayed.
- 3.46 Subject only to any statutory direction to the contrary to pay and satisfy any charge or levy that may hereafter be imposed under the Planning Acts in respect of the carrying out or maintenance to the Premises by the Tenant, any Group Company of the Tenant, any subtenant or their respective agents, servants, licensees or invitees of any operations which may constitute development or the institution of any such operations or the institution or continuance of any use which may constitute development.
- 3.47 Notwithstanding any consent which may be granted by the Landlord under this Lease not to carry out any development in or to the Premises (whether by alteration or addition or change of use thereto) before all necessary notices under the Planning Acts in respect thereof have been served and all such necessary planning permissions have been produced to the Landlord and in the case of a planning permission acknowledged by it in writing as satisfactory to it (such acknowledgement of satisfaction by the Landlord not to be unreasonably withheld or delayed) but so that the Landlord may refuse so to express its satisfaction with any such planning permission on the ground that any condition contained therein or anything omitted therefrom or the period thereof would in the reasonable opinion of the Landlord's Surveyor be or be likely to be materially prejudicial to its interest in the Building or any adjoining property whether during the subsistence of this Lease or following the determination or expiration thereof.
- 3.48 Unless the Landlord shall otherwise direct, to carry out and complete before the Termination of the Tenancy:
- (a) any works stipulated to be carried out to the Premises by a date subsequent to such expiration or sooner determination as a condition of any planning permission granted to the Tenant for any development begun before such expiration or sooner determination; and
 - (b) any works begun by the Tenant, any Group Company of the Tenant or any subtenant or their respective agents, servants, licensees or invitees upon the Premises,

PROVIDED ALWAYS that the Tenant shall have the option of removing such works and reinstating the Premises to such condition as they were in before the relevant works were commenced.

- 3.49 If and when called upon so to do to produce to the Landlord or the Landlord's Surveyor all such plans documents and other evidence as the Landlord may reasonably require in order to satisfy itself that the provisions of this covenant have been complied with in all respects.

User permitted

- 3.50 To use and occupy the Premises only as high class offices and for ancillary purposes within paragraph (a) of Class BI of the Town and Country Planning (Use Classes) Order 1987 (here meaning the 1987 Order and not any subsequent modification or re-enactment thereof notwithstanding the provisions of clause 1.3.) but for the avoidance of doubt the Landlord agrees that the following ancillary uses are permitted in connection with the use of the Premises by the Tenant for so long as they remain ancillary in nature only:
- (a) kitchen and dining facilities; and
 - (b) auditorium for meetings.

User prohibited

- 3.51 Not to store or bring upon the Premises any materials or liquid of a specially combustible, inflammable, dangerous or offensive nature (other than those properly required in connection with the use of the Premises and then only in appropriate containers).

- 3.52 Not to do on the Premises or any part thereof or on the Roof Terrace of Fourth Floor Terraces any act or thing whatsoever which may be either (i) a legal nuisance to the Landlord or any other tenant or occupier of the Building or the owners or occupiers of any adjoining or neighbouring property or (ii) a breach of the Planning Acts.
- 3.53 Not to use the Premises or any part thereof for any illegal purpose.
- 3.54 Not to bring into or upon the Premises or do anything which puts on the Premises or any part thereof any load or weight in excess of that which the Premises or any part thereof are designed or constructed to bear nor knowingly to cause any undue vibration to the Premises or any part thereof by machinery or otherwise.
- 3.55 Not to obstruct or permit to be obstructed whether by loading or unloading goods or any other means any part of the Building or to do anything which is a source of danger to persons using the same and to load and unload goods only in accordance with the rights granted to the Tenant in Part I of the Second Schedule.
- 3.56 Not to hold any sales by auction, exhibitions, public meetings or public entertainments (other than for the benefit of the Tenant's or a Group Company's members of staff) at the Premises nor to permit any vocal or instrumental music to be performed therein which can be heard from outside the Premises provided that this sub-clause shall not prevent the Tenant or any permitted undertenant or occupier of the Premises from holding meetings of clients and their shareholders or members within the Premises.
- 3.57 Not to permit any person to reside in the Premises.
- 3.58 Not to obstruct, hinder or otherwise interfere with the proper exercise by the Landlord and authorised persons of the rights reserved in Part II of the Second Schedule hereto.
- 3.59 To use reasonable endeavours not to cause the drains to be obstructed by oil, grease or other deleterious matter.
- 3.60 Not to load or use the lifts in the Building in any manner that will or may cause strain or damage to the lifts in the Building beyond their design capabilities.
- 3.61 Not to permit any person to smoke anywhere on the Premises.

Alienation absolutely prohibited

- 3.62 Not to charge or assign part only of the Premises.
- 3.63 Not to part with possession or share occupation of or declare any trust in respect of the Premises or any part thereof other than by way of:
- (a) an assignment permitted under clause 3.65; or
 - (b) an underlease permitted under clauses 3.69 to 3.73,

PROVIDED THAT occupation of the Premises or any part or parts thereof by a Group Company of the Tenant and/or an Associated Entity shall not be in breach of this covenant provided further that:

- (c) no legal estate or other right of tenancy shall be created;
- (d) the Tenant shall as soon as reasonably practicable upon being requested in writing to do so by the Landlord give the identity of such Group Company or Associated Entity, the relationship of the Group Company or Associated Entity to the Tenant and the area occupied; and
- (e) the Tenant shall procure (and hereby covenants to this effect) that any such Group Company and/or Associated Entity shall vacate the Premises forthwith upon whichever is the earlier of the date of expiration or sooner determination of this Lease and the date on which such company or entity ceases to be a Group Company of the Tenant or Associated Entity (as the case may be).

- 3.64 Not by assignment underletting or otherwise to permit the occupation of the Premises or any part thereof by or the vesting of any interest or estate therein in any person, firm, company or other body or entity which:
- (a) has the right to claim diplomatic immunity or exemption in relation to the observance and performance of the covenants and conditions of and contained in this Lease; or
 - (b) is a provider of serviced offices or co-working workspace.

PROVIDED ALWAYS that nothing in this clause 3.64 and shall prevent the Tenant from underletting to a sub-tenant where the Tenant agrees to provide managed services of any nature to such sub-lessee.

Assignment permitted

- 3.65 Not to assign the whole of the Premises without the prior written consent of the Landlord (such consent not to be unreasonably withheld or delayed). The Landlord and Tenant agree for the purposes of section 19(1A) Landlord and Tenant Act 1927 that the Landlord may impose all or any of the following conditions as a condition of its consent:
- (a) save in the case of an assignment to a Group Company the Tenant has first given written notice to the Landlord pursuant to the provisions of clause 3.75;
 - (b) the proposed assignee is reasonably acceptable to the Landlord assessed on the basis of the cumulative total of the rents that such proposed assignee will be contracting to pay within the Building (in respect of this and any other leases) against usual prudent institutional standards applied in the market place at the date of application for consent;
 - (c) if the Landlord so reasonably requires, on or before completion of the assignment the Tenant enters into a deed of guarantee in the form attached in the Eighth Schedule (with such amendments as the parties may reasonably agree) with the Landlord in relation to the proposed assignment (and any guarantor of the Tenant if the Landlord reasonably considers that the guarantee of the Tenant is not sufficient) guarantees in such form as the Landlord reasonably requires the Tenant's obligations under such authorised guarantee agreement;
 - (d) the consent pursuant to clause 3.65 shall be by deed containing covenants by the intended assignee directly with the Landlord to pay the rents hereby reserved and to perform and observe the Tenant's covenants herein contained including this covenant from the date of the assignment until the first subsequent assignment which is not an excluded assignment (as the expression is defined in the Landlord and Tenant (Covenants) Act 1995);
 - (e) If the Landlord so reasonably requires on or before completion of the assignment the assignee shall provide a guarantor or guarantors acceptable to the Landlord (acting reasonably) who shall covenant (jointly and severally) with the Landlord in the terms contained in the Seventh Schedule (or in such other terms as the Landlord may reasonably require due to changes in law).
- 3.66 The conditions set out in clause 3.65 shall not operate to limit the Landlord's right to impose any other reasonable conditions on the grant of such consent or to refuse consent on any other ground or grounds where such refusal would be reasonable.
- 3.67 Where an assignment would result in a proposed assignee taking a Level or Levels that are connected to other premises demised to the Tenant by an internal staircase and that assignee does not also simultaneously take an assignment of the relevant lease(s) relating to all such Levels, the Tenant shall remove such staircase(s) and reinstate the Premises so affected by such removal to reflect the condition set out in the section of the Specification marked "Category A Specification" and make good any physical damage caused by such reinstatement prior to the completion of the assignment PROVIDED ALWAYS that such reinstatement obligation will not apply if the assignee is a Group Company of the Tenant and the Tenant shall ensure that any transfer to a Group Company contains a provision stating that such Group Company shall comply with the reinstatement provisions of this clause 3.67 immediately upon such assignee and the Tenant ceasing to be Group Companies.

- 3.68 Where there is to be an assignment of either the Premises or the third floor premises demised by a lease of even date and made between the Landlord (1) the Tenant (2) and the Surety (3) and such assignment is to be to an entity which is not a Group Company of the Tenant, prior to completion of such assignment the Tenant will remove the stadium seating ("**Stadium Seating**") installed within the atrium pursuant to a Licence for Alterations of even date made between the Landlord (1) the Tenant (2) and the Surety (3) and make good any damage caused to the relevant premises or the Building to the reasonable satisfaction of the Landlord.
- Underletting permitted*
- 3.69 Not to underlet the whole of the Premises without the prior written consent of the Landlord (which consent shall not be unreasonably withheld or delayed) which may only be given by way of deed provided that:
- (a) the rent to be reserved by the underlease shall be the rent reasonably obtainable in the open market without taking a fine or premium and shall not be commuted or payable more than one quarter in advance; and
 - (b) prior to the entering into of any underlease (or if earlier the parties to that underlease becoming contractually bound to enter into it) the parties to the underlease will enter into a valid agreement under Section 38(a) of the Landlord and Tenant Act 1954 to exclude the provisions of Sections 24 to 28 of the Landlord and Tenant Act 1954 in relation to that underlease and the Tenant shall provide copies of such valid agreement to the Landlord prior to entering into any such underlease.
- 3.70 Not to underlet part only of the Premises without the prior written consent of the Landlord which shall not be unreasonably withheld or delayed provided that:
- (a) the rent to be reserved by the underlease shall be the rent reasonably obtainable in the open market without taking a fine or premium and shall not be commuted or payable more than one quarter in advance; and
 - (b) prior to the entering into of any underlease (or if earlier the parties to that underlease becoming contractually bound to enter into it) the parties to the underlease will enter into a valid agreement under Section 38(a) of the Landlord and Tenant Act 1954 to exclude the provisions of Sections 24 to 28 of the Landlord and Tenant Act 1954 in relation to that underlease and the Tenant shall provide copies of such valid agreement to the Landlord prior to entering into any such underlease; and
 - (c) at no time shall the number of occupiers of any floor of the Premises exceed four, any occupation by the Tenant being taking into account for this purpose (and any occupation by a Group Company of the Tenant ranking as occupation by the Tenant for this purpose); and
 - (d) the Tenant shall have regard (inter alia) to the position of the cores in the Building and means of escape from the underlet premises and ensure such demise is capable of separate and independent occupation.
- 3.71 To incorporate or procure the incorporation in every permitted mediate or immediate underlease of the Premises or any part thereof:
- (a) such provisions as are necessary to ensure that the rent thereunder is reviewed at the same frequency (but not necessarily on the same dates provided that where any underlease rent review would fall within six months either side of the rent review under this Lease then it is to coincide with the rent reviews provided for in this Lease) and upon substantially the same terms as for the review of rent under this Lease provided that if it is common market practice at the relevant time for the review of rents to be undertaken on an alternative basis the Tenant shall be entitled to underlet in accordance with then market practice and provided further that any underlease for a term of five years or less will not be required to provide for the rent thereunder to be reviewed; and

- (b) a covenant that the undertenant shall not assign, charge or (in case of an underlease of part of the Premises) underlet part only of the premises thereby demised; and
- (c) a covenant that the undertenant shall not assign the whole of the premises thereby demised unless on or before completion of the assignment the undertenant if reasonably required enters into an authorised guarantee agreement with the Tenant in such form as the Landlord reasonably requires in relation to the proposed assignment; and
- (d) a covenant that the undertenant shall not assign the whole of the premises thereby demised without the consent of both the Landlord and the Tenant under this Lease which (in the case of the Landlord) shall not be unreasonably withheld or delayed; and
- (e) a covenant that the undertenant shall not part with or share possession or occupation of or declare a trust in respect of the premises thereby demised save by way of an assignment, underletting or charge pursuant to the provisions hereinbefore referred to (save for parting with or sharing occupation or possession with a Group Company or an Associated Entity of the undertenant upon like terms to those referred to in the proviso to clause 3.60); and
- (f) a covenant by the undertenant prohibiting the undertenant from causing or suffering any act or thing upon or in relation to the premises underlet inconsistent with or in breach of the provisions of this Lease; and
- (g) a condition for re-entry in the form or substantially in the form referred to in clause 5.1.

3.72 Upon any permitted underlease to procure that the undertenant shall give a direct covenant by deed in favour of the Landlord to observe and perform the covenants and conditions on the part of the Tenant contained in this Lease (save as to payment of the rents hereby reserved) insofar as the same relate to the premises underlet and if the Landlord reasonably so requires it to procure that such guarantor or guarantors for the underlessee as may be reasonably acceptable to the Landlord guarantee such covenants in the terms contained in the Seventh Schedule (or in such other terms as the Landlord may reasonably require).

3.73 In connection with any underlease the Tenant shall:

- (a) not consent to or participate in any variation to any such underlease (or any of the terms thereof) without the prior consent of the Landlord which shall not be unreasonably withheld or delayed;
- (b) enforce all the covenants and obligations of the underlessee thereunder and not expressly or knowingly by implication waive any breach of the same;
- (c) duly and efficiently operate and effect all reviews of rent pursuant to the terms of any such underlease and prior to agreeing any such review to give reasonable notice to the Landlord of the proposed level of rent and to have regard to (but without being bound by) any reasonable representations made by the Landlord in relation to such level of rent.

3.74 Within one month after any reasonable written request by the Landlord (but not more than once in any period of 12 months) to notify the Landlord in writing;

- (a) whether the Tenant occupies the Premises wholly or in part;
- (b) whether the Tenant has granted an underlease of the whole or any part of the Premises and if so to advise the Landlord of the rent reserved by any underlease and the full name and address of any underlessee; and
- (c) whether there are any other occupiers of the Premises and if so the identity of those occupiers their relationship with the Tenant and the principal terms on which they occupy.

Charging permitted

Not to charge the whole of the Premises (save by way of floating charge to a reputable institution in respect of substantially the whole of the Tenant's business where consent shall not be required) without the prior written consent of the Landlord, such consent not to be unreasonably withheld or delayed.

Intention to market

- 3.75 The Tenant shall notify the Landlord in writing of the bona fide terms on which it intends to market the Premises for disposal by way of assignment. The Tenant shall provide the Landlord with these details as soon as reasonably practicable after they become available and in any event prior to marketing the Premises and no less than 4 weeks prior to the date on which the Tenant applies for consent from the Landlord in accordance with clause 3.63.
- 3.76 The Tenant shall thereafter keep the Landlord informed of progress and of expressions of interest from potential assignees and shall afford the Landlord a reasonable opportunity to negotiate with the Tenant with regards to a potential surrender of the Lease.

Registration

- 3.77 Within one month after any assignment, underlease, assignment of underlease, mortgage, charge, transfer, disposition or devolution of the Premises or any part thereof or any devolution of the estate of the Tenant therein or of this Lease to give notice thereof in duplicate to the Landlord's solicitors and to supply them with a certified copy of the instrument or instruments (including any relevant probate letters of administration or assent) for retention by the Landlord.

Not to display advertisements

- 3.78 Save as expressly permitted by paragraph 6 of Part I of the Second Schedule not to erect, paint, affix, attach or display any placard, poster, notice, advertisement, name or sign or anything whatever in the nature of an advertisement by display or lights or otherwise in or upon the Premises and/or the Building or any part thereof (including the windows).

Insurance

- 3.79 Not to knowingly do anything whereby any policy of insurance relating to the Building and/or the Premises may become void or voidable or whereby the rate of premium thereon may be increased where the Tenant has been notified in writing of the relevant terms of the policy and to take such precautions against fire as may be deemed necessary by the Landlord (acting reasonably) or its insurers or required by-law and (in each case) notified to the Tenant
- 3.80 Not to effect or maintain any insurance in respect of the Building and/or the Premises (except as to the Tenant's fixtures and contents).
- 3.81 To reimburse to the Landlord a fair and reasonable proportion of any sum payable in respect of excess payable on any insurance policy relating to the Building.

Notice of damage

- 3.82 As soon as reasonably practicable following the Tenant becoming aware of any material damage to or destruction of the Premises to give notice thereof to the Landlord stating (if possible) the cause of such destruction or damage.
- 3.83 In the event of the whole or any part of the Building being damaged or destroyed by any of the insured Risks and the insurance money under the policy or policies of insurance effected thereon by the Landlord being wholly or partially irrecoverable by reason solely or in part of any act neglect or default of the Tenant or any Group Company of the Tenant or any undertenant or their respective servants, agents, licensees or invitees then the Tenant will within 21 days of written demand pay to the Landlord the whole or as the case may be a fair proportion of the amount so irrecoverable.
- 3.84 In the event of the whole or any part of the Premises being damaged or destroyed by any of the Insured Risks and the amount of the insurance monies received in respect of the reinstatement of any additions, alterations or other works carried out to the Premises by the Tenant or any person claiming title under the Tenant whether before or after the date of this Lease which the Landlord is obliged to insure pursuant to the provisions of clause 4.2 being less than the reinstatement cost thereof as a result of the Tenant failing to notify the Landlord of the full reinstatement values thereof pursuant to this Lease then in the event that the Landlord reinstates any additions, alterations or other works carried out to the Premises by the Tenant or by any person claiming

title under the Tenant to pay to the Landlord the amount by which the actual reinstatement cost exceeds the amount of the insurance monies actually received subject to the Landlord demonstrating that the reinstatement cost will exceed the amount of the insurance monies already received.

Indemnity

3.85 To indemnify the Landlord against and to pay within 21 days of written demand all costs and expenses including professional fees incurred by the Landlord in connection with all and every loss and damage whatsoever incurred or sustained by the Landlord as a consequence of every breach of the covenants by and conditions on the part of the Tenant set out herein or implied PROVIDED that such indemnity shall extend to and cover all costs and expenses properly incurred by the Landlord in connection with any steps which the Landlord may reasonably take to remedy any such breach and be without prejudice to any rights or remedies of the Landlord in respect of any such breach any such sum arising hereunder to be recoverable by action or at the option of the Landlord as rent in arrear PROVIDED FURTHER THAT the Landlord shall in relation to all indemnities given by the Tenant in this Lease:

- (a) as soon as reasonably practicable give the Tenant written notice and full details of any claim against the Landlord from a third party;
- (b) consider and pay due account to written representations made by the Tenant relating to any such claim;
- (c) not settle or compromise any such claim unless the Landlord is required to do so by its insurers;
- (d) use all reasonable endeavours to mitigate as far as practicable any loss or costs incurred by or caused to it as a result of such claim.

Landlord's costs

3.86 By way of further or additional rent to pay within 21 days of written demand all costs, expenses, charges, damages and losses (including but without prejudice to the generality of the foregoing solicitors' costs, counsel's, architects' and surveyors' and other professional fees and commissions payable to a bailiff) properly incurred by the Landlord of or incidental to:

- (a) the preparation and service of any notice under Sections 146 and 147 of the Law of Property Act 1925 (whether or not any right of re-entry or forfeiture has been waived by the Landlord or a notice served under the said Section 146 or 147 is complied with by the Tenant or the Tenant has been relieved under the provisions of the said Act and notwithstanding forfeiture is avoided otherwise than by relief granted by the court);
- (b) the recovery of any rent in arrear or other payments due hereunder;
- (c) the enforcement of the covenants given by the Tenant in this Lease including the remedying of any breaches;
- (d) in connection with every application for any consent made under this Lease whether such consent shall be granted or not or the application withdrawn except where such consent shall be unreasonably withheld or delayed by the Landlord or granted on terms which are unreasonable in either case in circumstances where it is not entitled to do so;
- (e) any schedule relating to wants of repair to the Premises whether served during or within three months after the termination of this Lease,

provided that in the case of paragraphs (d) and (e) above such costs are to have been reasonably incurred by the Landlord.

VAT

3.87 To pay all VAT on any sums of money chargeable thereto which shall be due from the Tenant under or by virtue of the provisions of this Lease upon production of a valid VAT invoice addressed to the Tenant.

- 3.88 For the purposes of paragraphs 12 to 17 Schedule 10 to the VATA neither the Tenant nor any person connected with the Tenant is a development financier as defined in paragraph 14 of Schedule 10 to the VATA in relation to the Landlord's development of any part of the land and buildings of which the Building forms a part for use other than for eligible purposes with the intention or expectation that the Building would become or continue to be exempt land.
- 3.89 The Tenant is not intending to use and will not use all or any part of the Building for a relevant charitable purpose (within the meaning of Schedule 8, Group 5 (Note 6) VAT Act 1994).
- 3.90 If the covenant in clause 3.89 is breached by the Tenant and in consequence supplies made by the Landlord in relation to all or any part of the Building after the making of an Option are not taxable supplies the Tenant shall indemnify the Landlord against:
- (a) any VAT paid or payable by the Landlord which is or may become irrecoverable due to the Landlord's supplies not being taxable;
 - (b) any amount in respect of any VAT which the Landlord has to account for or will have to account for to HM Revenue & Customs under the provisions of Part XIV or Part XV of the VAT Regulations;
 - (c) any consequential penalties, interest and/or default surcharge; and
 - (d) any additional liability to corporation tax on any payment made to the Landlord under this clause.
- 3.91 For the avoidance of doubt references in clauses 3.87 to 3.90 to the Landlord or the Tenant shall include references to the representative member of the VAT Group of the Landlord or the Tenant as appropriate and references to the Landlord shall include references to a "beneficiary" of the Landlord as such term is defined under paragraph 40 Schedule 10 VATA.
- Regulations affecting the Premises*
- 3.92 To comply in all respects with the reasonable and proper regulations for the time being made by the Landlord for the use, operation, security and/or maintenance of the amenity and good order of the Building where made in the interests of good estate management and previously notified in writing to the Tenant PROVIDED ALWAYS THAT if there shall be any inconsistency between the terms of this Lease and any of the said regulation then the terms of this Lease shall prevail and PROVIDED FURTHER THAT such reasonable and proper regulations shall not materially adversely affect the Tenant and its permitted undertenants and occupiers of the Premises and their respective visitors gaining access to and egress from the Building at all times (save in the case of an emergency).
- Obstructions and encroachments*
- 3.93 Not to stop up, darken or obstruct any of the windows, lights or ventilators belonging to the Premises and/or the Building (but the Tenant may place moveable, non-permanent items used in the course of its business or by its members of staff such as boxes, TVs on wheels, files or hat stands by or in front of the windows) nor to knowingly permit any new window, light, ventilator, passage, drainage or other encroachment or easement to be made or acquired into against upon or over the Premises or any part thereof AND in case any encroachment or easement whatsoever shall be attempted to be made or acquired by any person whomsoever to give notice thereof to the Landlord within 14 days of the same coming to the knowledge of the Tenant and at the request and cost of the Landlord do all such things as may be proper for preventing any such encroachment or such easement being made or acquired.
- 3.94 Nothing in clause 3.93 above shall prevent the Tenant from installing window blinds in any of the external or internal windows surrounding the Premises as are agreed between the Tenant and the Landlord (each acting reasonably) and in accordance with the Occupier Fit Out Guide and closing and opening such blinds on such occasions and in such a manner as the Tenant shall determine.

Covenants and provisions affecting the Landlord's title

- 3.95 By way of indemnity only to observe and perform the covenants and provisions (other than any obligation to pay any monies) affecting the title of the Landlord specified in the deeds and documents set out in the Fourth Schedule insofar as they relate to the Premises and are still subsisting.

Operation of plant and equipment

- 3.96 To operate and use all such plant, machinery and equipment as is installed in the Premises from time to time and connected to the Landlord's Services Equipment in accordance with the manufacturers' recommended method of operation and not to use such plant, machinery and equipment in such manner as to affect in a materially adverse manner the operation of the Landlord's Services Equipment.

Obligations relating to entry and services

- 3.97 At all times when exercising any right granted to the Tenant for entry to any other part of the Building:
- (a) to cause (and procure that all those exercising the said rights on its behalf cause) as little damage and interference as is reasonably practicable to the remainder of the Building and the business of the tenants and occupiers thereof carried on thereat and to make good any physical damage caused to such areas to the reasonable satisfaction of the Landlord and the tenants and occupiers thereof;
 - (b) to comply with the reasonable security requirements of the Landlord and the tenants and occupiers of the remainder of the Building and where requisite the Tenant or such other person exercising the said rights shall only exercise such rights while accompanied by a representative of the Landlord or the tenant or occupier of the relevant part of the remainder of the Building.

Surety

- 3.98 In the event that any person firm or body corporate which has or shall have guaranteed the Tenant's obligations contained in this Lease shall die or an event shall occur in relation to such person a firm or body corporate of the type referred to in clauses 5.1(c) to 5.1(f) then without delay to give notice thereof to the Landlord and if so required by the Landlord (acting reasonably and having regard to the financial covenant strength of the Tenant) at the expense of the Tenant within 30 working days thereafter to procure that some other guarantor or guarantors reasonably acceptable to the Landlord execute a guarantee in respect of the Tenant's obligations contained in this Lease in the form referred to in the Seventh Schedule (or on such other terms as the Landlord shall reasonably require).

Registration

- 3.99 To apply for first registration of this Lease at the Land Registry as soon as reasonably practicable after this Lease is granted.
- 3.100 To provide to the Landlord as soon as each is available:
- (a) a note of the title number allocated to this Lease; and
 - (b) an official copy of the registered title to this Lease showing the Tenant as registered proprietor.
- 3.101 On determination of this Lease (whether by effluxion of time or otherwise) to apply to the Land Registry for closure of the Tenant's registered title to this Lease and for removal of all notices relating to this Lease from the Landlord's title.

Energy Performance Certificates

- 3.102 Before instructing an energy assessor to prepare any Energy Performance Certificate in respect of the Premises the Tenant shall first give notice to the Landlord informing the Landlord of the area to which the proposed Energy Performance Certificate will relate and the identity of the energy assessor must be reputable and suitably qualified.
- 3.103 At the Landlord's request the Tenant shall supply the energy assessor with any drawings specifications data or other information that the Landlord (acting reasonably) provides to the Tenant.
- 3.104 The Tenant shall provide to the Landlord a copy of any Energy Performance Certificate that the Tenant obtains in respect of the Premises.
- 3.105 The Tenant shall within 72 hours of receipt of written request permit any energy assessor instructed by or on behalf of the Landlord to enter on and inspect the Premises (in the company of an employee of the Tenant if required by the Tenant) at reasonable times and the Tenant shall provide to such energy assessor such information as the Landlord may reasonably request at the cost of the Landlord.

Bicycle Spaces

- 3.106 Not to permit any of the bicycle spaces referred to in paragraph 7 of Part I of the Second Schedule to be used other than by an occupier of the Premises which is permitted pursuant to the terms of this Lease.
- 3.107 Not to do anything in or about the bicycle parking spaces referred to in paragraph 7 of Part I of the Second Schedule or the service roads or accessways leading thereto which would or could constitute a nuisance, annoyance, obstruction, disturbance or cause damage to the Landlord or the tenants or other occupiers of the Building.
- 3.108 To comply and ensure that the Tenant's visitors comply with such reasonable and proper regulations as the Landlord may make for the regulation of the traffic to and from and use of the bicycle parking spaces referred to in paragraph 7 of Part I of the Second Schedule and previously notified in writing to the Tenant.

Compliance with Head Lease provisions

- 3.109 To observe and perform the covenants, obligations, provisions and conditions on the part of the tenant under the Head Lease so far as the same relate to or otherwise affect the Premises except for the payment of the rents reserved thereunder and, so far as the obligation to insure falls on the Landlord under this lease, to insure.
- 3.110 Not to do or omit anything which would or might cause the Landlord to be in breach of the Head Lease.

4 LANDLORD'S COVENANTS

The Landlord covenants with the Tenant:

Quiet enjoyment

- 4.1 That the Tenant may peaceably hold and enjoy the Premises without any interruption by the Landlord or any person rightfully claiming under or in trust for the Landlord or by title paramount.

Insurance

4.2

To insure:

- (a) the Building and keep the same insured with a reputable insurer in the name of the Landlord subject to such exclusions, excesses and limitations as may be imposed by the insurers and as are common in the London insurance market from time to time against:
 - (i) the Insured Risks in such a sum as shall be determined from time to time by the Landlord or the Landlord's Surveyor acting reasonably as being the full cost of rebuilding and reinstatement of the Building (and for these purposes "Building" means the Building constructed in accordance with the Base Building Definition including such works to prepare the Premises to generally no lesser standard than that described in the section of the Specification entitled "Category A Specification") and the Landlord covenants to have due regard to any reasonable request by the Tenant to increase such sums in respect of the Building together with architects', surveyors', consultants' legal and other fees in relation to the repair, rebuilding or reinstatement of the Building (including any cost or increased cost resulting from the requirements of local or other authorities, statutes, by-laws, regulations or orders as to the method of or design of or materials to be used in such repairing, rebuilding or reinstatement) and making due allowance for the effects of inflation and escalation of building costs and any fees and the cost of site clearance, demolition and debris removal and VAT on all such sums including any VAT resulting from any deemed self-supply as a result of such rebuilding or reinstatement;
 - (ii) loss of the Principal Rent and the rent thirdly reserved for such period (being not less than five years and not more than seven years) as the Landlord may from time to time reasonably deem necessary which may be calculated having regard to any relevant reviews or increases of rent and to the likely period required for obtaining planning permission and reinstating the Building;
 - (iii) (to the extent to which the same is not covered by clause 4.2(a)(i)) where applicable engineering and electrical plant and machinery being part of the Building against sudden and unforeseen damage breakdown and inspection;
 - (iv) property owner's liability and such other insurances as the Landlord may from time to time (acting reasonably) deem necessary to effect;
- (b) subject to request by the Tenant in writing and notification in writing by the Tenant of the full reinstatement cost of such items, any installations, fixtures, fittings, and equipment resulting from the completion of the Tenant's Works (as defined in the Agreement for Lease) or any other completed works carried out by the Tenant and any sub-tenant in accordance with the provisions of this Lease.

Landlord's obligations in relation to insurance

4.3

In relation to the policy or policies of insurance effected by the Landlord pursuant to its obligations contained in this Lease:

- (a) to produce not more than once in any 12 month period (and one further time in such 12 month period if requested by the Tenant) at the cost of the Tenant and as soon as reasonably practicable following demand either a complete copy or full details of the policy or policies of insurance with full details of any additions or amendments made thereto and either a copy of the last premium, renewal, receipt or reasonable evidence of the fact that the last insurance premium has been paid;
- (b) to procure (unless having used all reasonable endeavours it is unable to procure such a policy at commercial rates) that the interest of the Tenant and any mortgagee of the Tenant (or a general interests clause) is noted or endorsed on the policy or policies of insurance;

- (c) to use all reasonable endeavours to procure that the insurance policy contains terms whereby the insurers will not pursue subrogation rights against the Tenant and its lawful undertenants, licensees and agents (other than where the loss has been occasioned or contributed to by the fraudulent or criminal or malicious act of the Tenant or its undertenants, licensees or agents);
- (d) to use all reasonable endeavours to procure that the insurance policy contains a non-invalidation clause.

Reinstatement

4.4 If the Building (or any part or parts thereof) and/or the Premises (or any part or parts thereof) and/or the means of access to the Premises shall be destroyed or damaged by any of the Insured Risks and subject to the provisions of clause 5.4 and to the payment by the Tenant of any amounts due pursuant to clauses 3.83 to 3.84 (and without prejudice to the liability of the Tenant to make any such payments or any amounts due pursuant to clause 3.81) and subject to obtaining any planning permission or other permission or approval necessary for rebuilding and reinstating the Premises and to the necessary labour and materials being and remaining available the Landlord shall apply all monies received by the Landlord by virtue of such insurance and referable to the works required to reinstate the Premises (other than money received for loss of the Principal Rent and the rent thirdly reserved which shall automatically be payable to the Landlord) in rebuilding reinstating and making good the means of access to the Premises and/or (as the case may be) the Premises to generally no lesser standard than Specification and separately the Building (which may include aesthetic and specification improvements) permitted with all reasonable speed and making good any shortfall in the insurance proceeds from the Landlord's own resources (but not so as to provide accommodation identical in layout provided that the accommodation provided is no less commodious and does not differ materially in size to the accommodation provided at the date hereof) and the Landlord shall use all reasonable endeavours to obtain all necessary licences, consents, planning permissions and approvals therefor as soon as reasonably practicable and shall use reasonable endeavours to procure in favour of the Tenant a package of collateral warranties or third party rights relating to the design and carrying out of such works in a form consistent with market practice at the relevant time.

4.5 It is agreed that all monies claimed or received by the Landlord pursuant to clause 4.2(b) belong to the Tenant and shall be held on trust for the Tenant pending application in reinstatement and the Landlord shall keep the Tenant fully informed regarding any claim in respect of insurance monies pursuant to clause 4.2(b) and act in accordance with the Tenant's reasonable instructions at the Tenant's cost.

Obligations relating to Services for the Tenant

4.6 To provide or procure the provision of:

- (a) the Services during Normal Business Hours (and Normal Business Hours shall in the case of security and reception facilities for the Building be on a 24/7 basis); and
- (b) outside Normal Business Hours such of the Services as the Landlord shall in its reasonable discretion deem appropriate; and
- (c) such other of the Services outside the Normal Business Hours as the Tenant shall previously request,

(having regard to the Design Standards and subject to the provisions of clause 5.16) Provided that the Landlord shall be entitled to employ such reputable managing agents, professional advisers, contractors and other persons as may reasonably be required from time to time in the interests of good estate management for the purpose of the performance of the Services.

Building Services and Estate Services

4.7 The Landlord covenants that any item of Service Cost will be allocated properly to either the Building Services or the Estate Services and that no item of Service Cost will be charged to the Tenant more than once.

- 4.8 To provide or procure the provision of electricity to the Premises and the Building (subject to the provisions of clause 5.16) and (in each case) each and every part thereof designed to receive such to the extent necessary to meet the reasonable requirements of the Tenant and to use reasonable endeavours to procure that the same shall not be less than the Design Standards having regard to all relevant statutory provisions from time to time regulating the supply and utilisation of electricity and the terms and conditions relative thereto from time to time imposed by the relevant statutory undertaker.
- 4.9 As soon as reasonably practicable following any request made in writing by the Tenant the Landlord shall supply to the Tenant full details in writing of (and any supporting evidence reasonably requested by the Tenant):
- (a) the total Energy Costs and the method of calculation of the proportion of the Energy Costs included in the Energy Levy; and
 - (b) the method of calculation of the proportion of the Energy Levy which comprises the Energy Levy Rent.
- 4.10 In so far as such rights are not held by the Landlord, to procure for the benefit of the Tenant and all persons authorised by the Tenant the rights over the Estate Common Parts as are set out in the Second Schedule, it being agreed that if the Tenant is prevented from exercising such rights in breach of this clause the Estate Services Costs payable by the Tenant shall be adjusted accordingly.
- Building Defects*
- 4.11 Where the Building suffers a defect the Landlord shall, where the Landlord reasonably believes there is a reasonable chance of success and reasonably believes that there is an economic and commercial benefit of pursuing such party, use all reasonable endeavours to recover the cost of remedying any such defect from any professional or contractor employed by the Landlord or its predecessors in title in relation to any building works leading to the occurrence of such defect and shall credit any sums received against the Service Charge to the extent the Landlord has legitimately already recovered any of the costs of remedying any such defect through the Service Charge.
- Head Lease rents*
- 4.12 To pay the rents reserved by the Head Lease at the times and in the manner provided in the Head Lease and to perform and observe all the covenants on the part of the tenant contained in the Head Lease insofar as they relate to any part of the premises thereby demised and which are not to be observed and performed by the Tenant pursuant to clause 3.109.
- Retail Units*
- 4.13 The Landlord agrees not to let or enter into an agreement for lease or permit any right of occupancy or permit any change of use of the Retail Units where the use is a Prohibited Use and to include within any lease or licence of a Retail Unit an express prohibition on a Prohibited Use.
- 4.14 The Landlord shall procure that any lease or licence of a Retail Unit shall include:
- (a) a covenant on the part of the tenant not to cause any legal nuisance to be suffered by the Tenant or its lawful occupiers of the Premises and the Landlord shall at the request and cost of the Tenant enforce such covenant where reasonably requested to do so;
 - (b) only rights granting access to the Premises that are on the same terms as the rights reserved to the Landlord under this Lease including the obligation to comply with the Tenant's reasonable requirements and regimes as regards access as provided for in the proviso to paragraph 2 of Part II of the Second Schedule.

Restriction on naming

- 4.15 So long as the tenant of this Lease is Mimecast Services Limited (company number 04901524) or a Group Company thereof and such entities are together in occupation of at least 70.000 square feet of office space within the Building, the Landlord covenants not to name the Building after any other tenant of the Building.
- 4.16 If clause 4.15 ceases to apply, the Landlord shall only grant naming rights in relation to the Building to an entity that occupies the majority of the office space within the Building and only for the duration such entity occupies the majority of the office space within the Building.

5 PROVISOS

IT IS HEREBY AGREED AND DECLARED as follows:

Re-entry

- 5.1 If:
- (a) the Rents or any part thereof shall be in arrear for 21 days next after becoming payable (whether in the case of the Principal Rent, the rent has been demanded or not); or
 - (b) there shall be any material breach, non-performance or non-observance of any of the Tenant's covenants; or
 - (c) the Tenant shall enter into any arrangement or composition for the benefit of the Tenant's creditors or convene a meeting of the Tenant's creditors (or a nominee calls such a meeting on its behalf); or
 - (d) the Tenant or the Surety (being one or more individuals):
 - (i) is the subject of an interim order under Part VIII of the Insolvency Act 1986 or makes application to the Court for such an order or makes a voluntary arrangement under such Part; or
 - (ii) has a bankruptcy order made against him; or
 - (iii) a receiver is appointed in respect of all or any of the assets or undertaking of the Tenant or such surety; or
 - (e) the Tenant or the Surety (being a company or partnership):
 - (i) makes a voluntary arrangement or submits to its creditors or any of them a proposal under Part I of the Insolvency Act 1986; or
 - (ii) makes an application to the Court under Section 425 of the Companies Act 1985 or resolves to make such an application; or
 - (iii) is the subject of an administration order (whether an interim order or otherwise) made under Part II of the Insolvency Act 1986 or is subject to a resolution passed by the directors or shareholders for the presentation of an application for such an order or is the subject of a notice of intention to appoint an administrator or files a notice of appointment of an administrator with the court or passes a resolution by its directors or shareholders for the filing of such a notice; or
 - (iv) is the subject of a resolution for voluntary winding up (otherwise than for the purpose of an amalgamation or reconstruction which has been approved by the Landlord) or a meeting of creditors is called to consider a resolution for winding up; or
 - (v) has an interim order or winding up order made against it; or
 - (vi) has an administrative receiver or receiver appointed in respect of all or any of its assets; or

- (vii) ceases to exist; or
- (viii) becomes "Bankrupt" within the meaning of the Interpretation (Jersey) Law 1954; or
- (f) where the Tenant is a company or partnership incorporated outside the United Kingdom analogous proceedings or events to those referred to in clause 5.1(e) shall be instituted or occur in the country of incorporation,

it shall be lawful for the Landlord at any time thereafter to re-enter the Premises or any part thereof in the name of the whole and thereupon this Lease shall absolutely determine but without prejudice to any rights of action of the Landlord or the Tenant against the other in respect of any antecedent breach by the Landlord or the Tenant (as the case may be) of any of the covenants herein provided that in the event that the Tenant comprises more than one person then the Landlord will be entitled to re-enter the Premises and this Lease shall thereupon absolutely determine upon the happening of any of the events referred to in clauses 5.1(c) to 5.1(f) hereof in relation to any one of them.

Replacement of surety

- 5.2 In the event of the occurrence of any of the events referred to in clauses 5.1(d) or 5.1(e) in respect of the Surety, the Landlord shall not exercise its right pursuant to clause 5.1 without first allowing the Tenant a period of 30 working days to procure that some other guarantor or guarantors reasonably acceptable to the Landlord execute a guarantee in respect of the Tenant's obligations contained in this Lease in the form referred to in the Seventh Schedule (or on such other terms as the Landlord shall reasonably require).

Payment of rent not waiver

- 5.3 No demand for or receipt or acceptance of any part of the Rents or any payment on account thereof shall operate as a waiver by the Landlord of any right which the Landlord may have to forfeit this Lease by reason of any breach of covenant by the Tenant and the Tenant shall not in any proceedings for forfeiture be entitled to rely on any such demand receipt or acceptance as aforesaid as a defence PROVIDED that this clause shall only have effect in relation to a demand receipt or acceptance made or given during such period as may in all the circumstances be reasonable for enabling the Landlord to conduct any negotiations with the Tenant for remedying the breach commenced upon the Landlord becoming aware of such breach.

Suspension of rent

- 5.4 If the Premises or the Building or the means of access to the Premises shall at any time be so damaged or destroyed:
 - (a) by any of the Insured Risks as to render the Premises or the means of access to the Premises unfit for occupation or use then (save to the extent that the insurance monies shall be irrecoverable or the policy rendered void by reason of any act or default on the part of the Tenant any sub-tenant or their respective servants, agents, licensees or invitees) the Principal Rent, the Rent secondly reserved and the Rent thirdly reserved or a fair proportion thereof according to the nature and extent of the damage sustained shall be suspended immediately from the date of such damage or destruction until the earlier of:
 - (i) the date of issue of the Reinstatement Certificate; and
 - (ii) the expiration of the period in respect of which the Landlord has covenanted to insure for loss of the Principal Rent and the Rent thirdly reserved pursuant to clause 4.2(a)(ii),and any dispute with reference to this clause 5.3(a) shall be referred by the Landlord or the Tenant to arbitration in accordance with the Arbitration Act 1996:

- (b) by an Uninsured Risk as to render the Premises or the means of access to the Premises unfit for occupation or use then (save to the extent that damage or destruction results from the default of the Tenant, or Group Company of the Tenant or any sub-tenant or their respective agents, servants, licensees or invitees) the Principal Rent, the Rent secondly reserved and the Rent thirdly reserved or a fair proportion thereof according to the nature and extent of the damage sustained shall be suspended from the date 12 months after the date of such damage or destruction until the date of issue of the Reinstatement Certificate and any dispute with reference to this proviso shall be referred by the Landlord or the Tenant to arbitration in accordance with the Arbitration Act 1996.

Damage before Rent Commencement Date

- 5.5 If clause 5.4 applies before the Rent Commencement Date the number of days between the date of the damage or destruction and the Rent Commencement Date (or where only a proportion of the Principal Rent is or would have been suspended, an equivalent proportion of those days) will be added to the date the period of rent suspension ends and the resulting date will become the Rent Commencement Date.

Determination if damage or destruction

- 5.6 if the Premises or the Building or the means of access to the Premises shall be destroyed or damaged by an Uninsured Risk so that the Premises are unfit for occupation or use the Landlord may elect not to carry out and complete the rebuilding and reinstatement of the Premises pursuant to clause 5.7 by serving notice to such effect on the Tenant and upon service of such notice this Lease shall determine but without prejudice to any claim by the Landlord or the Tenant against the other. If the Landlord shall not have served a notice on the Tenant pursuant to this clause 5.6 by a date prior to the date 12 months after such damage or destruction then either party shall be entitled at any time thereafter by notice in writing to the other party to determine this Lease and upon service of such notice this Lease shall determine but without prejudice to any claim by the Landlord or the Tenant against the other in respect of any antecedent breach of any covenant or provision herein contained.
- 5.7 If the Premises or the Building or the means of access to the Premises shall be destroyed or damaged by an Uninsured Risk so that the Premises are unfit for occupation or use the Landlord may elect at any time prior to the date 12 months after the date of damage or destruction to carry out and complete the rebuilding and reinstatement of the Premises by serving written notice to that effect on the Tenant whereupon the Landlord shall, subject to obtaining any planning permission or other permission or approval necessary for rebuilding and reinstating the Building, the Premises and the means of access to the Premises and to the necessary labour and materials being and remaining available, be obliged to rebuild reinstate and make good (as the case may be) the Building, to generally no less a standard than that set out in the Base Building Definition and the Premises and the means of access to the Premises to generally no lesser standard than that described in the section of the Specification entitled "Category A Specification") (which may include aesthetic and specification improvements) with all reasonable speed (but not so as to provide accommodation identical in layout provided that the accommodation provided is no less commodious and does not differ materially in size to the accommodation provided at the date hereof) and the Landlord shall use all reasonable endeavours to obtain all necessary licences, consents, planning permissions and approvals therefor as soon as reasonably practicable and shall use reasonable endeavours to procure in favour of the Tenant a package of collateral warranties or third party rights relating to the design and carrying out of such works in a form consistent with market practice at the relevant time provided always that such rebuilding or reinstating shall be at the cost of the Landlord and the costs of or in any way relating to rebuilding or reinstating the Premises following damage or destruction of the Premises or the Building or any part thereof by an Uninsured Risk shall not be recoverable from the Tenant via the Service Charge provisions in the Fifth Schedule.

- 5.8 If:
- (a) the Premises or the Building or the means of access to them shall at any time be so damaged or destroyed by any of the Insured Risks as to render the Premises unfit for occupation or use and the Landlord has not commenced the works of reinstatement referred to in clause 4.4 within two and a half years of the date of damage or destruction; or
 - (b) the Premises or the Building or the means of access to them shall at any time be so damaged or destroyed by any of the Insured Risks as to render the Premises unfit for occupation or use and the Landlord having used all reasonable and commercially prudent endeavours to do so has not completed the works of reinstatement referred to in clause 4.4 prior to the expiration of a period of five years following the date of such damage or destruction; or
 - (c) the Premises or the Building or the means of access to them shall at any time be so damaged or destroyed by an Uninsured Risk as to render the Premises unfit for occupation and use and the Landlord has not commenced the works of reinstatement referred to in clause 5.7 within two and a half years of the date of damage or destruction; or
 - (d) the Premises or the Building or the means of access to them shall at any time be so damaged or destroyed by an Uninsured Risk as to render the Premises unfit for occupation and use the Landlord having used all reasonable and commercially prudent endeavours to do so has not completed the works of reinstatement referred to in clause 5.7 within five years of the date of damage or destruction,

then the Landlord or (subject to clause 5.9) the Tenant may in the circumstances referred to in clauses 5.8(a) and 5.8(c) by giving to the other not less than three months' notice in writing or (subject to clause 5.9) the Tenant may in any the circumstances referred to in clauses 5.8(b) and 5.8(d) by giving to the Landlord not less than one month's notice in writing to that effect determine this Lease and upon the expiry of such notice this Lease shall (unless before the expiry of such notice the Landlord has in the circumstances of clause 5.8(a) or clause 5.8(c) commenced such works of reinstatement or in the circumstances of clause 5.8(b) or clause 5.8(d) completed such works of reinstatement by the expiry of such notice in which case the notice shall be of no effect) determine and this Lease shall cease to be of effect but without prejudice to any claim by the Landlord or the Tenant in respect of any antecedent breach by the other of any of the terms of this Lease.

5.9 The Tenant shall not be entitled to serve notice on the Landlord pursuant to clause 5.8 if:

- (a) in the case of clauses 5.8(a) or 5.8(b) the insurance monies are irrecoverable or the policy rendered void by reason of any act or default on the part of the Tenant, any Group Company of the Tenant, any sub-tenant or their respective servants, agents, licensees or invitees unless the Tenant has complied with its obligations in clause 3.81; or
- (b) in the case of clauses 5.8(c) or (d) the damage or destruction results from the default of the Tenant, any Group Company of the Tenant, any sub-tenant or their respective agents, servants, licensees or invitees.

5.10 If this Lease is determined under clauses 5.6 to 5.7 the Landlord shall be entitled to retain the insurance monies payable in respect of the Building but will hold on trust for the Tenant (and pay to the Tenant such monies within ten working days of receipt) any monies due to it in respect of works insured by it under clause 4.2 and use all reasonable endeavours to obtain such monies for the benefit of the Tenant whether received by the Landlord or by the Tenant.

Roof Terrace

- 5.11 If at any time during the term of this Lease the Western Roof Terrace shall cease to be designated for exclusive use by Mimecast Services Limited (or a Group Company of it if such Group Company takes an assignment of this Lease), the definition of "Roof Terrace" in clause 1.1 of this Lease shall, at the Landlord's option (which, if exercised, the Landlord shall notify the Tenant of in writing) be amended such that it shall also refer to the Western Roof Terrace and all references in this Lease to "Roof Terrace" shall be construed accordingly.

Warranty as to use

- 5.12 Nothing herein shall be deemed to constitute any warranty by the Landlord that the Premises or any part thereof are under the Planning Acts or any other relevant laws or regulations now or from time to time in force authorised for use for any specific purpose.

Service of notices

- 5.13 Any notices required to be served hereunder shall be validly served if served in accordance with Section 196 of the Law of Property Act 1925 or Section 23 of the Landlord and Tenant Act 1927 and (in the case of notices to be served on the Tenant) by sending the same to the Tenant at the Premises.

Disputes between tenants/occupiers

- 5.14 That in case any dispute or controversy shall at any time or times arise between the Tenant and the tenants and occupiers of the Building and/or any neighbouring, adjoining or contiguous property belonging to the Landlord relating to Service Conduits and Appliances serving the Building and/or the Premises or any such adjoining or contiguous property or any easements or privileges whatsoever affecting or relating to the Building and/or the Premises or such neighbouring, adjoining or contiguous property the same shall from time to time be settled and determined by the Landlord's Surveyor or agent (in either case acting reasonably) to which determination the Tenant shall submit (save in the case of manifest error).

Apportionment

- 5.15 Where any question as to the amount or method of apportionment of any sum falls to be determined under the provisions of this Lease (other than any amount or apportionment to be determined pursuant to the provisions of the Fifth Schedule) the same shall be referred (upon application to be made by either party) to and conclusively (save in case of manifest error) determined by the Landlord's Surveyor (acting reasonably) in accordance with the principles of good estate management and whose reasonable and proper fees for so acting shall be added to and deemed for all purposes to form part of the sum to be so apportioned and shall be borne accordingly.

Exclusions of Landlord's liability

- 5.16 Notwithstanding anything in any other provision herein contained (save where such event arises due to a breach of the covenants and conditions on the part of the Landlord set out herein) the Landlord shall not be liable to the Tenant nor shall the Tenant have any claim against the Landlord in respect of:
- (a) any temporary interruption in any of the Services or the supply of electricity to the Premises caused by factors outside the Landlord's reasonable control; or

- (b) temporary closure or diversion of any of the Common Facilities or Service Conduits and Appliances by reason of inspection, repair, maintenance or replacement thereof or any part thereof or of any plant, machinery, equipment, installations or apparatus used in connection therewith or damage thereto or destruction thereof by any risk (whether or not an Insured Risk); or
- (c) by reason of electrical, mechanical or other defect or breakdown or frost or other inclement conditions or shortage of fuel materials, supplies or labour or whole or partial failure or stoppage of any mains supply outside the reasonable control of the Landlord,

SUBJECT TO the Landlord using reasonable endeavours to minimise the adverse effects of any of the above events or circumstances and using reasonable endeavours to reinstate and remedy such event or circumstance as expeditiously as reasonably possible AND PROVIDED ALWAYS that the Landlord shall (if reasonably practicable) have previously given reasonable notice of any intended interruption or closure of the nature mentioned above.

Development of adjoining property

- 5.17 That subject to compliance with the Landlord's covenants in clause 4.1 the Landlord or any superior landlord may at any time or times without obtaining any consent from or making any arrangement with the Tenant carry out any development or works (or permit the same) or whatsoever nature to the Building (other than the Premises) and/or the Estate and/or any neighbouring, adjoining or contiguous land or premises whether or not the light or air now or at any time or times enjoyed by the Tenant may be diminished PROVIDED THAT proper means of access to and egress from the Premises is afforded at all times and the rights hereby granted expressly to the Tenant are not prejudiced.
- 5.18 Any access of light and air now or at any time during the Contractual Term enjoyed by the Premises shall be deemed to be by consent or agreement in writing for that purpose within the meaning of Section 3 of the Prescription Act 1832 so that neither the enjoyment thereof nor this Lease shall prevent any such development or works referred to in clause 5.16 and the Tenant shall permit such development or works without interference or objection.

Removal of property

- 5.19 If at such time as the Tenant has vacated the Premises after the determination of this Lease any property of the Tenant shall remain in or on the Premises and the Tenant shall fail to remove the same within 28 days after being requested by the Landlord so to do by a notice in that behalf then and in such case the Landlord may (in addition to any other remedies available to it) as the agent of the Tenant (and the Landlord is hereby irrevocably appointed by the Tenant to act in that behalf) sell such property and shall then hold the proceeds of sale after deducting the reasonable costs and expenses of removal, storage and sale reasonably and properly incurred by it on trust for and to the order of the Tenant PROVIDED THAT the Tenant will reimburse the Landlord against any liability properly incurred by it to any third party whose property shall have been sold by the Landlord in the bona fide mistaken belief (which shall be presumed unless the contrary be proved) that such property belonged to the Tenant and was liable to be dealt with as such pursuant to this clause.

VAT

- 5.20 Any rent or other sum payable by any party hereunder is exclusive of VAT that is or may be payable thereon and shall be paid upon receipt of a valid VAT invoice
- 5.21 Where under this Lease any party (the "Indemnified Party") is entitled to recover from another party (the "Paying Party") the cost of any goods or services supplied to the Indemnified Party, the Paying Party will indemnify the Indemnified Party against so much of the input tax on the cost for which the Indemnified Party is not entitled to credit allowance under Section 24-26 of VATA.

5.22 If VAT is chargeable in respect of any supplies of goods and/or services by any party to the other party under this Lease the recipient of such supplies shall pay such VAT in addition to the amounts (if any) provided for under this Lease and in respect of the supplies made to it under this Lease subject to receipt of a valid VAT invoice.

Exclusion of easements

5.23 Nothing herein contained other than those rights expressly granted to the Tenant in Part I of the Second Schedule shall by implication of law or otherwise operate to confer on the Tenant any easement, right or privilege whatever over or against any neighboring, adjoining, contiguous or other property which might restrict or prejudicially affect the future rebuilding, alteration or development of such neighboring, adjoining, contiguous or other property.

Sharing of information

5.24 The Landlord and the Tenant agree that they will:

- (a) share the data they hold in respect of energy and water use and waste production/ recycling and other environmental matters as are applicable to the use of the Premises between themselves and with any other third party who the parties agree needs to receive such data;
- (b) keep the data disclosed under this clause 5.24 confidential and will only use such data for the purposes of ensuring that the Building is run in a sustainable way that minimizes its environmental impact,

provided always that this shall not prevent the Landlord from publishing information giving all details as to how central building energy costs are apportioned across the Building nor the general energy performance of the Building.

5.25 The Landlord and the Tenant agree that the Tenant's covenant contained in clause 3.1 of this Lease to pay the Energy Levy Rent shall survive the Termination of the Tenancy, but only until the Tenant has paid the Energy Levy Rent in full to the Landlord.

6 SURETY

The Surety in consideration of this Lease having been granted at its request covenants with the Landlord in the terms contained in the Seventh Schedule.

7 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Unless expressly stated to the contrary nothing in this Lease confers on anyone other than the parties to it any right pursuant to the Contracts (Rights of Third Parties) Act 1999.

8 DETERMINATION

8.1 The Tenant may terminate this Lease as at the tenth anniversary of the Term Commencement Date (the "relevant date") by serving not less than twelve calendar months' notice on the Landlord.

8.2 This Lease shall not terminate as a result of any notice served by the Tenant if on the relevant date:

- (a) the Tenant has not paid in cleared funds any part of the Principal Rent (or any VAT in respect of it), which was due to have been paid up to and including the relevant date; or
- (b) the Tenant or any third party remains in occupation of any part of the Premises; or
- (c) the Tenant and/or a Group Company of the Tenant (and assuming for these purposes that they are one entity) is not, or on the date immediately following the relevant date it will not be, in occupation of one vertically contiguous space within the Building;

except to the extent if at all the Landlord in its absolute discretion expressly and in writing waives compliance with one or more of the pre-conditions specified in this sub-clause.

- 8.3 Termination of this Lease under this clause 8 does not affect any obligation on the Tenant that applies on or at the expiry of this Lease or any right accrued by the expiry of this Lease, which either the Landlord or the Tenant then has against the other or against any third party.
- 8.4 Waiver of a pre-condition under 8.2 shall not affect any right which the Landlord may have against the Tenant or against any third party in respect of a breach of the Tenant's obligations.
- 8.5 Time is of the essence of all dates and periods referred to in this clause 8.
- 8.6 If notice is not served by the Tenant to terminate this Lease on the relevant date pursuant to clause 8.1 the Landlord and Tenant agree that the Principal Rent shall be reduced to a peppercorn for the period of 9 months from and including the relevant date.
- 8.7 The parties agree that to the extent the Tenant has paid any Rents or Service Charge to a date which is beyond the relevant date the Landlord shall refund to the Tenant within 14 days of the relevant date all such sums to the extent they have been paid for a period beyond the relevant date.
- 8.8 The parties agree by way of explanation and example in order to clarify the meaning of "one vertically contiguous space" in clause 8.2(c) above that if the Tenant was the tenant of each of the third floor, fourth floor and fifth floor prior to the date of service of a determination notice by the Tenant and each lease contained in a clause in the terms of this clause the Tenant would be entitled to validly determine any one or more of the following leases by exercising its rights in this clause 8:
- (a) the Third Floor alone;
 - (b) the Fifth Floor alone;
 - (c) the Third and Fourth Floor together;
 - (d) the Fourth and Fifth Floor together; or
 - (e) the Third Floor, Fourth Floor and the Fifth Floor together

9 RIGHT TO RENEW

- 9.1 The Tenant may exercise its option to take the Renewal Lease by serving written notice on the Landlord not less than twelve calendar months' prior to the Term Expiry Date.
- 9.2 The Tenant's option under clause 9.1 shall be of no effect if:
- (a) On the Term Expiry Date:
 - (i) the Tenant and/or a Group Company of the Tenant (assessed together so for these purposes the Tenant and the relevant Group Company are assumed to be the same entity) shall not be in occupation of at least 70,000 square feet of contiguous office space within the Building; and
 - (ii) this Lease is not subsisting, and
 - (b) on the date following the Term Expiry Date the Tenant and/or a Group Company of the Tenant (assessed together so for these purposes the Tenant and the relevant Group Company are assumed to be the same entity) will not be in occupation of at least 70,000 square feet of contiguous office space within the Building.
- 9.3 For the purposes of clause 9.2 above it is agreed the contiguous office space means space let to the Tenant and/or a Group Company of the Tenant on sequential floors of the Building (with no lettable area between any such floors which is not let to the Tenant or a Group Company of the Tenant (as the case may be)).

- 9.4 The Renewal Lease shall be made on the same terms as this lease save that:
- (a) the Term Commencement Date shall be the date immediately following the day of expiry of this Lease;
 - (b) the Term shall be five (5) years;
 - (c) the Principal Rent shall be ascertained in accordance with clause 9.5;
 - (d) the "Review Dates" shall be the term commencement date and the term expiry date of the Renewal Lease;
 - (e) the Tenant's option to break in clause 8 and all references to it shall be omitted; and
 - (f) the term "Renewal Lease", this clause 9 and all references to them shall be omitted.
- 9.5 The Principal Rent payable on and from the term commencement date of the Renewal Lease shall be the higher of the Principal Rent passing on the last day of this lease (ignoring any suspension or abatement) and the Open Market Rent calculated in accordance with the provisions of the Third Schedule of this Lease. The provisions of paragraph 7 of the Third Schedule will apply if the Principal Rent payable under the Renewal Lease has not been agreed or assessed by the term commencement date of the Renewal Lease.
- 9.6 If at the Term Expiry Date the Rents are suspended whether in whole or in part due to the occurrence of damage or destruction by an Insured Risk or an Uninsured Risk then the parties agree that for the purposes of the Renewal Lease it shall be assumed that such damage or destruction is an event which applies to the Renewal Lease so that such suspension continues and the time periods referred to in clauses 5.4 and 5.5 shall be reduced so as to take into account any part of these time periods that have occurred during the term of this Lease.
- 9.7 Any guarantor who is guaranteeing the obligations of the Tenant at the expiry of the Contractual Term shall be obliged to guarantee the Tenant's obligations under the Renewal Lease on the same terms (but shall not be obliged to do so if during the 12 month period prior to the Term Expiry Date the Tenant itself would have been able to satisfy the condition in clause 3.64(b) if at any time during such period the Tenant had wished to take an assignment of the Lease).
- 9.8 Subject to clause 9.2, if the Tenant exercises its option pursuant to clause 9.1, the Landlord shall grant and the Tenant shall accept the Renewal Lease on the date specified in clause 9.4(a).
- 9.9 Time is of the essence of the dates and periods referred to in this clause 9.

10 [OPTION TO SURRENDER]

10.1 In this Clause the following terms shall have the following meanings:

"Act" means the Landlord and Tenant Act 1954;

"Agreement to Surrender" means the agreement to surrender in the form attached at Appendix G;

"Landlord Warning Notice" means (i) a warning notice served by the Landlord on the Tenant and (ii) a warning notice served by the Landlord on the Surety, each pursuant to section 38A(4) of the Act;

"Option Period" means the period commencing on the date of this Lease and ending on the fourth anniversary of the Term Commencement Date;

"Surrender Agreement Notice" means together:

- (a) a written request made by the Tenant to the Landlord requesting the grant of the Agreement to Surrender; and

- (b) a statutory declaration in the form required by Schedule 4 of the Regulatory Reform (Business Tenancies)(England and Wales) Order 2003, properly executed by or on behalf of the Tenant and made before an independent solicitor or commissioner for oaths; and
- (c) a statutory declaration in the form required by Schedule 4 of the Regulatory Reform (Business Tenancies)(England and Wales) Order 2003, properly executed by or on behalf of the Surety and made before an independent solicitor or commissioner for oaths; and
- (d) a copy of the Agreement to Surrender executed by the Tenant and the Surety; and
- (e) written confirmation that the executed Agreement to Surrender is irrevocably released to the Landlord for completion in accordance with clause 10.4 below;

"Warning Notice Request" means a written request made by the Tenant to the Landlord requesting a Landlord Warning Notice.

10.2 Warning Notice Option

- (a) Grant

In consideration of the entry by the Tenant into this Lease the Landlord grants to the Tenant an option to call for a Landlord Warning Notice within the Option Period on the terms of this clause 10.2.

- (b) Exercise of Warning notice option

- (i) If the Tenant wishes to call for a Landlord Warning Notice it shall serve a Warning Notice Request on the Landlord.
- (ii) The Landlord shall, within seven days of receipt of a Warning Notice Request, serve a Landlord Warning Notice on the Tenant in accordance with the terms of the Act.

10.3 Surrender Agreement Option

- (a) Grant

In consideration of the entry by the Tenant into this Lease the Landlord grants to the Tenant an option to call for the Agreement to Surrender on the terms of this clause 10.3.

- (b) Applicability

The Tenant may not exercise the option granted pursuant to clause 10.3(a) above prior to service by the Landlord of a Landlord Warning Notice.

- (c) Exercise of Surrender Agreement Option

If the Tenant wishes to call for the Agreement to Surrender it shall serve a Surrender Agreement Notice on the Landlord within seven days of receipt of the Landlord Warning Notice and, following the date of service of such Surrender Agreement Notice, clause 10.4 shall apply.

10.4 Agreement To Surrender

The Landlord shall execute and complete the Agreement to Surrender within seven days of receipt of the Surrender Agreement Notice and shall immediately thereafter send to the Tenant the original Agreement to Surrender executed by the Landlord duly completed.

10.5 Time is of the essence

Time is of the essence of all dates and periods referred to in clauses 10.2, 10.3 and 10.4.]²

11 GOVERNING LAW AND JURISDICTION

- 11.1 This Lease and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law and within the exclusive jurisdiction of the English courts, to which the parties irrevocably submit.
- 11.2 Each party agrees that any claim form or other document to be served under the Civil Procedure Rules may be served on it by being delivered to or left at a correct address for the purposes of clause 5.13.
- 11.3 If any provision of this Lease is void or prohibited under any Act due to any applicable law, it shall be deemed to be deleted and the remaining provisions of this Lease shall continue in force.

² Drafting note: Only to be included if this is the highest floor lease being taken by the tenant at the time of grant (i.e. the tenant has exercised its option to contract over the whole of level 5).

IN WITNESS whereof this deed has been executed by the parties hereto and is intended to be and is hereby delivered on the day and year first above written.

FIRST SCHEDULE

The Premises

ALL THAT accommodation on Level 4 of the Building as the same is shown edged red and shaded blue on Plan 3 and which shall include:

- (a) one half severed medially of the non-structural and non-load bearing walls which divide the Premises from the remainder of the Building;
- (b) the entirety of all other non-structural or non-load bearing walls and columns;
- (c) the internal plaster surfaces and other finishes of load bearing walls and columns;
- (d) the ceiling finishes and the whole of any false ceilings and voids between the ceilings (including light fittings) and false ceilings;
- (e) void between the floor screed (but not the floor screed itself nor any of the floor joists or supporting structure) and any raised floors, all raised floors, the carpet or other covering or material;
- (f) the Landlord's fixtures and fittings;
- (g) the Landlord's Services Equipment within and exclusively serving the Premises;
- (h) the whole of any internal windows and the doors, partitions, equipment, fitments and lights of the Premises;
- (i) all Service Conduits and Appliances exclusively serving and within the Premises,

but there are excluded from the demise:

- (j) any structural parts, load bearing walls, columns, roofs, Foundations and Services, external walls, cladding, window frames and glass in the external facades of the Building and joists in and around the Premises;
- (k) any atria in the Building (including any glass therein);
- (l) such of the Landlord's Services Equipment and such of the Service Conduits and Appliances as are used in common with other parts of the Building.

SECOND SCHEDULE

Part I

Rights granted

- 1 The right for the Tenant and all persons authorised by the Tenant at all times•
- (a) to pass and repass on foot only over and along the pedestrian accessways within the Building from time to time designated by the Landlord and to pass and repass on foot only through and over the Common Facilities and the Estate Common Parts and any part or parts thereof to gain access to and from the Premises and generally to use the Common Facilities and the Estate Common Parts for all purposes in connection with the use and enjoyment of the Premises;
 - (b) to pass and repass with or without vehicles over and along the roads and accessways within the Building and the Estate Common Parts from time to time reasonably designated by the Landlord on the Building for the purpose of gaining access to and egress from the bicycle parking spaces referred to in paragraph 7 of this Part I of the Second Schedule and access to and egress from the loading bay in the Building;
 - (c) to use the loading bays in the Building in such locations from time to time designated by the Landlord acting reasonably;
 - (d) to use any compactor in the loading bay in the Building from time to time in such location as shall from time to time designated by the Landlord (acting reasonably);
 - (e) to use such emergency escape routes from the Premises through the Building and the Estate Common Parts as comply from time to time with statutory requirements and any requirements from time to time of the local authority or local fire authority;
 - (f) otherwise to use the. Common Facilities and the Estate Common Parts for the purpose for which they are intended,
- (subject in each case to such regulations in relation thereto as may be imposed from time to time pursuant to clause 3.92 and/or clauses 3.106 to 3.108) in each case such rights being exercised in common with others entitled thereto.
- 2 The right of passage and use of all such Service Conduits and Appliances which now or may hereafter during the Contractual Term pass or run into, through, along, under or over the Building and the Estate in each case such rights being exercised in common with others entitled thereto.
- 3 Subject to clauses 3.21 to 3.31:
- (a) the right at all times to connect into and use (subject to the regulations of any appropriate authority) the Service Conduits and Appliances for the supply of services and for drainage and to connect into and use such other Service Conduits and Appliances as may from time to time be available for connection to the Premises;
 - (b) the right at all times to connect into and use such of the Landlord's Services Equipment as may from time to time be available for connection to the Premises,
- provided that such connection and use does not materially adversely affect the supply of services to other premises within the Building having regard to the Specification and on the basis that any residual capacity in such Service Conduits and Appliances and the Landlord's Services Equipment over and above that set out in the Specification shall be available and allocated to all occupiers of the Building on a fair and reasonable basis.
- 4 The right of support shelter and protection from the remainder of the Building.

- 5 The right at all reasonable times and upon reasonable prior notice (except in the case of emergency) to enter other parts of the Building for the purposes of carrying out any works required to comply with the covenants and conditions of the Tenant herein contained and where such works cannot otherwise conveniently be carried out without such entry the Tenant in the exercise of such right causing as little inconvenience and interference as is reasonably practicable in the circumstances to the Landlord or other occupier of the part of the Building so entered and its trade or business carried on therein and making good to the reasonable satisfaction of the Landlord or the other occupier (as the case may be) any physical damage thereby caused.
- 6 The right for the Tenant and any other lawful occupier of the Premises to display its name (in the Landlord's house style) on the sign board provided by the Landlord for that purpose in the main reception area of the Building subject to the Landlord's prior approval (such approval not to be unreasonably withheld or delayed) as to the size and design of the signage concerned and its location).
- 7 The exclusive right for the Tenant and any lawful occupier of the Premises only at all times to use 60 bicycle parking spaces in the area shown shaded red on Plan 6 and 60 lockers in the area shown shaded red on Plan 6 (the Landlord having the right at any time and from time to time on not less than 14 days' notice to nominate an alternative space or spaces within the Building provided such nomination is agreed by the Tenant (such agreement not to be unreasonably withheld or delayed)) provided that the Landlord shall be entitled to temporarily suspend all or any such rights after prior consultation with the Tenant as to timing and duration of the proposed works (save in the case of an emergency) and having proper regard to the Tenant's representations in relation thereto for the purpose of carrying out works of repair and maintenance to the parts of the Building in which the relevant spaces are located where it would not be practical to carry out the relevant works without such suspension and the Landlord shall use reasonable endeavours to keep any such period of suspension to the minimum reasonably practicable.
- 8 The right in common with other occupiers of the Building to use the showers in Level -1 of the Building as are from time to time provided.
- 9 Subject to the Landlord's entitlement to access and remain on the Roof Terrace in connection with any of the purposes listed in paragraph 2 of Part II of the Second Schedule the right for the Tenant in common with other occupiers of the Building to access onto the Roof Terrace for uses ancillary to the Tenant's use of the Premises and which are consistent with a high class office building provided that the Tenant shall obtain the Landlord's prior approval to any furniture or other item to be placed on the Roof Terrace (such approval not to be unreasonably withheld or delayed).
- 10 Subject to the Landlord's entitlement to access and remain on the Fourth Floor Terraces in connection with any of the purposes listed in paragraph 2 of Part II of the Second Schedule the right for the Tenant to access onto the Fourth Floor Terraces for uses ancillary to the Tenant's use of the Premises and which are consistent with a high class office building provided that the Tenant shall obtain the Landlord's prior approval to any furniture or other item to be placed on the Fourth Floor Terraces (such approval not to be unreasonably withheld or delayed).

- 11 The right in common with other occupiers of the Building to install in part or parts of the areas shown coloured red and blue on Plan 7 (being tenant roof plant space) from time to time (subject to obtaining consent from the Landlord (such consent not to be unreasonably withheld or delayed) by deed and containing covenants of the type referred to in the provisos at the end of clause 3.31 to such installation and subject to the Tenant obtaining all necessary consents and approvals) plant, machinery, satellite dishes aerals and equipment (including air conditioning equipment) together with the right to install and lay associated cabling and other service media (with any ancillary plant and equipment) in under over and through the Building for connection to the Premises and to use the same provided that the Landlord will manage the allocation of the tenant roof plant space with due regard to the requirements of all tenants in the Building and taking the following into account:
- (a) where reasonably possible plant areas will be separate for each tenant and will take into account the riser allocation strategy (being the proviso to paragraph 12 below) and the location of the tenant's facilities requiring connection to those plant areas;
 - (b) the tenant plant space available for allocation will exclude the plant space set aside for tenant's generators;
 - (c) the Landlord reserves the right to run cables/pipes and other service media over under or along such areas provided that these shall not materially adversely affect the Tenant's use of the same and that the Landlord obtains the Tenant's prior written consent (such consent not to be unreasonably withheld or delayed) to the location of such cables/pipes and other service media;
 - (d) the proportion that the Net Internal Area of the Premises bears to the Net Internal Area of all of the offices within the Building let or intended to be let.
- 12 The right to use a fair and reasonable proportion of the riser space and telecoms intake room or rooms allocated to tenants for their use within the Building based on the proportion that the Net Internal Area of the Premises bears to the total Net Internal Area of all offices within the Building for the purpose of running Service Conduits and Appliances exclusively serving the Premises provided that the installation of such cabling shall be subject to the Landlord's prior written consent such consent not to be unreasonably withheld or delayed and provisos (a) to (d) at the end of clause 3.31 shall apply to such installation and consent Provided that the Landlord will manage the allocation of the riser space for the purposes of the use of and connections to the Service Conduits and Appliances the Landlord's Services Equipment and such telecoms intake room or rooms on the following basis:
- (a) space shall be allocated between each of the tenants (and undertenants shall be not be taken into account for these purposes) in the same proportion as the Net Internal Area they occupy bears to the total Net Internal Area of the Building;
 - (b) where reasonably possible separate risers will be allocated to each tenant and will take into account the location of the premises demised to the tenant;
 - (c) where reasonably possible the allocation of riser space to be used for IT purposes shall be on the basis of separate cages within the risers provided that the Tenant will reimburse the Landlord for the reasonable cost of such cages;
 - (d) the Landlord reserves the right to run cables/pipes and other service media through such risers provided that these shall not materially adversely affect the Tenant's use of the same and that the Landlord obtains the Tenant's prior written consent (such consent not to be unreasonably withheld or delayed) to the location of such cables/pipes and other service media.

Wayleaves

- 13 The Landlord acknowledges that the Tenant may wish to enter into wayleaves for cabling from external third parties for connection through the Estate and the Building into the Premises and confirms that:
- (a) it will consent to any such wayleave without payment of a premium for such wayleaves;
 - (b) it will not unreasonably withhold or delay its consent to the entering into of any such wayleave in a form reasonably approved by the Landlord.

Staircase Rights

- 14 For such duration as the internal staircases connecting the third and fourth floors and fourth and fifth floors exist the right to pass and repass through the airspace of the slabs separating the third and fourth floors and fourth and fifth floors for the purposes of utilising such connecting staircase.

Stadium Seating

- 15 The right to construct, retain, modify, amend and use the Stadium Seating within the atrium forming part of the Premises.

Part II

Rights excepted and reserved

- 1 The passage and use of all such Service Conduits and Appliances (if any) as now pass or run into through along under or over the Premises and which are designed to be used for the benefit of the remainder of the Building.
- 2 The right for the Landlord and all authorised persons at all reasonable times upon not less than 24 hours' prior notice (except in case of emergency) to enter the Premises and to enter and remain on the Roof Terrace and/or the Fourth Floor Terraces for the purposes of carrying out the Services and for all or any of the following purposes:
- (a) inspecting the Premises and the state and condition thereof;
 - (b) survey measurement or valuation of the Premises;
 - (c) reading electricity, water and other check meters or sub-meters installed within the Premises;
 - (d) preparation of a schedule of fixtures and fittings in or about the Premises;
 - (e) remedying any breach of covenant by the Tenant after failure by the Tenant so to do in accordance with the provisions of clause 3.18;
 - (f) access to or egress from any of the plant rooms or Service Conduits and Appliances included within the Premises or accessed from the Premises;
 - (g) access to or egress from the Fourth Floor Terraces;
 - (h) to comply with obligations owed by the Landlord (or any developer) to third parties or with the covenants on the part of the Landlord (or any developer) contained in this Lease or contained in the Agreement for Lease;
 - (i) maintaining, amending, renewing, cleaning, repairing or rebuilding any adjoining premises in so far as such works cannot be carried out without entering upon the Premises;
 - (j) to prepare any Energy Performance Certificate for the Premises or the Building;
 - (k) in connection with the provision of Services,

PROVIDED ALWAYS THAT the Landlord or other person exercising such rights shall cause as little interference and inconvenience as reasonably practicable to the Tenant or other occupier of the Premises and its or their trade or business carried on therein and as soon as reasonably practicable make good to the reasonable satisfaction of the Tenant any damage thereby caused to the Premises and the Tenant's fixtures and fittings and stock and PROVIDED FURTHER THAT the Landlord or other person exercising such rights complies with the reasonable security requirements of the Tenant or other occupier and where requisite the Landlord or other person exercising such rights shall only exercise such rights while accompanied by a representative of the Tenant or occupier of the relevant part of the Premises PROVIDED THAT such a representative shall be made available at reasonable times on reasonable request by the Landlord and if such a representative is not made available after a reasonable period after such request (or in the case of emergency) entry may be made without such a representative.

- 3 All rights of light air and other easements and rights (but without prejudice to any expressly granted to the Tenant by this Lease (if any)) now or hereafter belonging to or enjoyed by the premises from or over any adjoining neighbouring or contiguous land or building.
- 4 The right to build or rebuild or alter or carry out any development or works to any adjoining neighbouring or contiguous land or building in any manner whatsoever (and to authorise any adjoining owner or occupier to do the same) and to let or authorise the letting of the same for any purpose or otherwise deal therewith notwithstanding that the light or air to the Premises is in any such case thereby diminished or any other liberty, easement, right or advantage belonging to the Tenant is thereby diminished or prejudicially affected and so that any access of light and air now or at any time enjoyed by the Premises shall be deemed to be by consent or agreement in writing for that purpose within the meaning of Section 3 of the Prescription Act 1832 so that the enjoyment thereof shall not prevent such building, rebuilding, alteration, development, works, letting or dealing as aforesaid and the Tenant shall permit such matters without interference or objection PROVIDED THAT the rights reserved by this paragraph 4 shall not be exercised so as to prejudice the rights expressly granted to the Tenant under this Lease.
- 5 The right to support and shelter and all other easements and rights now and hereafter belonging to or enjoyed by all adjoining, neighbouring or contiguous land or buildings an interest wherein possession or reversion is at any time vested in the Landlord.
- 6 The right to build on or into any boundary or party wall of the Premises provided always that the Landlord or the person exercising this right shall make good any damage thereby caused to the Premises and the Tenant's fixtures fittings and stock to the reasonable satisfaction of the Tenant.

THIRD SCHEDULE

Review of Principal Rent

1	In this Schedule:	
	relevant Review Date	means [<i>insert date which is the date which is five years from the Term Commencement Date</i>] and each fifth anniversary thereafter and any other date that becomes a Review Date pursuant to paragraph 8
	Completed Premises	means the Premises on the assumption that: <ul style="list-style-type: none">(a) the Landlord has completed the Premises at its own cost to the specification and standard described in the section of the Specification entitled "Category A Specification" and in compliance with every applicable Act;(b) the Tenant has removed all fitting out works carried out by the Tenant or any permitted occupier and made good all damage so caused by such removal so that the Premises are at the relevant Review Date in the same specification as in (a) above and in compliance with statutory requirements;(c) if the Premises or the means of access thereto have been destroyed or damaged they have been completely rebuilt or reinstated and fully restored
	Open Market Rent	means the yearly rent which would reasonably be expected to become payable in respect of the Completed Premises after the expiry of a rent free period of such length as would be negotiated in the open market between a willing lessor and a willing lessee for the time required for fitting out the Completed Premises on the assumption that such rent free period has expired prior to the relevant Review Date upon a letting of the Completed Premises as a whole by a willing lessor to a willing lessee in the open market at the relevant Review Date for a term of 10 years commencing on the relevant Review Date in every case with rent reviews on each fifth anniversary of term commencement and with vacant possession without a fine or premium and for the use or uses permitted under this Lease but otherwise upon the terms of this Lease (other than (i) the length of the Contractual Term and (ii) the amount of the rent hereby reserved (but including the provisions for review of the Principal Rent)) and where at the relevant Review Date the Tenant has in fact the benefit of the Reception Side Letter and the Western Terrace Side Letter, the hypothetical tenant of this Lease shall be assumed also to have the benefit of the Reception Side Letter and the Western Terrace Side Letter, such benefit to be assumed to be shared on the same basis the benefit is in fact shared with other occupiers by the Tenant on the relevant Review Date, assuming whether or not it be the case: <ul style="list-style-type: none">(a) that all the Landlord's and Tenant's covenants and obligations in this Lease have been fully complied with (provided that in the case of the Landlord the Landlord is at the relevant Review Date using all reasonable endeavours to remedy any subsisting breach which the Tenant notified the Landlord in writing as subsisting a reasonable period before the relevant Review Date); and

(b) that the Completed Premises are available and suitable for immediate occupation and use for fitting out as offices,

but disregarding:

(c) any goodwill attached to the Premises by reason of the carrying on thereat by the Tenant or by any person deriving title or any right to occupy through or under the Tenant of any business;

(d) any effect on rent of any alteration or improvement to the Premises made by the Tenant or any person deriving title or any right to occupy through or under the Tenant or their respective predecessors in title before or after the grant of this Lease other than an alteration or improvement carried out to the Completed Premises pursuant to an obligation to the Landlord which shall include any alteration or improvement carried out as a consequence of a statutory obligation;

(e) any effect on rent of the fact that the Tenant or any person deriving title or any right to occupy through or under the Tenant or their respective predecessors in title may have been in occupation of the Premises or other premises in the Building or on the Estate, but so that it will be assumed that such other premises in the Building are fully let at the relevant Review Date;

(f) any effect on rent of any works to or alterations to the Premises carried out by the Tenant or any person deriving title or any right to occupy through or under the Tenant or their respective predecessors in title which reduce their rental value; and

(g) the provisions of clause 8

Reception Side Letter

means the side letter granting Mimecast Services Limited exclusive use of a reception desk or reception point in the Building on the terms set out therein, the form of which is attached at Appendix E to this Lease

Surveyor

means an independent chartered surveyor agreed upon by the Landlord and the Tenant (both acting reasonably) or in default of agreement appointed by the President in accordance with paragraph 3 of this Schedule

Western Terrace Side Letter

means the side letter granting Mimecast Services Limited exclusive use of the Western Roof Terrace on the terms set out therein, the form of which is attached at Appendix F to this Lease

agree or agreed

means agree or agreed in writing between the Landlord and the Tenant.

2

From each Review Date the Principal Rent shall be such as may at any time be agreed between the Landlord and the Tenant as the Principal Rent payable from that Review Date or (in default of such agreement) whichever is the greater of:

(a) the Open Market Rent; and

(b) the Principal Rent contractually payable immediately before that Review Date (ignoring any rent abatement under clause 5.4).

- 3 If by a date three months before the relevant Review Date the rent payable from that Review Date has not been agreed the Landlord and the Tenant may agree upon a person to act as the Surveyor who shall determine the Open Market Rent but in default Of such agreement then either the Landlord or the Tenant may at any time make application to the President to appoint a surveyor to determine the Open Market Rent and every application shall request that the Surveyor to be appointed shall if practicable be a specialist experienced in the letting or rental valuation of office premises in the area in which the Premises are situate.
- 4 Unless the Landlord and the Tenant otherwise agree the Surveyor shall act as an arbitrator in accordance with the Arbitration Act 1996.
- 5 If the Surveyor whether appointed as arbitrator or expert refuses to act or is or becomes incapable of acting or dies the Landlord or the Tenant may apply to the President for the further appointment of a surveyor.
- 6 If the Surveyor is appointed as an expert he shall be required to give notice to the Landlord and the Tenant inviting each of them to submit to him within such time as he shall stipulate a proposal for the Open Market Rent supported (if so desired by either of the parties) by any or all of:
- (a) a statement of reasons;
 - (b) a professional rental valuation or report; and
 - (c) submissions in respect of each others' statement of reasons,
- but notwithstanding the foregoing the Surveyor shall determine the Open Market Rent in accordance with his own judgement but shall issue the determination with a statement of reasons.
- 7 If by a Review Date the Principal Rent payable from the Review Date has not been ascertained pursuant to this Third Schedule the Tenant shall continue to pay the Principal Rent at the rate payable hereunder immediately before that Review Date and on the quarter day next after such ascertainment the Tenant shall pay to the Landlord the difference between the Principal Rent paid and the Principal Rent so ascertained for the period from the Review Date and ending on the said quarter day together with interest on such difference for such period at the Prescribed Rate (calculated by reference to such difference or the relevant parts thereof from the date or the respective dates on which the same would have become due had the Principal Rent payable from the relevant Review Date been ascertained by such Review Date).
- 8 If at any Review Date there is by virtue of any Act a restriction which operates to restrict the Landlord's right to review the Principal Rent or if at any time there is by virtue of any Act a restriction which operates to restrict the right of the Landlord to recover an increase in the Principal Rent otherwise payable then upon the ending removal or modification of such restriction the Landlord may at any time within three months thereafter give to the Tenant not less than one month's notice requiring an alternative rent review upon the succeeding quarter day which quarter day shall for the purposes of this Schedule be a Review Date.
- 9 A memorandum of the Principal Rent ascertained from time to time in accordance with this Schedule shall be endorsed on this Lease and the counterpart thereof by way of evidence only and signed by or on behalf of the Tenant and the Landlord respectively.
- 10 In this Schedule time shall not be of the essence in agreeing or determining the Open Market Rent nor appointing the Surveyor.

FOURTH SCHEDULE

Matters to which the demise is subject

The entries on the registers of title number NGL770398 dated 6 October 2017 and timed at 12:10:07

FIFTH SCHEDULE

The Service Charge

1	In this Schedule:	
	Accounting Period	means 1 April in each year to (and including) 31 March in the following year or such other period being a whole year as shall be notified by the Landlord to the Tenant in writing
	Base Figure	means the figure being the amount of the all items index figure of the RPI published for the month falling three months preceding the commencement of the Accounting Period in the year of grant of this Lease
	Base Service Charge Cap	means the sum of [<i>calculate £12 p.s.f.</i>] pounds (£[]) (exclusive of VAT)
	Building Services Cost	means all proper expenditure incurred by or on behalf of the Landlord on the provision of the Building Services for an Accounting Period and on all related costs specified in Part 1 of the Sixth Schedule, excluding any Outside Normal Business Hours Charge
	Capped Element	means a proportion of the Building Service Cost for that Accounting Period which the Landlord reasonably determines is fairly and reasonably attributable to the Premises (from which, for the purposes of this definition only, Utility Costs, Energy Levy and Services specifically requested by the Tenant shall be excluded)
	Capped Period	means the term of this Lease
	Estate Services Cost	means all proper expenditure incurred by or on behalf of the Landlord on the provision of the Estate Services for an Accounting Period and on all related costs specified in Part 2 of the Sixth Schedule, excluding any Outside Normal Business Hours Charge
	Incidental Services	means the reasonable costs and expenses reasonably and properly incurred by the Landlord or with the Landlord's authority in connection with the Services as set out in Part III of the Sixth Schedule
	Incidental Service Costs	means all proper expenditure incurred by or on behalf of the Landlord on the provision of Incidental Services
	Index Figure	means the figure being the amount of the all items index figure of the RPI published for the month falling three months prior to the expiry of the Accounting Period in respect of which the calculation is being made
	Interim Sum	means a yearly sum assessed by the Landlord or the Landlord's Surveyor (acting reasonably) on account of the Service Charge for each Accounting Period being a fair and reasonable estimate of the Service Charge payable by the Tenant in respect of that Accounting Period
	RPI	means the Retail Prices Index (all items) published monthly in the United Kingdom by the Office for National Statistics or any official publication substituted for it

Service Charge

means for any Accounting Period:

- (a) the Capped Element
- (b) a fair and reasonable proportion of the Estate Service Cost for that Accounting Period which the Landlord reasonably determines is fairly and reasonably attributable to the Premises
- (c) a fair and reasonable proportion of the Utility Costs for that Accounting Period as reasonably determined by the Landlord
- (d) a proportion of the Incidental Service Cost for that Accounting Period which the Landlord reasonably determines is fairly and reasonably attributable to the Premises
- (e) (to the extent the Tenant does not pay it directly to the relevant supplier) the total cost of all utilities separately metered and exclusively supplied to the Premises

PROVIDED ALWAYS THAT all interest earned on all Interim Sums and any other service charge monies held by the Landlord whether in anticipation of future expenditure or otherwise shall be credited against Service Costs

Service Charge Cap

means the following amounts (exclusive of VAT):

- (a) in relation to the first Service Period, or proportionately for the relevant part of the first Accounting Period, the Base Service Charge Cap;
- (b) in relation to the second and all subsequent Accounting Periods the higher of:
 - i. the Service Charge Cap for the preceding Accounting Period; and
 - ii. an amount calculated in accordance with the following formula:

$$\text{SRC} \quad \times \quad \frac{\text{Index Figure}}{\text{Base Figure}}$$

where SRC is the amount of the Service Charge Cap for the preceding Service Period; and

Service Charge Certificate

means a certificate showing the Service Cost and Service Charge for each Accounting Period served pursuant to paragraph 8 of this Schedule

Service Charge Code

The RICS Service Charges in Commercial Property - a Code of Practice - 3rd Edition - which is effective from 4 February 2014 but not as updated or replaced from time to time thereafter

Service Cost

means the total sum calculated in accordance with paragraph 2 of this Schedule.

Utility Costs

means together the cost of the supply of electricity and gas:

- (a) for the provision of the Services; and
- (b) to the whole or any part of the Common Facilities.

- 2 The Service Cost shall be the total of the aggregate of the reasonable and proper costs reasonably and properly incurred by the Landlord in any Accounting Period in carrying out or procuring the carrying out of the Services and providing each item of the Services including (without prejudice to the generality of the foregoing) the Incidental Services but excluding for the avoidance of doubt any costs attributable to the provision of any of the Services outside Normal Business Hours at the specific request of the Tenant or any other tenant or tenants of the Building.
- 3 The Capped Element of the Service Charge shall not exceed the Service Charge Cap for the Capped Period.
- 4 If at any time and from time to time the method or basis of calculating or ascertaining the cost of any item of the Services shall alter or the basis of calculating or ascertaining the Service Charge in relation to any item of the Services shall change and in the reasonable opinion of the Landlord or the Landlord's Surveyor such alteration or change shall require alteration or variation of the calculation of the Service Charge in order to achieve a fairer and better apportionment of the Service Cost amongst the tenants of the Building then and in each and every such case the Landlord shall have the right to vary and amend the Service Charge and to make appropriate adjustments thereto.
- 5 The Tenant shall pay to the Landlord the Interim Sum without deduction by equal quarterly instalments in advance on the usual quarter days
- 6 Before the commencement of every Accounting Period the Landlord shall serve or cause to be served on the Tenant written notice of the Interim Sum for the relevant Accounting Period Provided that without prejudice to the provisions of paragraphs 11 and 12 of this Schedule if the written notice aforesaid shall be served after the first occurring quarter day in the relevant Accounting Period the Tenant shall until service of the written notice aforesaid make payments on account of the Interim Sum for the relevant Accounting Period on the days and in the manner provided by paragraph 5 of this Schedule at an annual rate equal to the Interim Sum for the immediately preceding Accounting Period.
- 7 In the event that the Landlord shall not have served written notice of the Interim Sum for any Accounting Period before any quarterly instalments of the Interim Sum becomes due the Tenant shall within 21 days of the service of such notice pay to Landlord an amount equal to the difference between instalments of the Interim Sum due on the date of service of such notice and the amount paid by the Tenant on account of the interim Sum pursuant to paragraph 6 of this Schedule.
- 8 As soon as practicable after the expiry of every Accounting Period (and in any event no later than the expiry of three months after the expiry of the relevant Accounting Period) the Landlord shall serve or cause to be served a Service Charge Certificate on the Tenant for the relevant Accounting Period.
- 9 A Service Charge Certificate shall contain a detailed summary of the Service Cost in respect of the Accounting Period to which it relates together with the relevant calculations showing the Service Charge which shall be binding upon the Landlord and the Tenant (save in the case of manifest error).
- 10 The Tenant may request the Landlord to provide or at the Landlord's option make available for inspection further details of the breakdown of the expenditure under a Service Charge Certificate or any particular item or items shown in a Service Charge Certificate by giving notice thereof in writing to the Landlord within three months of the date of service on the Tenant of the relevant Service Charge Certificate and upon receipt of such a notice the Landlord shall furnish to the

Tenant or at the Landlord's option make available for inspection and afford to the Tenant all reasonable facilities to enable the Tenant to make copies of full details of such expenditure and other service charge information and documentation as may be reasonably required as soon as reasonably practicable and in any event within 28 days of each and every request PROVIDED ALWAYS that notwithstanding the giving of any such notice the Tenant shall nevertheless pay all Interim Sums and Service Charges as and when they fall due or as may be underpaid from time to time.

- 11 Within 21 days after the service on the Tenant of a Service Charge Certificate showing that the Service Charge for any Accounting Period exceeds the Interim Sum for that Accounting Period the Tenant shall pay to the Landlord or as it shall direct a sum equal to the amount by which the Service Charge exceeds the Interim Sum provided that and the Tenant hereby acknowledges that if there shall be any such excess in respect of the Accounting Period the amount of such excess shall be a debt due from the Tenant to the Landlord notwithstanding that the Contractual Term may have expired or been determined before the service by or on behalf of the Landlord of the relevant Service Charge Certificate.
- 12 If in any Accounting Period the Service Charge is less than the Interim Sum for that Accounting Period a sum equal to the amount by which the Interim Sum exceeds the Service Charge shall be accumulated by the Landlord and shall be applied in or towards the Service Charge for the next following Accounting Period and following the last year of this Lease howsoever determined any excess shall be repaid to the Tenant within 28 days of the date of service on the Tenant of the Service Charge Certificate for such Accounting Period.
- 13 The Landlord and Tenant agree that should the Termination of the Tenancy occur during any Accounting Period then the Tenant's liability in respect of the Service Charge shall be apportioned on a daily basis up to the date of Termination of the Tenancy but that the Tenant shall have no liability in respect of the Service Charge for any period after the Termination of the Tenancy but this paragraph shall be without prejudice to any balancing payments to be made pursuant to paragraphs 11 or 12 of this Schedule.
- 14 The Landlord will in the provision and management of the Services have due and proper regard to and shall use reasonable endeavors to comply with the Service Charge Code.
- 15 The Landlord shall not be entitled to require any payment from the Tenant towards the establishment or maintenance of any sinking or reserve fund in respect of the Service Cost.

16 CHANGES TO THE RPI

- 16.1 In the event of any change after the date of this Lease in the reference base used to compile the RPI the all items index figure taken to be shown in the RPI after the change shall (where possible) be the all items index figure which would have been shown in the RPI if the reference base current at the date of this lease had been retained.
- 16.2 If the Landlord reasonably believes that any change referred to in paragraph 16.1 above would fundamentally alter the calculation of the Service Charge Cap or in the event of it becoming impossible or impracticable, by reason of any change after the date of this lease in the methods used to compile the RPI or for any other reason whatsoever, to calculate the Service Charge Cap there shall be substituted such other provisions for calculating the Service Charge Cap as shall be agreed between the Landlord and the Tenant or, in default of agreement, as may be determined pursuant to paragraph 17 below.

17 DISPUTES

- 17.1 If any dispute or question arises between the Landlord and the Tenant as to the calculation of the Service Charge Cap or as to the interpretation, application or effect of any of the provisions of paragraph 16 then the matter in question may (without prejudicing the parties' ability to agree it at any time) be referred for determination by an independent person (the "Expert") who is to be appointed (in default of agreement) on the application of either party by the President for the time being of either (taking into account the nature of the matter in dispute) the Royal Institution of Chartered Surveyors or the Institute of Actuaries and in respect of any Expert appointed to act under this paragraph 17:

- 17.2 he shall:
- (a) act as an expert and not as an arbitrator;
 - (b) allow the Landlord and the Tenant to make written representations and cross representations concerning the Service Charge Cap (or other matter in dispute) within such time limits as he may prescribe;
 - (c) seek appropriate professional advice on any relevant matter beyond his professional expertise; and
 - (d) make a reasoned determination which shall be final and binding between the parties unless it contains a manifest error;
- 17.3 he shall have full power to determine the dispute or matter in question including (without limitation) substituting an alternative index for the RPI that most closely resembles it (but having regard to paragraph 16;
- 17.4 his fees and the cost of his nomination shall be paid as he may determine or, otherwise, equally by the Landlord and the Tenant; and
- 17.5 if he refuses to act, or is or becomes incapable of acting or dies. the Landlord or the Tenant may apply for the appointment of another Expert

SIXTH SCHEDULE

Part I Building Services

- 1 The maintenance, repair, decoration and inspection and when reasonably necessary (where in the reasonable opinion of the Landlord the item is beyond economic repair) the renewal of the Building and each and every part thereof (including the glass in the outside walls of the Building in any atria in the Building and in the Common Facilities) excepting:
 - (a) the Premises; and
 - (b) other premises within the Building as are from time to time let or intended to be let.
- 2 The operation, maintenance, repair, inspection and cleansing and when reasonably necessary (where in the reasonable opinion of the Landlord the item is beyond economic repair) the renewal of any roof terrace and the Common Facilities including (without prejudice to the generality of the foregoing) the lifts and escalators within and forming part of the Building, the Service Conduits and Appliances, water treatment systems, sanitary apparatus, pneumatics, vehicle turntables, electrically/mechanically operated barrier gates, computer monitoring system, closed circuit television, surveillance system, control security system and indicator installation, refuse compactors and all other mechanical and electrical systems and all plant, machinery and equipment associated therewith (except Landlord's Services Equipment) within the Building.
- 3 The:
 - (a) operation, maintenance, repair, inspection and cleansing and when reasonably necessary (where in the reasonable opinion of the Landlord the item is beyond economic repair) the renewal and replacement of the Standby Generators and the Landlord's Services Equipment (excluding such parts as are within the Premises or any other parts of the Building let or intended to be let by the Landlord and respectively serve the Premises or such other parts of the Building let or intended to be let by the Landlord exclusively) and provision of heating, cooling and ventilation to all parts of the Building;
 - (b) external cleaning of the Building; and
 - (c) external and internal cleaning of the Common Facilities,in all such cases as often as in the Landlord's reasonable opinion may be requisite and such maintenance shall include the preparation, cleaning, decoration, repointing, painting, graining, varnishing, papering, polishing and other treatment or replacement of finishes (walls, floors and ceilings) with good quality materials of their several kinds and in a suitable manner for maintenance in good condition as may be appropriate for the particular external or internal finishes.
- 4 The provision (but not the initial capital cost of the provision of equipment) and maintenance of security services (including (without prejudice to the generality of the foregoing) 24 hour security guards in respect of the Common Facilities and electronic surveillance systems as the Landlord shall reasonably deem necessary).
- 5 The lighting (including the maintenance, repair and for the purposes of repair the proper replacement of the lighting equipment and fittings) of any atria in the Building and the Common Facilities.
- 6 The disposal of refuse from the Building including the collection and compaction thereof and the provision of receptacles and plant and equipment in connection therewith.
- 7 The cleaning of the outside of all exterior windows of the Building and all atria glazing (other than such as is the responsibility of any tenant of the Building) and glazing in the Common Facilities as often as may be requisite and the maintenance cleansing, repair, inspection and (where in the reasonable opinion of the Landlord the item is beyond economic repair), renewal of all window cleaning cradles, carnages and runways.

- 8 The provision (but not the initial capital cost of providing the same), cultivation, maintenance and replacement of plants and other decorative landscaping on the exterior of the Building in the Common Facilities and in any atria in the Building.
- 9 The continuous provision of hot water (in compliance with statutory requirements as to minimum temperatures) and cold water to each level of the Building.
- 10 The provision of a caretaker, engineers, building technicians, receptionist and such other staff as the Landlord may deem reasonably and properly necessary for the good management and security of the Building in accordance with principles of good estate management with on-site security and reception services for the Building to be provided on a 24/7 basis.
- 11 The reasonable cost of making good any damage occasioned to the Premises or any other premises in the Building let to tenants of the Building as an unavoidable result of carrying out any of the Services.
- 12 The expenses reasonably and properly incurred by the Landlord in respect of any repairing, rebuilding and re-cleansing any party walls, fences, sewers: drains, channels, sanitary apparatus, pipes, wires, passageways, stairways, entrance ways, roads, pavements and other things the use of which is or is capable of being common to the Building and any other property.
- 13 The installation and (where appropriate) replacement or updating of separate sub-metering of utilities used in the Common Facilities and the Premises.
- 14 The provision of all such other services and facilities for the benefit of the Building and the tenants and occupiers of the Building generally as the Landlord shall from time to time reasonably consider to be necessary or expedient in accordance with good principles of estate management prevailing from time to time.

Part II

Estate Services

- 1 The provision of security services, personnel, plant and equipment (including security gates and barriers) and traffic control systems for the purpose of monitoring, supervising and controlling the Estate and persons present on the Estate (whether with or without vehicles).
- 2 The maintenance, repair, renewal replacement, resurfacing, cleansing and keeping open and free from obstructions and detritus all accessways, areas, surfaces and paving (including roadways, footways, ramps, turntables, car parking areas and loading bays) laid out on the Estate from time to time and available for passage, access and parking.
- 3 The taking of all appropriate steps to clean and maintain on a regular basis the Estate.
- 4 The provision and operation of means of collection, storage, compaction and disposal of refuse and rubbish (including litter and pest control) arising or occurring on the Estate.
- 5 The provision of suitable landscaping and planting and to keep such parts of the Estate as are laid out with landscaping and planting from time to time in good order and condition and properly tended, maintained, cultivated and painted including where appropriate or necessary replanting.
- 6 The maintenance and keeping in good repair and working condition efficient fire and smoke detection, fire preventative and firefighting equipment for the Estate (including sprinklers, hydrants, hose reels, extinguishers, fire alarms, fire escapes and fire escape routes and general means of escape) all in compliance with statutory requirements the requirements of the Chief Fire Officer and any other competent statutory or other authorities underwriters and insurers.

- 7 The effecting, maintaining and renewing of:
- (a) such insurance on such terms and in such amount as shall be reasonably determined by the Landlord against any liabilities which the Landlord or any of the owners of other buildings on the Estate may incur to third parties on account of the condition of the Estate or any part thereof; and
 - (b) such other insurance in connection with the Estate as the Landlord may reasonably determine.
- 8 The provision of any water, fuel, oil, gas, electricity and other energy supplies as may be required for use in running or operating any of the Services to the Estate except such as are for the exclusive use of a particular tenant or tenants including (if the Landlord reasonably considers it necessary or appropriate) standby power generators and plant.
- 9 The inspection and maintenance of the Estate.
- 10 The lighting to an adequate and sufficient standard throughout such periods of the day and night as may be requisite all parts of the Estate to which access is available in fact or by right and the heating, cooling and ventilation as necessary of the underground parts of the Estate.
- 11 As often as may be necessary the erection, placing, renewal and replacement in suitable locations on the Estate such direction signs notices, artwork, sculptures, seats/benches, public toilets and other fixtures, fittings and chattels as are in the interests of good estate management appropriate for the enjoyment or better enjoyment of those parts of the Estate to which the public have access in common with the owners of the buildings on the Estate or persons authorised by them provided that no addition will be made which would result in a material adverse change to the nature or quality of the Estate.
- 12 The maintenance, repair and renewal of such special highway finishes on land immediately adjacent to the Estate or any part thereof as exist at the date hereof until such time as such land and finishes are dedicated to the relevant highway authority and the highway authority assumes responsibility for the maintenance of the same.
- 13 The installation, cleaning maintenance, repair, insurance, reinstatement and renewal of any canopies that may exist from time to time over any part of the Estate.
- 14 The provision of other services and benefits which the Landlord properly considers to be in the interest of good estate management generally for the Estate as a whole including without prejudice to the generality of the foregoing holding private functions and entertainments and/or events for general or public benefit.
- 15 Making (and as appropriate from time to time replacing) and enforcing reasonable regulations for the management operation and control of the Estate as a whole and entering into agreements deeds or other arrangements with tenants or users of the Estate or any part or parts thereof and adjoining or neighbouring owners for the purpose of performing any of the Services.

Any reference in Part II of this Schedule to renewal includes renewal, in accordance with the principles of good estate management, of the relevant part of the Estate which is beyond its natural life or deemed by the Landlord (acting reasonably) to be of insufficient quality to maintain standards in keeping with the remainder of the Estate, even though such item is not malfunctioning or in a state of disrepair.

Part III

Incidental costs and expenses to be included in the Service Cost

- 1 The proper cost of fuel, oil: gas and electricity or other energy supplies or power sources from time to time used in running or operating any of the Services.
- 2 All existing and future rates, taxes, assessments, charges and outgoings of whatsoever nature payable in respect of the Building or any part thereof (including general and water rates and in respect of the Common Facilities and Communal Areas) other than:
 - (a) rates and other outgoings payable in respect of:
 - (i) the Premises; and/or
 - (ii) other premises within the Building as are from time to time let or intended to be let but not then let;
 - (b) any tax payable or assessed as a result of any dealing with (including any actual or deemed disposal of) any reversion immediately or mediately expectant on this Lease; and/or
 - (c) any tax payable or assessed in respect of the Rents or other payments reserved or payable hereunder; and/or
 - (d) any future property ownership tax or assessment in respect of any reversionary interest in the Premises; and/or
 - (e) any tax payable or assessed on the Landlord in respect of or arising out of or relating to the grant of this Lease.
- 3 All reasonable and proper costs, fees, expenses and other outgoings incurred in connection with:
 - (a) the employment or engagement of such independent contractors, agents, consultants, professional advisers or other personnel as are reasonably necessary in connection with the provision or carrying out of the Services;
 - (b) the salaries, wages, pensions and pension contributions and other emoluments and statutory employer's contributions or levies of all persons properly employed in connection with the provision or carrying out of the Services;
 - (c) the provision of any necessary uniforms, protective or specialist clothing, tools, appliances, plant, equipment and materials as may be necessary or desirable for use in connection with the provision or carrying out of the Services.
- 4 The reasonable and proper fees and disbursements of managing agents engaged by the Landlord in connection with the provision or carrying out of the Services which shall be in line with market rates for a central London office building.
- 5 All reasonable fees and costs properly incurred in respect of keeping full and proper records and accounts of the Services and Service Cost and the preparation of all necessary accounts statements and certificates in relation to the recovery of the Service Cost from tenants of the Building.
- 6 Reasonable bank charges and interest on overdrawings for discharging items of Service Cost and the collection of the Service Charges after giving credit for any interest earned thereon in respect of the same Accounting Period.

- 7 Rent rates and all other outgoings in respect of accommodation properly incurred for use or occupation by the Landlord its agents, servants, employees, workmen or other persons employed directly in connection with the provisions and carrying out of the Services PROVIDED THAT:
- (a) where such accommodation is within the Building or on other premises owned by the Landlord and no rent is paid to the Landlord the Landlord shall be entitled to include in the Service Cost an amount equal to market rent of such accommodation as properly and reasonably determined annually by the Landlord's Surveyor; and
 - (b) where such accommodation is not used exclusively for the provision and carrying out of the Services a fair and reasonable proportion of such rent or deemed rent shall be allocated to the Service Cost.
- 8 All proper and reasonable legal and other professional fees and disbursements properly incurred by the Landlord in connection with the enforcement of any contract or agreement entered into by or on behalf of the Landlord with any third party in connection with the provision or carrying out of the Services.
- 9 The reasonable and proper cost of any maintenance or service agreements or insurance contracts in respect of any of the plant, equipment, services or facilities used in connection with the Services.
- 10 The supply of requisites to the lavatories comprised in the Common Facilities and such other facilities in the Common Facilities.
- 11 The reasonable and proper cost of taking steps to comply with or making representations concerning the requirements of any statutes, by-laws and other regulations affecting the Building.
- 12 The payment of all VAT properly payable on any item of expenditure in connection with the provision or carrying out of the Services to the extent that it is not otherwise recoverable by the Landlord.
- 13 The cost of making up any amount properly deducted by the insurers pursuant to any excess provisions contained in any insurance policy of the Building.
- 14 Any other proper and reasonable expense properly incurred by the Landlord or its managing agents or other provider of the Services attributable to the provision supervision and management of the Services or the improvement from time to time of the standard thereof as shall be reasonably considered advisable or necessary not otherwise specifically mentioned in the Schedule.
- 15 A fair and reasonable proportion of the Energy Levy which is attributable on a fair and reasonable basis to the Common Facilities which proportion shall be based on a comparison of the energy supplied to the Common Facilities with the energy supplied to the Building PROVIDED ALWAYS that:
- (a) where in this Schedule there are references to matters or things which are then stated to include certain particular matters or things which are not also stated to be without prejudice to the generality of the wording preceding it nevertheless the reference to the particular matters or things shall be deemed to be and in each case shall be without prejudice to the generality of the wording preceding it;
 - (b) the Landlord may temporarily withdraw any item of service matter or thing specified in this Schedule if such withdrawal is in the Interest of good estate management provided that the use and enjoyment of the Premises is not thereby impaired in any material respect;
 - (c) the Landlord shall have the right (provided that the occupation and use of the Premises is not materially adversely affected) to cease or to procure the cessation of the provision of or add to or procure the addition to any item of Services matter or thing specified in this Schedule if the Landlord in its reasonable discretion shall deem it desirable or expedient to do so but in reaching such decision the Landlord is to have regard to the principles of good estate management and the interests of the tenants in the Building;

- (d) any parts of the Building occupied by the Landlord for any purpose otherwise than in connection with or incidental to the provision of the Services shall be deemed to be premises "let or intended to be let" for the purposes of this Schedule;
- (e) the Landlord shall credit to the Service Cost any cost or expense to the extent to which the Landlord is paid or reimbursed by any person in connection with the maintenance and repair of the Building including but not necessarily limited to the cost of any item for which the Landlord is paid or reimbursed by insurance proceeds warranties service contracts or otherwise;
- (f) the Service Cost and the Service Charge shall not include:
 - (i) costs and expenses attributable to any part or parts of the Building or the Estate let or intended to be let to any other tenant or occupier (other than management accommodation which for the avoidance of doubt shall not include marketing suites temporarily located in parts of the Building or the Estate intended to be let) which are not so let or occupied nor the costs in respect of collection of rents and Service Charge or arrears and Service Charge or review of principal yearly rents in respect of such parts of the Building and such costs and expenses shall be borne and be payable by the Landlord;
 - (ii) any costs and expenses attributable in any way whatsoever to the initial construction of the Building (including landscaping and the Foundations and Services) and the Estate, the Base Building Definition and the initial installation of the Landlord's Services Equipment and the Services Conduits and Appliances;
 - (iii) any fees, costs and commissions of whatsoever nature incurred in procuring or attempting to procure other tenants for the Building;
 - (iv) the costs of remedying any disrepair, damage or destruction caused by any of the Insured Risks or by an Uninsured Risk to the Building or the Estate;
 - (v) any costs in connection with enforcing covenants in any other lease of any part of the Building on the Estate;
 - (vi) any sums payable by the Landlord in relation to any of its charges or indebtedness or financing;
 - (vii) the costs of commissions and charges in respect of collecting of principal rents, service charges and electricity cost and Outside Normal Business Hours charge and of reviewing rents payable by other tenants of the Building;
 - (viii) costs of CIL and any costs associated with CIL;
 - (ix) costs associated with Historic Contamination;
 - (x) costs attributed to the Developer's Works (as defined in the Agreement for Lease);
 - (xi) costs which would otherwise form part of the Service Costs but which are directly recoverable in full from any third party occupier in the Estate;
 - (xii) costs incurred in connection with applications to assign, sublet or alter in respect of any (ease or other occupational document relating to the Building other than in relation to the Premises;
 - (xiii) costs in respect of any voids or vacant area in the Building which are available to let and/or intended for letting;
 - (xiv) future redevelopment costs;

- (xv) costs associated with any breach of the Landlord of its obligations to repair and maintain the Estate and the Building in accordance with its obligations in this Lease; and
- (xvi) any amounts recovered from a third party contractor or professional employed by the Landlord or its predecessors in title in relation to the construction, modification or improvement of the Building on the Estate (less reasonable and proper costs incurred by the Landlord in making such recovery);

SEVENTH SCHEDULE

Surety's Covenant

1. The Surety hereby covenants with the Landlord as a primary obligation that:
 - (a) the Tenant will pay the rents reserved by this Lease on the days and in manner aforesaid and will duly perform and observe all the Tenant's covenants contained in this Lease and that in case of default the Surety will pay and make good to the Landlord on demand all loss, damages, costs and expenses thereby arising or incurred by the Landlord;
 - (b) the Surety will (to the extent property required by the Landlord in accordance with the terms of this Lease) enter into any further lease granted by the Landlord to the Tenant whether pursuant to the Landlord and Tenant Act 1994 or otherwise to guarantee the obligations of the Tenant under such lease such guarantee to be in terms identical (mutatis mutandis) to the terms of this guarantee or in such other terms as may be required by the Landlord;
 - (c) in the event that a liquidator or trustee in bankruptcy shall disclaim this Lease the Surety shall if the Landlord so requires by notice in writing given to the Surety within three months after such event take a new lease of the Premises for the residue of the term unexpired at the date of such event and at the rents then payable and subject to the terms of this Lease in every respect and to execute and deliver to the Landlord a counterpart thereof and to pay to the Landlord the reasonable costs thereof;
 - (d) in the event that the Landlord shall not require the Surety to take up a lease in accordance with the provisions of paragraph 1(b) hereof following the disclaimer of this Lease then the Surety shall pay to the Landlord a capital sum in the amount of the Rents that would have otherwise have been payable under this Lease for the period of 6 months from the date of such disclaimer;
 - (e) for the purposes of paragraph (b):
 - (i) the new lease shall:
 - (A) be completed within 4 weeks after the date when the Landlord notifies the requirement to the Surety; and
 - (B) take effect from the date of forfeiture, subject to any third party rights of vesting and possession; and
 - (ii) the contractual term of the new lease shall expire when the Contractual Term would have expired but for the disclaimer.
- 2 PROVIDED ALWAYS THAT IT IS HEREBY AGREED THAT:
 - 2.1 The Surety shall not be released or discharged in any way from its obligations under this Lease by:
 - (a) any neglect or forbearance of the Landlord in endeavoring to obtain payment of the Rents when the same become payable or to enforce performance or observance of the Tenant's covenants herein and any time which may be given by the Landlord to the Tenant;
 - (b) any variation of the terms of this Lease with the Surety's consent;
 - (c) the transfer of the Landlord's reversionary interest immediately expectant on the determination of this Lease;
 - (d) any refusal by the Landlord to accept rent tendered by or on behalf of the Tenant at a time when the Landlord was entitled to re-enter the Premises;
 - (e) any legal limitation and/or incapacity of the Tenant and/or any change in the constitution or powers of the Tenant the Surety or the Landlord;

- (f) any liquidation, administration or bankruptcy of the Tenant or the Surety; or
 - (g) any other act, omission, matter or thing whatsoever whereby but for this provision the Surety would be released (other than a release of the Surety by Deed entered into by the Landlord).
- 2.2 The Surety shall not be entitled to participate in or be subrogated to any security held by the Landlord in respect of the Tenant's obligations or otherwise to stand in the place of the Landlord in respect of any such security.
- 2.3 The Surety hereby waives any right to require the Landlord to pursue against the Tenant any rights which may be available to the Landlord before proceeding against the Surety.
- 2.4 The Surety abandons and waives any right it may have at any time under the law whether existing or future (whether by virtue of the *droit de discussion* or *division* or otherwise) to require that:
- (a) the Landlord, before enforcing this Lease or any right, interest or obligation under this Lease, takes any action, exercises any recourse or seeks a declaration of bankruptcy against the Tenant or any other person, makes any claim in a bankruptcy, liquidation, administration or insolvency of the Tenant or any other person or enforces or seeks to enforce any other right, claim, remedy or recourse against the Tenant or any other person;
 - (b) the Landlord, in order to preserve any of its rights against the Surety joins the Surety as a party to any proceedings against the Tenant or any other person or the Tenant or any other person as a party to any proceedings against the Surety or takes any other procedural steps or observes any other formalities; or
 - (c) the Landlord divides or apportions the liability of the Surety under this Lease with any other person or such liability is reduced in any manner.

EIGHTH SCHEDULE

Form of authorized guarantee agreement

AUTHORISED GUARANTEE AGREEMENT

DATE:

PARTIES

- (1) [] whose registered office is at/of [] [(Co. Regn.
No.)] (the "**Landlord**"); and
- (2) [] whose registered office is at/of []³ [(Co. Regn.
No.)] (the "**Existing Tenant**"); and
- (3) [] whose registered office is at/of []⁴ [(Co. Regn.
No.)] (the "**Existing Tenant Guarantor**")]

BACKGROUND

- (A) This agreement is supplemental and collateral to the Lease.
- (B) The Landlord is entitled to the immediate reversion to the Lease.
- (C) The residue of the term granted by the Lease is vested in the Existing Tenant.
- (D) The Existing Tenant intends to assign the Lease and in accordance with the provisions of the Lease has agreed to enter into an authorised guarantee agreement with the Landlord.
- (E) [Under the Lease the Tenant's obligations are guaranteed by the Existing Tenant's Guarantor.]'

IT IS AGREED AS FOLLOWS:

1. **DEFINITIONS AND INTERPRETATION**

In this agreement:

1.1 the following expressions have the respective specified meanings;

"**Assignee**" the person or persons defined as assignee in the Licence to Assign;

"**Assignment**" means the assignment authorised by the Licence to Assign, which for the purposes of this agreement, occurs on the date of the transfer of the Lease to the Assignee whether or not the transfer requires to be completed by registration at HM Land Registry;

"**Lease**" a lease of [] floor of 1 Finsbury Avenue, London EC2 dated [date] and made between (1) B.L.C.T. (PHC 15A) Limited, (2) Mimecast Services Limited and (3) Mimecast Limited, and includes all documents collateral to it including this agreement;

"**Licence to Assign**" a licence to assign the Lease dated the date hereof and made between [parties];

"**Tenant's obligations**" has the same meaning as is given by the 1995 Act to the expression "tenant covenants" and applies in relation to the tenancy created by the Lease; and

"**1995 Act**" means the Landlord and Tenant (Covenants) Act 1995;

3 If a foreign company, include an address for service in the UK and specify that it is such an address.

4 If a foreign company, include an address for service in the UK and specify that it is such an address.

- 1.2 where a party comprises more than one person, that party's obligations take effect jointly and severally; and
- 1.3 references to any clause are to the corresponding clause in this agreement and the headings do not affect the construction or interpretation of this agreement.

2. **AUTHORISED GUARANTEE AGREEMENT**

This authorised guarantee agreement is entered into by the Existing Tenant in consideration of the Landlord's entering into the Licence to Assign and, accordingly, the Existing Tenant as a principal obligor agrees with the Landlord that:

2.1 **Guarantee**

The Existing Tenant's obligations may be complied with by the Assignee and, to the extent they are not, the Existing Tenant will comply with them and will indemnify the Landlord against any loss it suffers as a result of any non-compliance, without deduction or set-off.

2.2 **Preservation of the guarantee**

The Existing Tenant's obligations under this clause are not affected by:

- 2.2.1 any delay or other indulgence, compromise or neglect in enforcing the Tenant's obligations or any refusal by the Landlord to accept tendered rent;
- 2.2.2 any partial surrender of the Lease (and the Existing Tenant's liability shall continue but only in respect of the continuing Tenant's obligations);
- 2.2.3 without prejudice to clause 2.4, any disclaimer of the Assignee's liability under the Lease;
- 2.2.4 any legal limitation, immunity, incapacity, insolvency or the winding-up of the Assignee (or, if the Assignee is more than one person, of any such person) or by the Assignee (or any such person) otherwise ceasing to exist;
- 2.2.5 any act or omission in connection with any right or remedy against the Assignee or with any other security which the Landlord holds at any time for the Tenant's obligations or in connection with re-letting the Premises;
- 2.2.6 any other act or omission which, but for this provision, would have released the Existing Tenant from liability,

or any combination of any such matters and, subject as provided in section 18 of the 1995 Act, the Existing Tenant's obligations are not released by, but shall be construed so as to require compliance with, the terms of any consent or approval by the Landlord or of any variation or waiver of any of the Tenant's obligations and the Existing Tenant shall, if the Landlord requests, join in any such consent, approval, variation or waiver in order to acknowledge and confirm that requirement.

2.3 **Subrogation rights, etc.**

The Existing Tenant:

- 2.3.1 may not participate in, or exercise any right of subrogation in respect of, any security which the Landlord holds at any time for the Tenant's obligations;
- 2.3.2 will unconditionally waive any right of contribution by the Assignee towards the Existing Tenant's liability under this clause, to the extent the waiver is requisite for preserving that liability;
- 2.3.3 acknowledges that the Existing Tenant's obligations under this clause are and shall remain additional to and separate from any other security which the Landlord holds at any time for the Tenant's obligations and shall be complied with irrespective of any such other security;

- 2.3.4 shall not:
- (A) claim in competition with the Landlord in any proceedings or any type of arrangement in connection with the Assignee's insolvency; or
 - (B) exercise any other right or remedy against the Assignee whether insolvent or not,
- in respect of any performance of the Existing Tenant's obligations under this clause unless and until all of those obligations are fully performed (and, if, notwithstanding, the Existing Tenant does receive any money pursuant to any such claim, right or remedy, it shall hold the money on trust for the Landlord until those obligations are fully performed); and
- 2.3.5 warrants that it has not taken and agrees that it will not take any security over the Assignee's assets for any liability owed to the Existing Tenant (and, if, notwithstanding, the Existing Tenant does receive any such security, it shall hold the security on trust for the Landlord until the Existing Tenant's obligations under this clause are fully performed).

2.4 **Disclaimer, etc.**

- 2.4.1 If the Assignee's liability under the Lease is disclaimed, the Landlord may require the Existing Tenant to accept (and, if so, the Existing Tenant will accept) a new lease of the Premises on and giving effect to the same terms, and containing the same agreements, as the Lease except this clause (and, where any such term applies as at a particular date or period, as at the same date or period), and as the terms had effect immediately before the disclaimer such that the obligations of the new lease are no more onerous than the Tenant's obligations, subject as provided in clause 2.4.2.
- 2.4.2 For the purposes of clause 2.4.1:
- (A) the Landlord's requirement must be notified to the Existing Tenant within six months after the date of the Landlord's receipt of notice of the disclaimer;
 - (B) the new lease shall:
 - (1) be granted in all respects at the Existing Tenant's cost;
 - (2) be completed within four weeks after the date when the Landlord notifies the requirement to the Existing Tenant; and
 - (3) take effect from the date of disclaimer, subject to any third party rights of vesting and possession; and
 - (C) the contractual term of the new lease shall expire when the Term would have expired but for the disclaimer.
- 2.4.3 In the event that the Landlord shall not require the Existing Tenant to take up a new lease of the Premises following the disclaimer of the Lease then the Tenant will continue to pay to the Landlord the rents reserved by the Lease for a period of six months from the date of disclaimer or until the date the Premises are re-let, whichever first occurs.

3. **[AGA GUARANTEE**

In consideration of the Landlord entering into the License to Assign, the Existing Tenant's Guarantor as a principal obligor agrees with the Landlord, with effect from the Assignment, that:

3.1 **Guarantee**

Until the date when the Existing Tenant is released by the 1995 Act from the guarantee and supplementary provisions in clause 2 (referred to in this clause as the "**Authorised Guarantee Agreement**") the Existing Tenant will comply with the Authorised Guarantee Agreement and, to the extent the Existing Tenant does not, the Existing Tenant's Guarantor will comply with them and will indemnify the Landlord against any loss it suffers as a result of any non-compliance, without deduction or set-off.

3.2 Preservation of the guarantee

The Existing Tenant's Guarantor's obligations under this clause are not affected by:

- 3.2.1 any delay or other indulgence, compromise or neglect in enforcing the Authorised Guarantee Agreement;
- 3.2.2 any partial surrender of the Lease (and the Existing Tenant's Guarantor's liability shall continue but only in respect of the continuing Authorised Guarantee Agreement);
- 3.2.3 without prejudice to clause 3.4, any disclaimer of the Authorised Guarantee Agreement;
- 3.2.4 any legal limitation, immunity, incapacity, insolvency or the winding-up of the Existing Tenant (or, if the Existing Tenant is more than one person, of any such person) or by the Existing Tenant (or any such person) otherwise ceasing to exist;
- 3.2.5 any act or omission in connection with any right or remedy against the Existing Tenant or with any security which the Landlord holds at any time for the Tenant's obligations or in connection with re-letting the Premises;
- 3.2.6 any other act or omission which, but for this provision, would have released the Existing Tenant's Guarantor from liability,

or any combination of any such matters and, subject as provided in section 18 of the 1995 Act, the Existing Tenant's Guarantor's obligations in connection with the Authorised Guarantee Agreement are not released by, but shall be construed so as to require compliance (through the Authorised Guarantee Agreement) with the terms of any consent or approval by the Landlord or of any variation or waiver of any of the Tenant's obligations and the Existing Tenant's Guarantor shall, if the Landlord requests, join in any such consent, approval, variation or waiver in order to acknowledge and confirm that requirement

3.3 Subrogation rights, etc.

The Existing Tenant's Guarantor:

- 3.3.1 may not participate in, or exercise any right of subrogation in respect of any security which the Landlord holds at any time for the Tenant's obligations;
- 3.3.2 will unconditionally waive any right of contribution by the Existing Tenant towards the Existing Tenant's Guarantor's liability under this clause, to the extent the waiver is requisite for preserving that liability;
- 3.3.3 acknowledges that the Existing Tenant's Guarantor's obligations under this clause are and shall remain additional to and separate from any other security which the Landlord holds at any time for the Tenant's obligations and shall be complied with irrespective of any such other security;
- 3.3.4 shall not:
 - (A) claim in competition with the Landlord in any proceedings or any type of arrangement in connection with the insolvency of any person who owes the Landlord liability for the Tenant's obligations; or
 - (B) exercise any other right or remedy against any such person whether insolvent or not,in respect of any performance of the Existing Tenant's Guarantor's obligations under this clause unless and until all of those obligations are fully performed (and, if, notwithstanding, the Existing Tenant's Guarantor does receive any money pursuant to any such claim, right or remedy, it shall hold the money on trust for the Landlord until those obligations are fully performed); and

3.3.5 warrants that it has not taken and agrees that it will not take any security over the Existing Tenant's assets for any liability owed to the Existing Tenant's Guarantor (and, if, notwithstanding, the Existing Tenant's Guarantor does receive any such security, it shall hold the security on trust for the Landlord until the Existing Tenant's Guarantor's obligations under this clause are fully performed).

3.4 Disclaimer, etc.

3.4.1 If a new lease is to be granted to the Existing Tenant pursuant to clause 2.4, the Existing Tenant's Guarantor shall be a party to it in order to guarantee compliance with the Existing Tenant's obligations under it and to accept a further lease following any disclaimer or forfeiture by or against the Existing Tenant as tenant of the new lease.

3.4.2 The Existing Tenant's Guarantor's obligations in clause 3.4.1 shall be on the same terms, subject to any necessary differences of fact, as applied to the obligations which the Existing Tenant's Guarantor had under the Lease before the Assignment.

3.4.3 If the Existing Tenant fails to comply with clause 2.4.1, the Existing Tenant's Guarantor will do so by taking the new lease in its own name.

4. TRANSMISSION OF GUARANTEES

The benefit of every guarantee provided for in this agreement shall:

4.1 be annexed and incident to the whole, and to each and every part, of the immediate reversion to the Lease; and

4.2 pass on an assignment of the whole or any part of that reversion.

5. SEVERANCE

If any provision of this agreement is void or prohibited under any statutory enactment due to any applicable law, it shall be deemed to be deleted and the remaining provisions of this agreement shall continue in force.

6. GOVERNING LAW AND JURISDICTION

6.1 This agreement and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law and within the exclusive jurisdiction of the English courts, to which the parties irrevocably submit.

6.2 Each party irrevocably agrees that any claim form or other document to be served under the Civil Procedure Rules may be served on it by being delivered to or left at its address in the United Kingdom as stated in this document or as otherwise notified to [each] [the] other party and each party undertakes to notify the others in advance of any change from time to time of such address for service and to maintain an appropriate address at all times.

7. EXCLUSION OF THIRD PARTY RIGHTS

The parties confirm that no term of this agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to it.

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

EXECUTED as a **DEED** by **[INSERT NAME OF COMPANY]** acting by two directors / a director and its company secretary

(Signature of director)

(Signature of director / secretary)

EXECUTED as a **DEED** by **[INSERT NAME OF COMPANY]** acting by a director
In the presence of:

(Signature of director)

(Name of witness)

(Address of witness)

(Signature of witness)

Signed as a **deed** on behalf of **BLCT (PHC 15A)**
LIMITED, a company incorporated in Jersey,
by _____, being a
person who, in accordance with the laws of that
territory, is acting under the authority of the company

Signature(s): _____

Authorised Signatory

EXECUTED as a **DEED** by **MIMECAST**
SERVICES LIMITED acting by two
directors /a director and its
company secretary

(Signature of director)

(Signature of director / secretary)

Signed as a **deed** on behalf of **MIMECAST**
LIMITED, a company incorporated in Jersey,
by _____, being a
person who, in accordance with the laws of that
territory, is acting under the authority of the company

Signature(s): _____

Authorised Signatory

Appendices Intentionally Omitted

ANNEXURE F: FIFTH FLOOR LEASE IN AGREED FORM

This is Annexure F to the agreement for leases dated 2 January 2018 in respect of the 3rd, 4th and 5th floors of 1 Finsbury Avenue, London EC2 as made between (1) B.L.C.T. (PHC 15A) Limited (2) Bluebutton Developer Company (2012) Limited (3) Bluebutton Properties UK Limited (4) Mimecast Services Limited and (5) Mimecast Limited

Signed on behalf of:

B.L.C.T. (PHC 15A) Limited

Bluebutton Developer Company (2012) Limited

Bluebutton Properties UK Limited

Mimecast Services Limited

Mimecast Limited

The image shows a vertical column of five horizontal dotted lines. To the left of these lines, there are three handwritten signatures in black ink. The top signature is the most prominent and appears to be a stylized 'D'. The middle and bottom signatures are less distinct but appear to be initials or names. The bottom-most dotted line is empty.

ANNEXURE F: FIFTH FLOOR LEASE IN AGREED FORM

This is Annexure F to the agreement for lease dated 2 January 2018 in respect of the 3rd, 4th and 5th floors of 1 Finsbury Avenue, London EC2 as made between (1) B.L.C.T. (PHC 15A) Limited (2) Bluebutton Developer Company (2012) Limited (3) Bluebutton Properties UK Limited (4) Mimecast Services Limited and (5) Mimecast Limited

Signed on behalf of:

B.L.C.T. (PHC 15A) Limited

.....

Bluebutton Developer Company (2012) Limited

.....

Bluebutton Properties UK Limited

.....

Mimecast Services Limited

* *Paul*

Mimecast Limited

* *Paul*

.....201*

B.L.C.T (PHC 15A) LIMITED
and
MIMECAST SERVICES LIMITED
and
MIMECAST LIMITED

1 FINSBURY AVENUE, LONDON EC2
LEASE of 5th FLOOR

Herbert Smith Freehills LLP

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Appendices:

Appendix A: Plans

Appendix B: Base Building Definition

Appendix C: Occupier Fit-Out Guide

Appendix D: Specification

Appendix E: Reception Side Letter

Appendix F: Western Terrace Side Letter

Appendix G: Agreement to Surrender in agreed form

LAND REGISTRY PARTICULARS

LR1.	Date of Lease	
LR2.	Title number(s):	
LR2.1	Landlord's title number(s)	NGL770398
LR2.2	Other title numbers	
LR3.	Parties to this Lease	Landlord
		B.L.C.T. (PHC 15A) LIMITED (company registration number 76075 (Jersey)) whose registered office is at 47 Esplanade, St Helier, Jersey JE1 0BD c/o York House, 45 Seymour Street, London W1H 7LX (the " Landlord ").
		Tenant
		MIMECAST SERVICES LIMITED (company registration number 04901524) whose registered office is at 6 th Floor, CityPoint, One Ropemaker Street, London EC2Y 9AW (the " Tenant ").
		Other parties
		MIMECAST LIMITED (company registration number 119119 (Jersey)) whose registered office is at 22 Grenville Street, St Helier, Jersey JE4 8PX c/o 6 th Floor, CityPoint, One Ropemaker Street London EC2Y 9AW (the " Surety ").
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 defined as "Premises" in Part 1 of the Particulars to this Lease.
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.
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 as specified in Part 1 of the Particulars to this Lease.
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	The right set out in clause 9 of this Lease.
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	The covenants set out in clauses 4.13 and 4.14 of this Lease.
LR11.	Easements:	
LR11.1	Easements granted by this Lease for the benefit of the Property	The easements set out in Part I of the Second Schedule to this Lease.
LR11.2	Easements granted or reserved by this Lease over the Property for the benefit of other property	The easements set out in Part II of the Second Schedule to this Lease.
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	None.

PARTICULARS

PART 1

"Premises"	The fifth floor of the Building being the premises described in the First Schedule together with all alterations, additions and improvements thereto other than Tenant's or trade fixtures and fittings
"Term Commencement Date"	means [<i>the date determined by the Agreement for Lease</i>]
"Contractual Term"	Fifteen years from and including the Term Commencement Date
"Principal Rent"	£[<i>to be determined in accordance with the Agreement for Lease</i>] per annum (subject to review in accordance with the provisions of the Third Schedule)
"Rent Commencement Date"	[<i>the date determined pursuant to the terms of the Agreement for Lease</i>]
"Review Dates"	20[] and every fifth anniversary of that date during the Contractual Term and any date stipulated under paragraph 6 of the Third Schedule
"Permitted Use"	High class offices and for ancillary purposes within paragraph (a) of Class B1 of the Town and Country Planning (Use Classes) Order 1987 (here meaning the 1987 Order and not any subsequent modification or re-enactment thereof notwithstanding the provisions of clause 1.3)

PART 2

Term Expiry Date	[<i>insert date of expiry of 15 years from TCD</i>]
Landlord's option to break	None
Tenant's option to break	[<i>insert date of 10th anniversary of TCD</i>]
Landlord and Tenant Act 1954	Not excluded
Interest on late payments	2% above base rate
Interest on shortfall of rent review	0% above base rate

UNDERLEASE (referred to throughout as "**this Lease**")

DATED

201[]

BETWEEN

- (1) **B.L.C.T. (PHC 15A) LIMITED** (the "**Landlord**")
- (2) **MIMECAST SERVICES LIMITED** (the "**Tenant**")
- (3) **MIMECAST LIMITED** (the "**Surety**")

WITNESSETH as follows:

1 INTERPRETATION

In this Lease:

1.1 The following expressions shall have the following meanings:

- | | |
|--------------------------|--|
| Act | means any Act of Parliament now or hereafter to be passed and includes any instrument, order or regulation or other subordinate legislation deriving validity from any Act of Parliament |
| Agreement for Lease | means the agreement for lease dated [] made between (1) Bluebutton Developer Company (2012) Limited (2) the Landlord (3) Bluebutton Properties UK Limited (4) the Tenant and (5) the Surety |
| approved and authorised | mean approved or authorised in writing by the Landlord |
| Associated Entity | means independent contractors employed by the Tenant in connection with the services the contractors are providing to the Tenant in relation to the Premises and other bodies, professional advisers and entities and which facilitate the operation of the Tenant's business at the Premises |
| Base Building Definition | means the base building definition applying to the Building attached at Appendix B |
| Building | means the land and buildings known as 1 Finsbury Avenue, London EC2 shown edged red on Plan 1 and includes (without limitation) the Foundations and Services |
| Building Services | means the services and amenities to be provided by the Landlord for the benefit of the Building (or some part or parts thereof) (but being for the benefit of the tenants of the Building as a whole) as are set out in Part I of the Sixth Schedule and such other services and amenities as are consistent with the management of a high class office building which the Landlord may from time to time reasonably require should be provided or carried out for the benefit of the tenants of the Building as a whole |
| CIL | means community infrastructure levy under the Planning Acts and any charge, levy, tax or imposition substituted for it and including related interest, penalties, surcharges, liabilities and costs of compliance |

Common Facilities	means each and every part or parts of the Building (other than Landlord's Services Equipment) which are from time to time provided by the Landlord (acting reasonably) for common or general use by or for the benefit of the Tenant and other tenants, licensees and occupiers of the Building, their employees, agents, servants, licensees and customers and all others authorised by the Landlord including (but without limiting the generality of the foregoing) entrance lobbies, lift lobbies, goods lifts, loading bays, lifts, escalators, staircases, corridors, passageways, accessways, communal plant rooms and lavatories, showers and locker rooms and water closet accommodation
company	means a body corporate wheresoever incorporated
consent of the Landlord	means a consent in writing signed by the Landlord
Design Standards	means the level of services (including electricity supply) which the Landlord's Services Equipment are designed to supply to the Premises (brief details of which are set out in the Specification) and as the same may be increased from time to time with, if the increase is to increase a cost to the Tenant, the consent of the Tenant (such consent not to be unreasonably withheld or delayed)
Electricity Cost	means the actual cost of the provision of electricity to the Premises for consumption by the Tenant in accordance with the Landlord's covenant contained at clause 4.6 being the measured proportion as reasonably determined by the Landlord of the actual or total cost of the provision of electricity to the areas of the Building let or intended to be let from time to time which proportion shall be based upon readings taken in such manner and at such times as the Landlord shall from time to time determine (acting reasonably) of the check meters relating to the Premises and other parts of the Building from time to time Installed and where estimated shall be subject to annual reconciliation
Energy Costs	means any taxes, levies, charges (except for sums payable to utilities suppliers) or assessments (whether parliamentary, parochial, local or of any other description) properly and reasonably paid by the Landlord or by a Group Company of the Landlord and/or any credits, allowances or permits properly and reasonably purchased by the Landlord or by a Group Company of the Landlord in each case relating to the consumption of energy or emission of greenhouse gases by or from or supply of energy to the properties of the Landlord and/or any Group Company of the Landlord from time to time and including but without limitation all proper and reasonable costs and payments properly and reasonably incurred pursuant to or in connection with the Scheme

Energy Levy	<p>means a fair and reasonable proportion of the Energy Costs that are directly incurred under the Scheme in respect of any Scheme Year wholly in connection with or in relation to the supply of energy to the Building or any part of the Building and such proportion of the Energy Costs shall be made on the following assumptions:</p> <p>(a) the Landlord is a participant in the Scheme; and</p> <p>(b) the Landlord is supplied with energy only at the Building and makes no carbon emissions other than those made from the Building and consumes no energy other than within the Building</p> <p>(and such proportion shall be based upon a comparison of the supply of energy to the Building with the total energy supplied to all the buildings included in the Energy Costs provided that it is agreed by the Landlord that the Energy Levy shall not include any costs incurred in the administration and coordination of compliance with the Scheme by the Landlord or any Group Company of the Landlord within the Scheme nor any fees or expenses of legal advisers, surveyors or other professional advisers engaged by the Landlord or any Group Company of the Landlord in connection with the Scheme)</p>
Energy Levy Rent	<p>means a fair and reasonable proportion of the Energy Levy which is attributable on a fair and reasonable basis to the Premises which proportion shall be based:</p> <p>(a) (in the case of energy supplies the use or consumption of which at the Premises is not separately metered) a fair and reasonable proportion of the energy supplied to the Building; and</p> <p>(b) (in the case of energy supplies the use or consumption of which at the Premises is separately metered) on the energy supplied to the Premises as evidenced by the meters or other measuring devices serving the Premises</p>
Energy Performance Certificate	<p>means an energy performance certificate and recommendation report as defined in the Energy Performance of Buildings (England and Wales) Regulations 2012</p>
Estate	<p>means the Broadgate Estate from time to time, as shown at the date of this Lease edged red on Plan 2</p>
Estate Common Parts	<p>means each and every open part or parts of the Estate (other than any building or structure) which are from time to time provided by the Landlord or its Group Companies (acting reasonably) for common or general use by or for the benefit of the Tenant and other tenants, licensees and occupiers of the Estate, their employees, agents, servants, licensees and customers and all others authorised by the Landlord or its Group Companies</p>

Estate Services	means the services and amenities to be provided by the Landlord for the benefit of the Estate (or some part or parts thereof as are set out in Part II of the Sixth Schedule) and such other services and amenities as are consistent with the management of a high class estate which the Landlord may in its discretion from time to time reasonably decide should be provided or carried out for the benefit of the tenants and occupiers of the Estate or some part or parts thereof (and which in all cases benefit the tenants and occupiers of the Estate as a whole)
Fifth Floor Terraces	means the external terraces shown edged green on Plan 3
Fire Safety Order	means the Regulatory Reform (Fire Safety) Order 2005
Foundations and Services	means: <ul style="list-style-type: none"> (a) the foundations, piles, footings, columns, beams and other load bearing structures (including transfer structures as necessary) steelwork, bracings, access and inspection pits, escalator pits, lift pits and other structures and fire proofing; and (b) the drains, sewers, pipes, wires, ducts, cables and other conduits; and (c) the meter rooms, and (d) the steps serving the Building as exist from time to time
Group Company	a company is a Group Company of another company if it is from time to time the holding company of that company or a subsidiary company of that company or any company whose holding company is the holding company of that company where the expressions "holding company" and "subsidiary" have the meanings given in Section 1159 and Schedule 6 of the Companies Act 2006
Head Lease	means the lease dated 17 February 1999 and made between (1) B.L.C.T (17810) Limited and (2) Broadgate (PHC 15a) Limited
Historic Contamination	means the presence under the Building and/or the Estate of any natural or artificial substances or materials (whether solid, liquid, gas or otherwise and whether alone or in combination with any substance or material) capable of causing harm to human health and/or the environment, including, for the avoidance of doubt, radiation, heat, vibration, waste, carbon dioxide and/or any other greenhouse gases which were caused or were present prior to the date of this Lease
Insured Risks	means loss or damage, whether total or partial, caused by the following risks to the extent that insurance cover is available for the same in the London insurance market at reasonable cost namely fire, storm, earthquake, tempest, flood, lightning, explosion, aircraft and other aerial devices or articles dropped therefrom, riot or civil commotion, malicious damage, impact, bursting and overflowing of pipes or water tanks, acts of terrorism, subsidence, groundslip and heave, breakdown and sudden and unforeseen damage to engineering plant and equipment and such other risks (in respect of which cover is

	available as aforesaid) as the Landlord (acting as a prudent Landlord) shall from time to time reasonably and properly determine having regard to the interests of the tenants of the Building
Landlord	includes where the context so admits the estate owner for the time being of the reversion immediately expectant on the Termination of the Tenancy
Landlord's Services Equipment	means all the plant, machinery and equipment (with associated Service Conduits and Appliances) within or serving the Building from time to time comprising or used in connection with the following systems (to the extent specified in the following paragraphs of this definition): <ul style="list-style-type: none"> (a) the whole of the sprinkler system within the Building (including sprinkler heads); (b) the whole of the fire detection and fire alarm systems; (c) the whole of the permanent firefighting systems (but excluding portable fire extinguishers installed by the Tenant or other tenants of the Building); (d) the whole of the chilled water system; (e) the whole of the perimeter heating system and underfloor heating system at the base of any atria (if any); (f) the whole of the building management system installed by the Landlord; (g) the central electrical supply system from the mains supply to the Building so far as (and including) the electrical riser busbars connecting to the distribution boards at each level in the Building which is let or intended to be let by the Landlord; (h) the air handling system limited at each level which is let or intended to be let by the Landlord to the air handling units at each such level and the electricity supply and control systems for the same and the air ducts leading from such air handling units in each case up to the point where such ducts enter the office accommodation
Landlord's Surveyor	means the surveyor for the time being of the Landlord being a MRICS or FRICS member (or equivalent from time to time) of the Royal Institution of Chartered Surveyors
Level	means the floors of the building so identified on the Plans
Normal Business Hours	means 7 am to 7 pm Monday to Fridays (including Bank Holidays) or such longer hours as the Landlord may in its reasonable discretion determine from time to time and notify in writing with reasonable advance notice to the Tenant
notice	means notice in writing
Managed Spectrum	means any licensed or unlicensed radio spectrum which can be utilised for the purposes of providing Wireless Data Services or analogous services

Net Internal Area	means the net internal area of the Premises calculated in accordance with the RICS Code of Measuring Practice, 6th edition (2007)
Occupier Fit Out Guide	means the tenant guide headed "1 Finsbury Avenue - Office Occupier's Fit-out Guide - Broadgate Estates Limited" attached at Appendix C together with such reasonable amendments or updates as may be made from time to time by the Landlord
Option	means an option to tax the Building by the Landlord pursuant to Schedule 10 VATA
Outside Normal Business Hours Charge	means (where such Services are provided for the benefit of the Tenant alone) the whole of the cost of carrying out or providing any of the Services at the request of the Tenant outside Normal Business Hours (including (without prejudice to the generality of the foregoing) costs and expenses in the nature of those set out in Part III of the Sixth Schedule) or in the event of any of the Services being carried out or provided outside Normal Business Hours to the Tenant and any other tenant or tenants of the Building a fair and reasonable proportion thereof as determined by the Landlord (acting reasonably)
Particulars	means the particulars set out at the beginning of this Lease and so titled
Plan	means the plans annexed hereto and numbered accordingly
Planning Acts	means the Act or Acts for the time being in force relating to town and country planning
Prescribed Rate	means either the base rate of National Westminster Bank PLC or if no such base rate can be ascertained then the rate at the relevant time which such Bank shall utilise for equivalent purposes or if such alternative rate cannot be ascertained then such other rate as the Landlord shall reasonably select as being equivalent thereto
President	means the President for the time being of the Royal Institution of Chartered Surveyors or his duly appointed deputy
Principal Rent	means the rent first reserved in clause 2
Prohibited Uses	means any of the following uses: <ul style="list-style-type: none"> (a) turf accountant or betting office; (b) staff or employment agency; (c) amusement arcade; (d) sex shop; (e) sauna or massage parlour (professional physiotherapy or sports massage therapy uses will be permitted); (f) pet shop; (g) launderette or dry cleaners (save where premises to be let are let for the purpose of collection for dry cleaning off the premises); (h) any Government Agency or Department at which the general public are permitted to call without appointment;

	(i)	night club; or
	(j)	traditional high street charity shop
Reinstatement Certificate		means the certificate property issued by or on behalf of the Landlord certifying that the works to be undertaken by the Landlord in accordance with clause 4.4 have been practically completed
Renewal Lease		means the lease of the Premises to be granted pursuant and on the terms set out in clause 9
Rents		means all the rents reserved in clause 2
Retail Units		means those lettable parts of the ground and basement floors of the Building
Roof Terrace		means the roof terrace at Level 8 on the eastern side of the Building shown coloured pink and marked "East Terrace" on Plan 4
Scheme		means the mandatory UK cap and trade scheme known as the Carbon Reduction Commitment Energy Efficiency Scheme or the CRC Energy Efficiency Scheme as implemented under the Climate Change Act 2008 and the CRC Energy Efficiency Scheme Order 2010 the CRC Energy Efficiency Scheme Order 2013 (and any modification, amendment, re-enactment or replacement from time to time) and any other similar scheme amending or replacing it (and any other trading scheme relating to greenhouse gas emissions introduced pursuant to Section 44 of the Climate Change Act 2008)
Scheme Year		means 1 April to 31 March in each year or such other annual period designated under the Scheme
Service Conduits and Appliances		means gas, water, drainage, electricity, telephone, telex, signal and telecommunications, heating, cooling, ventilation and other pipes, drains, sewers, mains, cables, wires, supply lines and ducts and other channels through which the same pass and all ancillary appliances apparatus and services
Services		means the Building Services and the Estate Services
Specification		means the specification relating to the Premises and office common parts annexed hereto at Appendix D
Spectrum Management Policy		means any policy issued by the Landlord from time to time for effectively managing the utilisation of the Managed Spectrum in relation to the Building provided that any such policy is not materially adverse to the operation of the Tenant's business from the Premises
Standby Generators		means the standby generators and associated switch gear cabling and controls in the Building for the use of the Premises in case of emergency
Tenant		includes where the context admits the successors in title and permitted assigns of the Tenant
Termination of the Tenancy		means the determination of this Lease whether by effluxion of time, re-entry, notice, surrender (whether by operation of law or otherwise) or by any other means whatsoever

underlease	includes an agreement for underlease other than one which is conditional on obtaining the Landlord's consent
Uninsured Risk	means a risk which would be an Insured Risk but for the fact that insurance is not available (or is available but only at rates which are not commercially acceptable and which the Landlord is not prepared to accept) in the London insurance market at the date of destruction or damage save to the extent that such Insured Risk is not fully insured or is subject to limitation, excess or exclusion due to any breach, non-observance or non-performance of any of the Tenant's covenants contained in this Lease
VAT	means value added tax as defined in VATA and any future tax of a like nature
VATA	means the Value Added Tax Act 1994 as amended from time to time or any re-enactment thereof
VAT Group	means two or more bodies corporate registered as a group for the purposes of Section 43 of VATA
VAT Regulations	means the Value Added Tax Regulations 1995 (SI 1995/2518) as amended from time to time or any re-enactment thereof
Western Roof Terrace	means the roof terrace at Level 8 on the western side of the Building shown coloured green and marked "West Terrace (Dedicated)" on Plan 5
Wireless Data Services	means the provision of wireless data, voice or video connectivity or wireless services either permitting or offering access to the internet or any wireless network mobile network or which involves a wireless or mobile device.

- 1.2 Where the context requires:
- (a) words importing the singular include the plural and vice versa;
 - (b) words importing the masculine include the feminine and neuter;
 - (c) where a party consists of more than one person, covenants and obligations of that party shall take effect as joint and several covenants and obligations.
- 1.3 Except where the context otherwise requires references to any Act include references to any statutory modification or re-enactment thereof for the time being in force and any order, instrument, regulation or bye-law made or issued thereunder.
- 1.4 The clause headings shall not in any way affect the construction of this Lease.
- 1.5 References to a clause or Schedule shall mean a clause or Schedule of this Lease.
- 1.6 The powers, rights, matters and discretions reserved to or exercisable by the Landlord hereunder shall also be reserved to or exercisable by their (or any superior landlord's) properly authorised servants, managers, agents, appointees or workmen (the identity of which have been notified to the Tenant in advance where exercise of such rights or reservations requires access to the Premises) but in all cases subject to the same obligations as the Landlord under this Lease.
- 1.7 Wherever in this Lease the consent or approval of the Landlord is required the relevant provision shall be construed as also requiring the consent or approval of any superior landlord where the same shall be required pursuant to the Head Lease which the Landlord shall use all reasonable endeavours to obtain as expeditiously as possible and the Tenant shall bear the cost of obtaining such consents together with all surveyors' professional or other fees and disbursements in connection therewith unless such consent is unreasonably withheld or delayed In circumstances where it is unlawful to do so.

- 1.8 Any covenant on the part of either party not to do any act or thing includes a covenant not to suffer or permit the doing of that act or thing.
- 1.9 If any provision of this Lease or its application to any person or circumstance or for any period is held to be invalid or unenforceable by any judicial or other competent authority, all other provisions of this Lease and the application of that provision to other persons or circumstances or for other periods shall remain in full force and effect and shall not in any way be impaired. If any provision of this Lease is held to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, or the period of the obligation reduced in time, or the range of activities or area covered reduced in scope, the provision in question will apply with the minimum modifications necessary to make it valid and enforceable.

2 DEMISE HABENDUM AND REDDENDUM

The Landlord demises with full title guarantee the Premises to the Tenant TOGETHER WITH the rights set out in Part I of the Second Schedule but EXCEPTING AND RESERVING to the Landlord and all others authorised by the Landlord the rights set out in Part II of the Second Schedule TO HOLD the same for the Contractual Term (determinable as herein provided) SUBJECT to (and so far as applicable with the benefit of) the exceptions and reservations, rights, covenants, conditions, agreements or other matters contained or referred to in the Head Lease and the deeds and documents referred to in the Fourth Schedule so far as the same relate to or affect the Premises reserving as rent:

FIRST:

- (a) In respect of the period from the Term Commencement Date to and including the day before the Rent Commencement Date a rent of one peppercorn on demand;
- (b) in respect of the period from and including the Rent Commencement Date until and including [*insert day before first Review Date*] 20[] the yearly rent of [*to be calculated pursuant to the Agreement for Lease*] Pounds (£[]);
- (c) thereafter the yearly rent determined in accordance with the provisions of the Third Schedule,

such rent to be paid by four equal quarterly payments in advance on the usual quarter days the first payment to be made on the Rent Commencement Date in respect of the period commencing on the Rent Commencement Date and expiring on but including the day immediately preceding the next following quarter day; and

SECONDLY a yearly rent equal to a fair and reasonable proportion to be determined by the Landlord (acting reasonably) of the sum or sums paid by the Landlord in performance of the Landlord's covenant for insurance in clause 4.2 (and including the costs property incurred by the Landlord in connection with the revaluations of the Building for insurance purposes not more than once in every three years and annual desk top updatings of such valuations) such yearly rent to be paid within 21 days of written demand; and

THIRDLY a yearly rent equal to whichever shall be the greater of the Service Charge or the Interim Sum (each as defined in the Fifth Schedule such yearly rent to be paid at the times and in the manner provided in the Fifth Schedule and the first Instalment of the Interim Sum shall become due on the date hereof and shall relate to the period commencing on [*date of issue of Certificate of Sectional Completion of Section One*] and ending on and including [*insert date that is day before quarter day after date of this Lease*]; and

FOURTHLY by way of additional rent to be paid within 21 days of receipt of written demand an amount equal to interest calculated on a daily basis at an annual rate equivalent to two percentage points above the Prescribed Rate on any instalment (or part thereof) of the Rents or any other sum of money of whatsoever nature due from the Tenant to the Landlord under the provisions of this Lease not received by the Landlord on the due date for payment and all such interest to be in addition and without prejudice to the right of re-entry or to any other remedy herein contained or by-law vested in the Landlord; and

FIFTHLY by way of additional rent any VAT payable pursuant to clauses 3.86 to 3.90.

3 TENANTS COVENANTS

The Tenant covenants with the Landlord:

Rent

3.1 To pay the Rents at the times and in manner aforesaid without any deduction or set-off (whether legal or equitable) save as may be required by-law.

Outgoings

3.2 To pay or reimburse the Landlord for (or in the absence of direct assessment on the Premises to pay to the Landlord or reimburse the Landlord against a fair and reasonable proportion to be determined by the Landlord's Surveyor acting properly and reasonably of) all existing and future rates, duties, taxes, assessments, impositions, charges and other outgoings whatsoever (whether parliamentary, parochial, local or of any other description and whether or not of a capital or nonrecurring nature or of a wholly novel character) which are now or at any time during the Term charged, levied, assessed, imposed upon, payable in respect of or attributable to the Premises or in respect of any part thereof or upon or by any owner, landlord, tenant or occupier of them or any Group Company of an owner, landlord, tenant or occupier thereof other than:

- (a) any tax payable or assessed as a result of any dealing with (including any actual or deemed disposal of) any reversion immediately or mediately expectant on this Lease; or
- (b) any tax payable or assessed in respect of the Rents or other payments reserved or payable hereunder (save for VAT); or
- (c) any future property ownership tax payable or assessment in respect of any reversionary interest in the Premises (except to the extent specifically herein provided to be paid by the Tenant); or
- (d) any tax payable or assessed on the Landlord in respect of or arising out of or relating to the grant of this Lease.

3.3 Not to agree any valuation of the Premises for rating purposes or agree any alteration in the rating list in respect thereof without notifying the Landlord of the Tenants intention to do so and giving the Landlord a reasonable opportunity to make reasonable representations and having regard to such reasonable representations in relation to such valuation.

3.4 Upon making any proposal to alter the rating list so far as the list relates to the Premises or lodging an appeal in respect thereof to supply to the Landlord promptly copies of all relevant correspondence and documentation.

3.5 Without prejudice to clause 3.3 within 14 days of receipt to provide the Landlord with a copy of any notice of an alteration or proposed alteration in the rating list that will or may affect the Premises.

Water, gas and electricity charges and equipment/Outside Normal Business Hours Charges/Electricity Cost

3.6 To the extent that the same are not included in the Service Charge (as defined in the Fifth Schedule), the Outside Normal Business Hours Charges or the Electricity Cost to pay to the suppliers thereof all charges for water and electricity (including meter rents) consumed in the Premises (or in the absence of direct assessment on the Premises to pay the Landlord a fair and reasonable proportion thereof to be determined by the Landlord's Surveyor acting reasonably).

3.7 To comply with the requirements and regulations of the respective supply authorities with regard to the water and electrical installations and equipment in the Premises.

3.8 To pay the Outside Normal Business Hours Charges monthly in arrears within 21 days of receipt of written demand.

3.9 To pay the Electricity Cost either annually or by no more than four instalments on the usual quarter days) subject to receipt of a written demand in respect of the Electricity Cost at least 14 days prior to the relevant payment day.

Repair

3.10 At all times to keep the Premises in good and substantial repair and condition and maintained cleansed and amended in every respect (fair wear and tear excepted) and as often as may be necessary to reinstate, renew (for the purposes of repair) or replace (for the purposes of repair) the Premises and each and every part thereof (damage by any of the Insured Risks and the Uninsured Risk excepted save in the case of an Insured Risk to the extent that the policy or policies of insurance shall have been vitiated or payment of any of the policy monies withheld or refused in whole or in part by reason of any act, neglect or default of the Tenant or any sub-tenant or their respective servants, agents, licensees or invitees).

3.11 In the event that the Building and/or the Premises shall be destroyed or damaged and this Lease shall not have been determined under clause 5.5 the Tenant shall, if so reasonably required by the Landlord, join with the Landlord (at the Landlord's cost) in making application for planning or other permission necessary for rebuilding or reinstating the Premises including (without limitation) entering into any agreement necessary to obtain the same (but without taking on any liability on any such planning or other permission save for a consent to the creation of the planning agreement) and in pursuing any claim against the insurers of the Building and/or the Premises provided that the Landlord reimburses the Tenant in respect of any liabilities or costs reasonably and properly incurred in relation to any such claim.

Decoration and maintenance

3.12 As often as may be reasonably necessary to clean the internal surfaces of the windows and other glazing in or forming part of the Premises including the internal surfaces of any glazing between the Premises and any atria.

Yield up

3.13 Subject to clause 3.15, at the Termination of the Tenancy quietly to yield up unto the Landlord in a clean and tidy and broom swept condition (the Tenant having no other dilapidations liability save to the extent that the condition of the Premises are in a worse condition than the condition they are required to in pursuant to clause 3.10 above, having removed the Tenants furniture and effects and, if any alterations have been made which shall have resulted in the Net Internal Area of the Premises being reduced below that specified in the Specification by the Tenant or any person deriving title under the Tenant whether before or after the date hereof, to remove or reinstate such alterations only to the extent necessary so that the Net Internal Area is no less than the Net Internal Area existing at the date of grant of this Lease and in such respect of such removal to restore those parts of the Premises so affected to such state and condition described in the section of the Specification entitled "Category A Specification" (or in the case of such other parts of the Building to their former state and condition) the Tenant making good any damage caused to the Premises or such other parts of the Building to the reasonable satisfaction of the Landlord and to the satisfaction of the relevant supply authorities.

3.14 Upon removal of any tenant's fixtures or fittings (if required by the Tenant at its discretion) then in respect of such fixtures and fittings as are connected to or take supplies from any of the Service Conduits and Appliances to remove and seal off such Service Conduits and Appliances as the Landlord shall reasonably require, such removal and sealing off to be carried out so as not to interfere with the continued function of the remainder of the Service Conduits and Appliances.

3.15 If the Termination of the Tenancy occurs other than by way of effluxion of time (e.g. by virtue of the exercise of rights of re-entry by the Landlord, a surrender of this Lease or as the result of the exercise of the determination rights granted to the Tenant pursuant to clause 8) then the Tenant shall be obliged to yield up the Premises In good and substantial repair and condition, clean and decorated in a good and workmanlike manner and in a colour scheme and with materials reasonably approved by the Landlord, such decoration having been carried out no longer than a year prior to such termination.

3.16 If the Termination of the Tenancy occurs as the result of the exercise of the determination rights granted to the Tenant pursuant to clause 8, whilst clause 3.13 will apply at the date of determination the Landlord shall be entitled to recover from the Tenant dilapidations subsequent to the determination of the Lease pursuant to exercise of clause 8 on the basis that the Tenant had a repairing obligation at the termination of the Lease in the Lease in the terms of clause 3.15 above.

Landlord's rights of entry

3.17 To permit the Landlord, its agents and all persons authorised by the Landlord at all reasonable times on not less than 24 hours' prior notice (except in the case of emergency) to enter and remain upon the Premises for the purposes of the exercise of an or any of the rights set out in paragraph 2 of Part II of the Second Schedule subject to the conditions set out in such paragraph.

Compliance with notices to remedy

3.18 To commence as soon as reasonably practicable in the circumstances and thereafter diligently to proceed with any works to the Premises which are necessary to comply with any notice property given by the Landlord requiring the Tenant to remedy any breach of the Tenant's covenants relating to the state and condition of the Premises found upon any such inspection but the Landlord agrees that it will not be entitled to serve any such notice during the last five years of the Contractual Term.

3.19 If the Tenant shall not within a reasonable period have commenced and be diligently proceeding to comply with any such notice to permit the Landlord and any authorised person to enter the Premises on not less than 24 hours' prior written notice to remedy any such breach and at times so far as possible reasonably convenient to the Tenant.

3.20 To pay to the Landlord within 21 days of receipt of written demand the reasonable and proper costs and expenses property and reasonably incurred by the Landlord under the provisions of clause 3.17 which sums shall be recoverable as rent in arrears.

Improvements and alterations

3.21 Subject to the provisions of clauses 3.22 to 3.35 the Tenant shall not erect or permit or suffer to be erected any other building, structure, pipe, wire mast or post upon the Premises nor to make or permit or suffer to be made any alteration therein or addition thereto nor to commit or permit or suffer any destruction in or upon the Premises nor to cut, injure or remove or suffer to be cut, injured or removed any of the roof, walls (whether outside or inside), floor, joists, timbers, wires, pipes, drains, appurtenances or fixtures thereof.

3.22 Not to make any structural alterations or additions to the Premises save that the Tenant may make minor structural alterations which when taken alone or in the aggregate would not adversely affect the structural stability of the Building or affect the external appearance of the Building or materially adversely affect the Landlord's Services Equipment with the prior consent of the Landlord (such consent not to be unreasonably withheld or delayed) and carried out in accordance with drawings and (if appropriate) specifications previously submitted to and approved by the Landlord (such approval not to be unreasonably withheld or delayed).

3.23 Not to make any alterations, additions or adjustments to the Premises or the Landlord's Services Equipment within the Premises or any other plant, machinery or equipment within the Premises that would whether alone or in aggregate:

- (a) have a materially adverse effect on the operation or efficiency of the Landlord's Services Equipment whether within the Premises or in any other part of the Building;
- (b) result in any increase in the level of services to be provided to the Premises by the Landlord's Services Equipment in excess of the Design Standards; or
- (c) adversely affect the Energy Performance Certificate of the Premises or the Building (were such Energy Performance Certificate to be re-assessed following completion of the proposed alterations, additions or adjustments).

- 3.24 Not to make any other alterations, additions or adjustments to the Landlord's Services Equipment within the Premises without the prior consent of the Landlord (which consent shall not be unreasonably withheld or delayed) or otherwise than in accordance in all respects with drawings and specifications previously submitted to and approved by the Landlord (such approval not to be unreasonably withheld or delayed).
- 3.25 Not to make any alterations or additions to the electrical wiring and installations within the Premises that would result in a loading on such wiring or installations beyond that which they are designed to bear but for the avoidance of doubt save as mentioned in this clause 3.25 the Tenant will not require the consent of the Landlord to the carrying out of any such works.
- 3.26 Not to make any other alterations or additions to the electrical wiring and installations within the Premises to the extent that the same are comprised within the Landlord's Services Equipment or Service Conduits and Appliances otherwise than in accordance with conditions laid down by the Institution of Electrical Engineers and/or other regulations of the relevant statutory undertaker.
- 3.27 Not to install or maintain within the Premises any equipment or systems providing Wireless Data Services in such a manner as shall have a material adverse effect on other tenants' equipment or systems within the Building or the Landlord's Services Equipment it being agreed that the installation of any equipment or systems providing Wireless Data Services which are not likely to have any such a material adverse effect shall not require the consent of the Landlord.
- 3.28 To take all reasonably necessary steps to alter (and if alteration is not possible to remove) any such equipment or systems providing Wireless Data Services as soon as reasonably possible following notice from the Landlord requiring the Tenant to do so if such equipment or systems can be shown by the Landlord to have a material adverse effect on other tenants' equipment or systems within the Building or the Landlord's Services Equipment.
- 3.29 Non-structural alterations including the erection and alteration of any partitions, light switches, floor boxes, lights, air conditioning grilles and associated cabling, ductwork and fixings within the Premises are permitted without the consent of the Landlord provided that they are made:
- (a) in such a manner as not to affect in an adverse manner (save temporarily until they have been rebalanced) the operation or efficiency of the Landlord's Services Equipment or to impact on the Building's health and safety systems and provided further that the Tenant shall remove any such works that can be reasonably shown by the Landlord to affect in an adverse manner the operation or efficiency of the Landlord's Services Equipment or to impact on the Building's health and safety systems as soon as reasonably possible upon notice from the Landlord requiring it to do so (the Landlord acknowledging that in respect of the Tenant's Works being carried out pursuant to the Agreement for Lease it shall have no right to require that the Tenant's Works are removed or altered pursuant to clauses 3.29 to 3.30); and
 - (b) in such a manner (provided the Landlord has to the Tenant given full details (where details have not already been provided prior to the date of this Lease) of the relevant trade contract and/or relevant appointment of the member of the professional team) as not to affect adversely the Landlord's ability to pursue a trade contractor or member of the professional team in respect of a breach of contract appointment or warranty in connection with the carrying out of the works to construct the Building; and
 - (c) in accordance with the Occupier Fit Out Guide.
- 3.30 Not to cause any dedicated access points to any Service Conduits or Appliances which now are under or in or pass through the Premises to be or become materially more difficult to access than is the same now.
- 3.31 Not to puncture or pierce the internal finishes of the curtain wall surrounding the Premises or any mullions or other parts of the exterior of the Premises and not to affix anything to any of the same save that the Tenant may attach internal partitioning to mullions and make minor bore holes in the structure of the Building without the consent of the Landlord in order to fix and accommodate the other alterations permitted without consent by clauses 3.21 to 3.30,

PROVIDED ALWAYS that:

- (a) any consent of the Landlord required under the provisions of clauses 3.21 to 3.31 may only be given by way of deed;
- (b) any such deed shall contain covenants by the Tenant with the Landlord in regard to the execution of the works to the Premises and other conditions and restrictions in such form as the Landlord may reasonably require;
- (c) where the works affect the Landlord's Services Equipment, the Service Conduits and Appliances or the structural stability of the Building the Landlord shall be entitled to require to approve the identity of the contractors, builders or other professionals or persons appointed in respect of the works for which consent is given (which approval will not be unreasonably withheld or delayed) and may if reasonable depending on the nature of the works require the Tenant to procure appropriate collateral warranties or third party rights in the Landlord's favour from the Tenants relevant contractors and professionals in a form reasonably required by the Landlord; and
- (d) the Tenant shall pay the reasonable and proper legal and surveyors' costs and expenses reasonably and properly incurred by the Landlord in relation to the granting of any such consent.

3.32 To provide the Landlord with plans and (if appropriate) specifications within 30 days of the practical completion of any relevant works showing any alterations for which consent is not required under the preceding provisions of clauses 3.21 to 3.29.

3.33 In the event that the Tenant shall carry out works to the Premises in breach of the provisions of clauses 3.18 to 3.29 the Landlord may give to the Tenant notice of any such breach and if the Tenant shall not have remedied such breach within 21 days of the giving of any such notice (or earlier in case of emergency) the Landlord will be entitled having given not less than five days' notice (or earlier in case of emergency) to enter the Premises and remove such works or any part thereof and reinstate the Premises provided always that the proper costs thereby incurred including interest calculated at four per cent above the Prescribed Rate shall be paid by the Tenant within seven days of demand and shall be recoverable by the Landlord as rent in arrears.

Connectivity and Spectrum Management

3.34 Subject to obtaining the Landlord's prior written consent (such consent not to be unreasonably withheld or delayed) and in compliance with the Spectrum Management Policy, the Tenant may install, maintain or permit to be installed or maintained within the Premises any equipment or systems which permit any visitor to, or customer of, the Tenant access to Wireless Data Services within the Premises.

3.35 Subject to obtaining the Landlord's prior written consent (such consent not to be unreasonably withheld or delayed) and in compliance with the Spectrum Management Policy, the Tenant may install, maintain or permit to be installed or maintained within the Premises any mobile or wireless telephony system, network base station, wireless access point, gateway or any analogous wireless or mobile transmitter providing Wireless Data Services in the Managed Spectrum.

3.36 The Landlord and Tenant hereby acknowledge that, taking account of their respective, rights, duties and obligations in this Lease and the Landlord's overriding obligation to ensure that the tenants of individual demises within the Building have the quiet enjoyment of their respective demises, the provisions of clauses 3.34 and 3.35 together with the application of the Spectrum Management Policy represent a fair and reasonable arrangement, in relation to the Premises and are:

- (a) reasonably necessary in order to ensure the efficient and effective use of the radio spectrum in accordance with regulatory objectives and best practice relating to the management of such radio spectrum in the United Kingdom; and

- (b) reasonably necessary in order to ensure compliance with applicable statutory and nonstatutory health and safety rules, regulations and best practice in relation to exposure to electromagnetic radio waves promulgated by the International Committee on Nonionizing Radiation Protection and the National Radiological Protection Board, the European Council and The Health & Safety Executive.

3.37 The Landlord and Tenant hereby acknowledge that during the Contractual Term there are likely to be technological innovations and legislative changes which will require the parties to co-operate and agree variations to the provisions of clauses 3.34 to 3.37 inclusive in order to achieve the intent and effect of such provisions and the Landlord and Tenant hereby agree to co-operate fully in order to agree promptly and implement promptly any such variations but with the intention of allowing the Tenant to retain Wireless Data Services which are consistent with its business objectives and policies at the relevant time.

Notices of a competent authority

3.38 Within 14 days (or sooner if requisite) of the receipt by the Tenant of any notice, order, requisition, direction or plan given, made or issued to or by a competent authority relating to the Premises or the Building or involving any liability or alleged liability on the part of the Landlord or any superior landlord to supply a copy thereof to the Landlord and at the request and cost of the Landlord to make or join in making such objections or representations against the same or in respect thereof as the Landlord may reasonably require unless the Tenant reasonably considers that to support any objection as represented is against the bona fide business interests of the Tenant.

To comply with enactments

3.39 At all times to observe and comply with the provisions and requirements of any and every Act so far as they relate to the Premises or the user thereof and without derogating from the generality of the foregoing to execute all works and provide and maintain all arrangements which by or under any enactment or by any government department local authority or other public authority or duly authorised officer or Court of competent jurisdiction acting under or in pursuance of any enactment are or may be directed or required to be executed, provided or maintained upon or in respect of the Premises in respect of any such user thereof and to reimburse the Landlord at all times against all proper fees, costs, charges and expenses of or incidental to the execution of any works or the provision or maintenance of any arrangements so directed or required as aforesaid.

3.40 Not knowingly at any time to do or omit to be done in on or about the Building and/or the Premises any act or thing by reason of which the Landlord may under any Act incur or have imposed upon it or become liable to pay any penalty, damage, compensation, fees, costs, charges or expenses.

3.41 To notify the Landlord in writing as soon as reasonably practicable after the Tenant becomes aware of any physical defect in the Building and/or the Premises.

3.42 Upon the Tenant becoming aware of the happening of any occurrence or receipt of any notice order direction or other thing from a competent authority affecting the Building and/or the Premises whether the same shall be served directly upon the Tenant or the original or a copy thereof be received from any underlessee or other person whatsoever to as soon as reasonably practicable deliver a copy thereof to the Landlord and at the cost of the Landlord to make or join in making such objection or representations against or in respect thereof as the Landlord may reasonably require unless the Tenant reasonably considers that to support any objection or representation is against the bona fide business interests of the Tenant.

3.43 At the Landlord's request and cost provide the Landlord with a copy of any fire risk assessment carried out by or on behalf of the Tenant and details of all measures taken by or on behalf of the Tenant to comply with the Fire Safety Order (including the names of all competent persons appointed by the Tenant pursuant to Article 18) and any other information property requested by the Landlord to assist the Landlord in complying with its own obligations under the Fire Safety Order In relation to the Premises.

To comply with town planning legislation etc

- 3.44 To comply with the provisions and requirements of the Planning Acts and of all planning permissions so far as the same respectively relate to the Premises or any part thereof or any operations works acts or things already or hereafter to be carried out executed done or omitted thereon or the use thereof for any purpose.
- 3.45 Not to make any application for planning permission in respect of the Premises without the previous written consent of the Landlord, which shall not be unreasonably withheld or delayed.
- 3.46 Subject only to any statutory direction to the contrary to pay and satisfy any charge or levy that may hereafter be imposed under the Planning Acts in respect of the carrying out or maintenance to the Premises by the Tenant, any Group Company of the Tenant, any subtenant or their respective agents, servants, licensees or invitees of any operations which may constitute development or the institution of any such operations or the Institution or continuance of any use which may constitute development.
- 3.47 Notwithstanding any consent which may be granted by the Landlord under this Lease not to carry out any development in or to the Premises (whether by alteration or addition or change of use thereto) before all necessary notices under the Planning Acts in respect thereof have been served and all such necessary planning permissions have been produced to the Landlord and in the case of a planning permission acknowledged by it in writing as satisfactory to it (such acknowledgement of satisfaction by the Landlord not to be unreasonably withheld or delayed) but so that the Landlord may refuse so to express its satisfaction with any such planning permission on the ground that any condition contained therein or anything omitted therefrom or the period thereof would in the reasonable opinion of the Landlord's Surveyor be or be likely to be materially prejudicial to its interest in the Building or any adjoining property whether during the subsistence of this Lease or following the determination or expiration thereof.
- 3.48 Unless the Landlord shall otherwise direct, to carry out and complete before the Termination of the Tenancy:
- (a) any works stipulated to be carried out to the Premises by a date subsequent to such expiration or sooner determination as a condition of any planning permission granted to the Tenant for any development begun before such expiration or sooner determination; and
 - (b) any works begun by the Tenant, any Group Company of the Tenant or any subtenant or their respective agents, servants, licensees or invitees upon the Premises,

PROVIDED ALWAYS that the Tenant shall have the option of removing such works and reinstating the Premises to such condition as they were in before the relevant works were commenced.

- 3.49 If and when called upon so to do to produce to the Landlord or the Landlord's Surveyor all such plans documents and other evidence as the Landlord may reasonably require in order to satisfy itself that the provisions of this covenant have been complied with in all respects.

User permitted

- 3.50 To use and occupy the Premises only as high class offices and for ancillary purposes within paragraph (a) of Class B1 of the Town and Country Planning (Use Classes) Order 1987 (here meaning the 1987 Order and not any subsequent modification or re-enactment thereof notwithstanding the provisions of clause 1.3) but for the avoidance of doubt the Landlord agrees that the following ancillary uses are permitted in connection with the use of the Premises by the Tenant for so long as they remain ancillary in nature only:
- (a) kitchen and dining facilities; and
 - (b) auditorium for meetings.

User prohibited

- 3.51 Not to store or bring upon the Premises any materials or liquid of a specially combustible, inflammable, dangerous or offensive nature (other than those properly required in connection with the use of the Premises and then only in appropriate containers).
- 3.52 Not to do on the Premises or any part thereof or on the Roof Terrace or Fifth Floor Terraces any act or thing whatsoever which may be either (i) a legal nuisance to the Landlord or any other tenant or occupier of the Building or the owners or occupiers of any adjoining or neighbouring property or (ii) a breach of the Planning Acts.
- 3.53 Not to use the Premises or any part thereof for any illegal purpose.
- 3.54 Not to bring into or upon the Premises or do anything which puts on the Premises or any part thereof any load or weight in excess of that which the Premises or any part thereof are designed or constructed to bear nor knowingly to cause any undue vibration to the Premises or any part thereof by machinery or otherwise.
- 3.55 Not to obstruct or permit to be obstructed whether by loading or unloading goods or any other means any part of the Building or to do anything which is a source of danger to persons using the same and to load and unload goods only in accordance with the rights granted to the Tenant in Part I of the Second Schedule.
- 3.56 Not to hold any sales by auction, exhibitions, public meetings or public entertainments (other than for the benefit of the Tenants or a Group Company's members of staff) at the Premises nor to permit any vocal or instrumental music to be performed therein which can be heard from outside the Premises provided that this sub-clause shall not prevent the Tenant or any permitted undertenant or occupier of the Premises from holding meetings of clients and their shareholders or members within the Premises.
- 3.57 Not to permit any person to reside in the Premises.
- 3.58 Not to obstruct, hinder or otherwise Interfere with the proper exercise by the Landlord and authorised persons of the rights reserved In Part II of the Second Schedule hereto.
- 3.59 To use reasonable endeavours not to cause the drains to be obstructed by oil, grease or other deleterious matter.
- 3.60 Not to load or use the lifts in the Building in any manner that will or may cause strain or damage to the lifts in the Building beyond their design capabilities.
- 3.61 Not to permit any person to smoke anywhere on the Premises.

Alienation absolutely prohibited

- 3.62 Not to charge or assign part only of the Premises.
- 3.63 Not to part with possession or share occupation of or declare any trust in respect of the Premises or any part thereof other than by way of:
- (a) an assignment permitted under clause 3.65; or
 - (b) an underlease permitted under clauses 3.68 to 3.72,
- PROVIDED THAT occupation of the Premises or any part or parts thereof by a Group Company of the Tenant and/or an Associated Entity shall not be in breach of this covenant provided further that
- (c) no legal estate or other right of tenancy shall be created;
 - (d) the Tenant shall as soon as reasonably practicable upon being requested in writing to do so by the Landlord give the identity of such Group Company or Associated Entity, the relationship of the Group Company or Associated Entity to the Tenant and the area occupied; and

- (e) the Tenant shall procure (and hereby covenants to this effect) that any such Group Company and/or Associated Entity shall vacate the Premises forthwith upon whichever is the earlier of the date of expiration or sooner determination of this Lease and the date on which such company or entity ceases to be a Group Company of the Tenant or Associated Entity (as the case may be).

3.64 Not by assignment, underletting or otherwise to permit the occupation of the Premises or any part thereof by or the vesting of any interest or estate therein in any person, firm, company or other body or entity which:

- (a) has the right to claim diplomatic immunity or exemption in relation to the observance and performance of the covenants and conditions of and contained in this Lease; or
- (b) is a provider of serviced offices or co-working workspace,

PROVIDED ALWAYS that nothing in this clause 3.64 and shall prevent the Tenant from underletting to a sub-tenant where the Tenant agrees to provide managed services of any nature to such sub-lessee.

Assignment permitted

3.65 Not to assign the whole of the Premises without the prior written consent of the Landlord (such consent not to be unreasonably withheld or delayed). The Landlord and Tenant agree for the purposes of section 19(1A) Landlord and Tenant Act 1927 that the Landlord may impose all or any of the following conditions as a condition of its consent.

- (a) save in the case of an assignment to a Group Company the Tenant has first given written notice to the Landlord pursuant to the provisions of clause 3.74;
- (b) the proposed assignee is reasonably acceptable to the Landlord assessed on the basis of the cumulative total of the rents that such proposed assignee will be contracting to pay within the Building (in respect of this and any other leases) against usual prudent institutional standards applied in the market place at the date of application for consent;
- (c) if the Landlord so reasonably requires, on or before completion of the assignment the Tenant enters into a deed of guarantee in the form attached in the Eighth Schedule (with such amendments as the parties may reasonably agree) with the Landlord in relation to the proposed assignment (and any guarantor of the Tenant if the Landlord reasonably considers that the guarantee of the Tenant is not sufficient) guarantees in such form as the Landlord reasonably requires the Tenant's obligations under such authorised guarantee agreement;
- (d) the consent pursuant to clause 3.65 shall be by deed containing covenants by the intended assignee directly with the Landlord to pay the rents hereby reserved and to perform and observe the Tenants covenants herein contained including this covenant from the date of the assignment until the first subsequent assignment which is not an excluded assignment (as the expression is defined in the Landlord and Tenant (Covenants) Act 1995);
- (e) if the Landlord so reasonably requires on or before completion of the assignment the assignee shall provide a guarantor or guarantors acceptable to the Landlord (acting reasonably) who shall covenant (jointly and severally) with the Landlord in the terms contained in the Seventh Schedule (or in such other terms as the Landlord may reasonably require due to changes in law).

3.66 The conditions set out in clause 3.65 shall not operate to limit the Landlord's right to impose any other reasonable conditions on the grant of such consent or to refuse consent on any other ground or grounds where such refusal would be reasonable.

3.67 Where an assignment would result in a proposed assignee taking a Level or Levels that are connected to other premises demised to the Tenant by an internal staircase and that assignee does not also simultaneously take an assignment of the relevant lease(s) relating to all such Levels, the Tenant shall remove such staircase(s) and reinstate the Premises so affected by such removal to reflect the condition set out in the section of the Specification marked "Category A Specification" and make good any physical damage caused by such reinstatement prior to the completion of the assignment PROVIDED ALWAYS that such reinstatement obligation will not apply if the assignee is a Group Company of the Tenant and the Tenant shall ensure that any transfer to a Group Company contains a provision stating that such Group Company shall comply with the reinstatement provisions of this clause 3.67 immediately upon such assignee and the Tenant ceasing to be Group Companies.

3.68 Where there is to be an assignment of either the Premises or the third floor premises demised by a lease of even date and made between the Landlord (1) the Tenant (2) and the Surety (3) and such assignment is to be to an entity which is not a Group Company of the Tenant, prior to completion of such assignment the Tenant will remove the stadium seating ("**Stadium Seating**") installed within the atrium pursuant to a Licence for Alterations of even date made between the Landlord (1) the Tenant (2) and the Surety (3) and make good any damage caused to the relevant premises or the Building to the reasonable satisfaction of the Landlord.

Underletting permitted

3.69 Not to underlet the whole of the Premises without the prior written consent of the Landlord (which consent shall not be unreasonably withheld or delayed) which may only be given by way of deed provided that:

- (a) the rent to be reserved by the underlease shall be the rent reasonably obtainable in the open market without taking a fine or premium and shall not be commuted or payable more than one quarter in advance; and
- (b) prior to the entering into of any underlease (or If earlier the parties to that underlease becoming contractually bound to enter into it) the parties to the underlease will enter into a valid agreement under Section 38(a) of the Landlord and Tenant Act 1954 to exclude the provisions of Sections 24 to 28 of the Landlord and Tenant Act 1954 in relation to that underlease and the Tenant shall provide copies of such valid agreement to the Landlord prior to entering into any such underlease.

3.70 Not to underlet part only of the Premises without the prior written consent of the Landlord which shall not be unreasonably withheld or delayed provided that.

- (a) the rent to be reserved by the underlease shall be the rent reasonably obtainable in the open market without taking a fine or premium and shall not be commuted or payable more than one quarter in advance; and
- (b) prior to the entering into of any underlease (or if earlier the parties to that underlease becoming contractually bound to enter into it) the parties to the underlease will enter into a valid agreement under Section 38(a) of the Landlord and Tenant Act 1954 to exclude the provisions of Sections 24 to 28 of the Landlord and Tenant Act 1954 in relation to that underlease and the Tenant shall provide copies of such valid agreement to the Landlord prior to entering into any such underlease; and
- (c) at no time shall the number of occupiers of any floor of the Premises exceed four, any occupation by the Tenant being taking into account for this purpose (and any occupation by a Group Company of the Tenant ranking as occupation by the Tenant for this purpose); and
- (d) the Tenant shall have regard (inter alia) to the position of the cores in the Building and means of escape from the underlet premises and ensure such demise is capable of separate and independent occupation.

- 3.71 To incorporate or procure the incorporation in every permitted mediate or immediate underlease of the Premises or any part thereof:
- (a) such provisions as are necessary to ensure that the rent thereunder is reviewed at the same frequency (but not necessarily on the same dates provided that where any underlease rent review would fall within six months either side of the rent review under this Lease then it is to coincide with the rent reviews provided for in this Lease) and upon substantially the same terms as for the review of rent under this Lease provided that if it is common market practice at the relevant time for the review of rents to be undertaken on an alternative basis the Tenant shall be entitled to underlet in accordance with then market practice and provided further that any underlease for a term of five years or less will not be required to provide for the rent thereunder to be reviewed; and
 - (b) a covenant that the undertenant shall not assign, charge or (in case of an underlease of part of the Premises) underlet part only of the premises thereby demised; and
 - (c) a covenant that the undertenant shall not assign the whole of the premises thereby demised unless on or before completion of the assignment the undertenant if reasonably required enters into an authorised guarantee agreement with the Tenant in such form as the Landlord reasonably requires in relation to the proposed assignment; and
 - (d) a covenant that the undertenant shall not assign the whole of the premises thereby demised without the consent of both the Landlord and the Tenant under this Lease which (in the case of the Landlord) shall not be unreasonably withheld or delayed; and
 - (e) a covenant that the undertenant shall not part with or share possession or occupation of or declare a trust in respect of the premises thereby demised save by way of an assignment, underletting or charge pursuant to the provisions hereinbefore referred to (save for parting with or sharing occupation or possession with a Group Company or an Associated Entity of the undertenant upon like terms to those referred to in the proviso to clause 3.63); and
 - (f) a covenant by the undertenant prohibiting the undertenant from causing or suffering any act or thing upon or in relation to the premises underlet inconsistent with or in breach of the provisions of this Lease; and
 - (g) a condition for re-entry in the form or substantially in the form referred to in clause 5.1.
- 3.72 Upon any permitted underlease to procure that the undertenant shall give a direct covenant by deed in favour of the Landlord to observe and perform the covenants and conditions on the part of the Tenant contained in this Lease (save as to payment of the rents hereby reserved) insofar as the same relate to the premises underlet and if the Landlord reasonably so requires it to procure that such guarantor or guarantors for the underlessee as may be reasonably acceptable to the Landlord guarantee such covenants in the terms contained in the Seventh Schedule (or in such other terms as the Landlord may reasonably require).
- 3.73 In connection with any underlease the Tenant shall:
- (a) not consent to or participate in any variation to any such underlease (or any of the terms thereof) without the prior consent of the Landlord which shall not be unreasonably withheld or delayed;
 - (b) enforce all the covenants and obligations of the underlessee thereunder and not expressly or knowingly by implication waive any breach of the same;
 - (c) duly and efficiently operate and effect all reviews of rent pursuant to the terms of any such underlease and prior to agreeing any such review to give reasonable notice to the Landlord of the proposed level of rent and to have regard to (but without being bound by) any reasonable representations made by the Landlord in relation to such level of rent.

- 3.74 Within one month after any reasonable written request by the Landlord (but not more than once In any period of 12 months) to notify the Landlord in writing;
- (a) whether the Tenant occupies the Premises wholly or in part;
 - (b) whether the Tenant has granted an underlease of the whole or any part of the Premises and if so to advise the Landlord of the rent reserved by any underlease and the full name and address of any underlessee; and
 - (c) whether there are any other occupiers of the Premises and if so the identity of those occupiers their relationship with the Tenant and the principal terms on which they occupy.

Charging permitted

Not to charge the whole of the Premises (save by way of floating charge to a reputable institution in respect of substantially the whole of the Tenant's business where consent shall not be required) without the prior written consent of the Landlord, such consent not to be unreasonably withheld or delayed.

Intention to market

- 3.75 The Tenant shall notify the Landlord in writing of the bona fide terms on which it intends to market the Premises for disposal by way of assignment. The Tenant shall provide the Landlord with these details as soon as reasonably practicable after they become available and in any event prior to marketing the Premises and no less than 4 weeks prior to the date on which the Tenant applies for consent from the Landlord In accordance with clause 3.62.

- 3.76 The Tenant shall thereafter keep the Landlord informed of progress and of expressions of Interest from potential assignees and shall afford the Landlord a reasonable opportunity to negotiate with the Tenant with regards to a potential surrender of the Lease.

Registration

- 3.77 Within one month after any assignment, underlease, assignment of underlease, mortgage, charge, transfer, disposition or devolution of the Premises or any part thereof any devolution of the estate of the Tenant therein or of this Lease to give notice thereof in duplicate to the Landlord's solicitors and to supply them with a certified copy of the instrument or instruments (including any relevant probate letters of administration or assent) for retention by the Landlord.

Not to display advertisements

- 3.78 Save as expressly permitted by paragraph 6 of Part I of the Second Schedule not to erect, paint, affix, attach or display any placard, poster, notice, advertisement, name or sign or anything whatever in the nature of an advertisement by display or lights or otherwise in or upon the Premises and/or the Building or any part thereof (including the windows).

Insurance

- 3.79 Not to knowingly do anything whereby any policy of insurance relating to the Building and/or the Premises may become void or voidable or whereby the rate of premium thereon may be increased where the Tenant has been notified in writing of the relevant terms of the policy and to take such precautions against fire as may be deemed necessary by the Landlord (acting reasonably) or its insurers or required by-law and (in each case) notified to the Tenant
- 3.80 Not to effect or maintain any Insurance in respect of the Building and/or the Premises (except as to the Tenant's fixtures and contents).
- 3.81 To reimburse to the Landlord a fair and reasonable proportion of any sum payable in respect of excess payable on any insurance policy relating to the Building.

Notice of damage

- 3.82 As soon as reasonably practicable following the Tenant becoming aware of any material damage to or destruction of the Premises to give notice thereof to the Landlord stating (if possible) the cause of such destruction or damage.
- 3.83 In the event of the whole or any part of the Building being damaged or destroyed by any of the Insured Risks and the insurance money under the policy or policies of insurance effected thereon by the Landlord being wholly or partially irrecoverable by reason solely or in part of any act neglect or default of the Tenant or any Group Company of the Tenant or any undertenant or their respective servants, agents, licensees or invitees then the Tenant will within 21 days of written demand pay to the Landlord the whole or as the case may be a fair proportion of the amount so irrecoverable.
- 3.84 In the event of the whole or any part of the Premises being damaged or destroyed by any of the Insured Risks and the amount of the insurance monies received in respect of the reinstatement of any additions, alterations or other works carried out to the Premises by the Tenant or any person claiming title under the Tenant whether before or after the date of this Lease which the Landlord is obliged to insure pursuant to the provisions of clause 4.2 being less than the reinstatement cost thereof as a result of the Tenant failing to notify the Landlord of the full reinstatement values thereof pursuant to this Lease then in the event that the Landlord reinstates any additions, alterations or other works carried out to the Premises by the Tenant or by any person claiming title under the Tenant to pay to the Landlord the amount by which the actual reinstatement cost exceeds the amount of the insurance monies actually received subject to the Landlord demonstrating that the reinstatement cost will exceed the amount of the insurance monies already received.

Indemnity

- 3.85 To indemnify the Landlord against and to pay within 21 days of written demand all costs and expenses including professional fees incurred by the Landlord in connection with all and every loss and damage whatsoever incurred or sustained by the Landlord as a consequence of every breach of the covenants by and conditions on the part of the Tenant set out herein or implied PROVIDED that such indemnity shall extend to and cover all costs and expenses properly incurred by the Landlord in connection with any steps which the Landlord may reasonably take to remedy any such breach and be without prejudice to any rights or remedies of the Landlord in respect of any such breach any such sum arising hereunder to be recoverable by action or at the option of the Landlord as rent in arrear PROVIDED FURTHER THAT the Landlord shall in relation to all indemnities given by the Tenant in this Lease:
- (a) as soon as reasonably practicable give the Tenant written notice and full details of any claim against the Landlord from a third party;
 - (b) consider and pay due account to written representations made by the Tenant relating to any such claim;
 - (c) not settle or compromise any such claim unless the Landlord is required to do so by its insurers;
 - (d) use all reasonable endeavours to mitigate as far as practicable any loss or costs incurred by or caused to it as a result of such claim.

Landlord's costs

- 3.86 By way of further or additional rent to pay within 21 days of written demand all costs, expenses, charges, damages and losses (including but without prejudice to the generality of the foregoing solicitors' costs, counsel's, architects' and surveyors' and other professional fees and commissions payable to a bailiff) property incurred by the Landlord of or incidental to:
- (a) the preparation and service of any notice under Sections 146 and 147 of the Law of Property Act 1925 (whether or not any right of re-entry or forfeiture has been waived by the Landlord or a notice served under the said Section 146 or 147 is complied with by the Tenant or the Tenant has been relieved under the provisions of the said Act and notwithstanding forfeiture is avoided otherwise than by relief granted by the court);
 - (b) the recovery of any rent in arrear or other payments due hereunder;
 - (c) the enforcement of the covenants given by the Tenant in this Lease including the remedying of any breaches;
 - (d) in connection with every application for any consent made under this Lease whether such consent shall be granted or not or the application withdrawn except where such consent shall be unreasonably withheld or delayed by the Landlord or granted on terms which are unreasonable in either case in circumstances where it is not entitled to do so;
 - (e) any schedule relating to wants of repair to the Premises whether served during or within three months after the termination of this Lease,

provided that in the case of paragraphs (d) and (e) above such costs are to have been reasonably incurred by the Landlord.

VAT

- 3.87 To pay all VAT on any sums of money chargeable thereto which shall be due from the Tenant under or by virtue of the provisions of this Lease upon production of a valid VAT invoice addressed to the Tenant.
- 3.88 For the purposes of paragraphs 12 to 17 Schedule 10 to the VATA neither the Tenant nor any person connected with the Tenant is a development financier as defined in paragraph 14 of Schedule 10 to the VATA in relation to the Landlord's development of any part of the land and buildings of which the Building forms a part for use other than for eligible purposes with the intention or expectation that the Building would become or continue to be exempt land.
- 3.89 The Tenant is not intending to use and will not use all or any part of the Building for a relevant charitable purpose (within the meaning of Schedule 8, Group 5 (Note 6) VAT Act 1994).
- 3.90 If the covenant in clause 3.88 is breached by the Tenant and in consequence supplies made by the Landlord in relation to all or any part of the Building after the making of an Option are not taxable supplies the Tenant shall indemnify the Landlord against:
- (a) any VAT paid or payable by the Landlord which is or may become irrecoverable due to the Landlord's supplies not being taxable;
 - (b) any amount in respect of any VAT which the Landlord has to account for or will have to account for to HM Revenue & Customs under the provisions of Part XIV or Part XV of the VAT Regulations;
 - (c) any consequential penalties, interest and/or default surcharge; and
 - (d) any additional liability to corporation tax on any payment made to the Landlord under this clause.
- 3.91 For the avoidance of doubt references in clauses 3.86 to 3.89 to the Landlord or the Tenant shall include references to the representative member of the VAT Group of the Landlord or the Tenant as appropriate and references to the Landlord shall include references to a "beneficiary" of the Landlord as such term is defined under paragraph 40 Schedule 10 VATA.

Regulations affecting the Premises

- 3.92 To comply in all respects with the reasonable and proper regulations for the time being made by the Landlord for the use, operation, security and/or maintenance of the amenity and good order of the Building where made in the interests of good estate management and previously notified in writing to the Tenant PROVIDED ALWAYS THAT if there shall be any inconsistency between the terms of this Lease and any of the said regulation then the terms of this Lease shall prevail and PROVIDED FURTHER THAT such reasonable and proper regulations shall not materially adversely affect the Tenant and its permitted undertenants and occupiers of the Premises and their respective visitors gaining access to and egress from the Building at all times (save in the case of an emergency).

Obstructions and encroachments

- 3.93 Not to stop up, darken or obstruct any of the windows, lights or ventilators belonging to the Premises and/or the Building (but the Tenant may place moveable, non-permanent items used in the course of its business or by its members of staff such as boxes, TVs on wheels, files or hat stands by or in front of the windows) nor to knowingly permit any new window, light, ventilator, passage, drainage or other encroachment or easement to be made or acquired into against upon or over the Premises or any part thereof AND in case any encroachment or easement whatsoever shall be attempted to be made or acquired by any person whomsoever to give notice thereof to the Landlord within 14 days of the same coming to the knowledge of the Tenant and at the request and cost of the Landlord do all such things as may be proper for preventing any such encroachment or such easement being made or acquired.

- 3.94 Nothing in clause 3.92 above shall prevent the Tenant from installing window blinds in any of the external or internal windows surrounding the Premises as are agreed between the Tenant and the Landlord (each acting reasonably) and in accordance with the Occupier Fit Out Guide and closing and opening such blinds on such occasions and in such a manner as the Tenant shall determine.

Covenants and provisions affecting the Landlord's title

- 3.95 By way of indemnity only to observe and perform the covenants and provisions (other than any obligation to pay any monies) affecting the title of the Landlord specified in the deeds and documents set out in the Fourth Schedule insofar as they relate to the Premises and are still subsisting.

Operation of plant and equipment

- 3.96 To operate and use all such plant, machinery and equipment as is installed in the Premises from time to time and connected to the Landlord's Services Equipment in accordance with the manufacturers' recommended method of operation and not to use such plant, machinery and equipment in such manner as to affect in a materially adverse manner the operation of the Landlord's Services Equipment

Obligations relating to entry and services

- 3.97 At all times when exercising any right granted to the Tenant for entry to any other part of the Building:
- (a) to cause (and procure that all those exercising the said rights on its behalf cause) as little damage and interference as is reasonably practicable to the remainder of the Building and the business of the tenants and occupiers thereof carried on thereat and to make good any physical damage caused to such areas to the reasonable satisfaction of the Landlord and the tenants and occupiers thereof;
 - (b) to comply with the reasonable security requirements of the Landlord and the tenants and occupiers of the remainder of the Building and where requisite the Tenant or such other person exercising the said rights shall only exercise such rights while accompanied by a representative of the Landlord or the tenant or occupier of the relevant part of the remainder of the Building.

Surety

- 3.98 In the event that any person firm or body corporate which has or shall have guaranteed the Tenant's obligations contained in this Lease shall die or an event shall occur in relation to such person a firm or body corporate of the type referred to in clauses 5.1(c) to 5.1(f) then without delay to give notice thereof to the Landlord and if so required by the Landlord (acting reasonably and having regard to the financial covenant strength of the Tenant) at the expense of the Tenant within 30 working days thereafter to procure that some other guarantor or guarantors reasonably acceptable to the Landlord execute a guarantee in respect of the Tenant's obligations contained in this Lease in the form referred to in the Seventh Schedule (or on such other terms as the Landlord shall reasonably require).

Registration

- 3.99 To apply for first registration of this Lease at the Land Registry as soon as reasonably practicable after this Lease is granted.
- 3.100 To provide to the Landlord as soon as each is available:
- (a) a note of the title number allocated to this Lease; and
 - (b) an official copy of the registered title to this Lease showing the Tenant as registered proprietor.
- 3.101 On determination of this Lease (whether by effluxion of time or otherwise) to apply to the Land Registry for closure of the Tenants registered title to this Lease and for removal of all notices relating to this lease from the Landlord's title.

Energy Performance Certificates

- 3.102 Before instructing an energy assessor to prepare any Energy Performance Certificate in respect of the Premises the Tenant shall first give notice to the Landlord informing the Landlord of the area to which the proposed Energy Performance Certificate will relate and the identity of the energy assessor must be reputable and suitably qualified.
- 3.103 At the Landlord's request the Tenant shall supply the energy assessor with any drawings specifications data or other information that the Landlord (acting reasonably) provides to the Tenant.
- 3.104 The Tenant shall provide to the Landlord a copy of any Energy Performance Certificate that the Tenant obtains in respect of the Premises.
- 3.105 The Tenant shall within 72 hours of receipt of written request permit any energy assessor Instructed by or on behalf of the Landlord to enter on and inspect the Premises (in the company of an employee of the Tenant if required by the Tenant) at reasonable times and the Tenant shall provide to such energy assessor such information as the Landlord may reasonably request at the cost of the Landlord.

Bicycle Spaces

- 3.106 Not to permit any of the bicycle spaces referred to in paragraph 7 of Part I of the Second Schedule to be used other than by an occupier of the Premises which is permitted pursuant to the terms of this Lease.
- 3.107 Not to do anything in or about the bicycle parking spaces referred to in paragraph 7 of Part I of the Second Schedule or the service roads or accessways leading thereto which would or could constitute a nuisance, annoyance, obstruction, disturbance or cause damage to the Landlord or the tenants or other occupiers of the Building.
- 3.108 To comply and ensure that the Tenant's visitors comply with such reasonable and proper regulations as the Landlord may make for the regulation of the traffic to and from and use of the bicycle parking spaces referred to in paragraph 7 of Part I of the Second Schedule and previously notified in writing to the Tenant

Compliance with Head Lease provisions

- 3.109 To observe and perform the covenants, obligations, provisions and conditions on the part of the tenant under the Head Lease so far as the same relate to or otherwise affect the Premises except for the payment of the rents reserved thereunder and, so far as the obligation to insure falls on the Landlord under this lease, to insure.
- 3.110 Not to do or omit anything thing which would or might cause the Landlord to be in breach of the Head Lease.

4 LANDLORD'S COVENANTS

The Landlord covenants with the Tenant.

Quiet enjoyment

- 4.1 That the Tenant may peaceably hold and enjoy the Premises without any interruption by the Landlord or any person rightfully claiming under or in trust for the Landlord or by title paramount.

Insurance

- 4.2 To insure:
- (a) the Building and keep the same insured with a reputable insurer in the name of the Landlord subject to such exclusions, excesses and limitations as may be imposed by the insurers and as are common in the London insurance market from time to time against:
 - (i) the Insured Risks in such a sum as shall be determined from time to time by the Landlord or the Landlord's Surveyor acting reasonably as being the full cost of rebuilding and reinstatement of the Building (and for these purposes "Building" means the Building constructed in accordance with the Base Building Definition including such works to prepare the Premises to generally no lesser standard than that described in the section of the Specification entitled "Category A Specification") and the Landlord covenants to have due regard to any reasonable request by the Tenant to increase such sums in respect of the Building together with architects', surveyors', consultants' legal and other fees in relation to the repair, rebuilding or reinstatement of the Building (including any cost or increased cost resulting from the requirements of local or other authorities, statutes, by-laws, regulations or orders as to the method of or design of or materials to be used in such repairing, rebuilding or reinstatement) and making due allowance for the effects of inflation and escalation of building costs and any fees and the cost of site clearance, demolition and debris removal and VAT on all such sums including any VAT resulting from any deemed self-supply as a result of such rebuilding or reinstatement;
 - (ii) loss of the Principal Rent and the rent thirdly reserved for such period (being not less than five years and not more than seven years) as the Landlord may from time to time reasonably deem necessary which may be calculated having regard to any relevant reviews or increases of rent and to the likely period required for obtaining planning permission and reinstating the Building;
 - (iii) (to the extent to which the same is not covered by clause 4.2(a)(i)) where applicable engineering and electrical plant and machinery being part of the Building against sudden and unforeseen damage breakdown and inspection;
 - (iv) property owner's liability and such other insurances as the Landlord may from time to time (acting reasonably) deem necessary to effect;

- (b) subject to request by the Tenant in writing and notification in writing by the Tenant of the full reinstatement cost of such items, any installations, fixtures, fittings, and equipment resulting from the completion of the Tenant's Works (as defined in the Agreement for Lease) or any other completed works carried out by the Tenant and any sub-tenant in accordance with the provisions of this Lease.

Landlord's obligations in relation to insurance

4.3 In relation to the policy or policies of insurance effected by the Landlord pursuant to its obligations contained in this Lease:

- (a) to produce not more than once in any 12 month period (and one further time in such 12 month period if requested by the Tenant) at the cost of the Tenant and as soon as reasonably practicable following demand either a complete copy or full details of the policy or policies of insurance with full details of any additions or amendments made thereto and either a copy of the last premium, renewal, receipt or reasonable evidence of the fact that the last insurance premium has been paid;
- (b) to procure (unless having used all reasonable endeavours it is unable to procure such a policy at commercial rates) that the interest of the Tenant and any mortgagee of the Tenant (or a general interests clause) is noted or endorsed on the policy or policies of insurance;
- (c) to use all reasonable endeavours to procure that the insurance policy contains terms whereby the Insurers will not pursue subrogation rights against the Tenant and its lawful undertenants, licensees and agents (other than where the loss has been occasioned or contributed to by the fraudulent or criminal or malicious act of the Tenant or its undertenants, licensees or agents);
- (d) to use all reasonable endeavours to procure that the insurance policy contains a non invalidation clause.

Reinstatement

4.4 If the Building (or any part or parts thereof) and/or the Premises (or any part or parts thereof) and/or the means of access to the Premises shall be destroyed or damaged by any of the Insured Risks and subject to the provisions of clause 5.6 and to the payment by the Tenant of any amounts due pursuant to clauses 3.82 to 3.83 (and without prejudice to the liability of the Tenant to make any such payments or any amounts due pursuant to clause 3.80) and subject to obtaining *any* planning permission or other permission or approval necessary for rebuilding and reinstating the Premises and to the necessary labour and materials being and remaining available the Landlord shall apply all monies received by the Landlord by virtue of such insurance and referable to the works required to reinstate the Premises (other than money received for loss of the Principal Rent and the rent thirdly reserved which shall automatically be payable to the Landlord) In rebuilding reinstating and making good the means of access to the Premises and/or (as the case may be) the Premises to generally no lesser standard than Specification and separately the Building (which may include aesthetic and specification improvements) permitted with all reasonable speed and making good any shortfall in the Insurance proceeds from the Landlord's own resources (but not so as to provide accommodation identical in layout provided that the accommodation provided is no less commodious and does not differ materially in size to the accommodation provided at the date hereof) and the Landlord shall use all reasonable endeavours to obtain all necessary licenses, consents, planning permissions and approvals therefor as soon as reasonably practicable and shall use reasonable endeavours to procure in favour of the Tenant a package of collateral warranties or third party rights relating to the design and carrying out of such works in a form consistent with market practice at the relevant time.

4.5 It is agreed that all monies claimed or received by the Landlord pursuant to clause 4.2(b) belong to the Tenant and shall be held on trust for the Tenant pending application in reinstatement and the Landlord shall keep the Tenant fully Informed regarding any claim in respect of insurance monies pursuant to clause 4.2(b) and act in accordance with the Tenant's reasonable instructions at the Tenant's cost.

Obligations relating to Services for the Tenant

4.6 To provide or procure the provision of

- (a) the Services during Normal Business Hours (and Normal Business Hours shall in the case of security and reception facilities for the Building be on a 24/7 basis); and
- (b) outside Normal Business Hours such of the Services as the Landlord shall in its reasonable discretion deem appropriate; and
- (c) such other of the Services outside the Normal Business Hours as the Tenant shall previously request,

(having regard to the Design Standards and subject to the provisions of clause 5.15) Provided that the Landlord shall be entitled to employ such reputable managing agents, professional advisers, contractors and other persons as may reasonably be required from time to time in the interests of good estate management for the purpose of the performance of the Services.

Building Services and Estate Services

4.7 The Landlord covenants that any item of Service Cost will be allocated properly to either the Building Services or the Estate Services and that no item of Service Cost will be charged to the Tenant more than once.

4.8 To provide or procure the provision of electricity to the Premises and the Building (subject to the provisions of clause 5.16) and (in each case) each and every part thereof designed to receive such to the extent necessary to meet the reasonable requirements of the Tenant and to use reasonable endeavours to procure that the same shall not be less than the Design Standards having regard to all relevant statutory provisions from time to time regulating the supply and utilisation of electricity and the terms and conditions relative thereto from time to time imposed by the relevant statutory undertaker.

4.9 As soon as reasonably practicable following any request made in writing by the Tenant the Landlord shall supply to the Tenant full details in writing of (and any supporting evidence reasonably requested by the Tenant):

- (a) the total Energy Costs and the method of calculation of the proportion of the Energy Costs included in the Energy Levy; and
- (b) the method of calculation of the proportion of the Energy Levy which comprises the Energy Levy Rent.

4.10 In so far as such rights are not held by the Landlord, to procure for the benefit of the Tenant and all persons authorised by the Tenant the rights over the Estate Common Parts as are set out in the Second Schedule, it being agreed that if the Tenant is prevented from exercising such rights in breach of this clause the Estate Services Costs payable by the Tenant shall be adjusted accordingly.

Building Defects

4.11 Where the Building suffers a defect the Landlord shall, where the Landlord reasonably believes there is a reasonable chance of success and reasonably believes that there is an economic and commercial benefit of pursuing such party, use all reasonable endeavours to recover the cost of remedying any such defect from any professional or contractor employed by the Landlord or its predecessors in title in relation to any building works leading to the occurrence of such defect and shall credit any sums received against the Service Charge to the extent the Landlord has legitimately already recovered any of the costs of remedying any such defect through the Service Charge.

Head Lease rents

- 4.12 To pay the rents reserved by the Head Lease at the times and in the manner provided in the Head Lease and to perform and observe all the covenants on the part of the tenant contained in the Head Lease insofar as they relate to any part of the premises thereby demised and which are not to be observed and performed by the Tenant pursuant to clause 3.108.

Retail Units

- 4.13 The Landlord agrees not to let or enter into an agreement for lease or permit any right of occupancy or permit any change of use of the Retail Units where the use is a Prohibited Use and to include within any lease or licence of a Retail Unit an express prohibition on a Prohibited Use.
- 4.14 The Landlord shall procure that any lease or licence of a Retail Unit shall include:
- (a) a covenant on the part of the tenant not to cause any legal nuisance to be suffered by the Tenant or its lawful occupiers of the Premises and the Landlord shall at the request and cost of the Tenant enforce such covenant where reasonably requested to do so;
 - (b) only rights granting access to the Premises that are on the same terms as the rights reserved to the Landlord under this Lease including the obligation to comply with the Tenant's reasonable requirements and regimes as regards access as provided for in the proviso to paragraph 2 of Part II of the Second Schedule.

Restriction on naming

- 4.15 So long as the tenant of this Lease is Mimecast Services Limited (company number 04901524) or a Group Company thereof and such entities are together in occupation of at least 70,000 square feet of office space within the Building, the Landlord covenants not to name the Building after any other tenant of the Building.
- 4.16 If clause 4.15 ceases to apply, the Landlord shall only grant naming rights in relation to the Building to an entity that occupies the majority of the office space within the Building and only for the duration such entity occupies the majority of the office space within the Building.

5 PROVISOS

IT IS HEREBY AGREED AND DECLARED as follows:

Re-entry

- 5.1 If:
- (a) the Rents or any part thereof shall be in arrear for 21 days next after becoming payable (whether in the case of the Principal Rent, the rent has been demanded or not); or
 - (b) there shall be any material breach, non-performance or non-observance of any of the Tenant's covenants; or
 - (c) the Tenant shall enter into any arrangement or composition for the benefit of the Tenant's creditors or convene a meeting of the Tenant's creditors (or a nominee calls such a meeting on its behalf); or
 - (d) the Tenant or the Surety (being one or more individuals):
 - (i) is the subject of an Interim order under Part VIII of the Insolvency Act 1986 or makes application to the Court for such an order or makes a voluntary arrangement under such Part; or
 - (ii) has a bankruptcy order made against him; or
 - (iii) a receiver is appointed in respect of all or any of the assets or undertaking of the Tenant or such surety; or

- (e) the Tenant or the Surety (being a company or partnership):
- (i) makes a voluntary arrangement or submits to its creditors or any of them a proposal under Part I of the Insolvency Act 1986; or
 - (ii) makes an application to the Court under Section 425 of the Companies Act 1985 or resolves to make such an application; or
 - (iii) is the subject of an administration order (whether an interim order or otherwise) made under Part II of the Insolvency Act 1986 or is subject to a resolution passed by the directors or shareholders for the presentation of an application for such an order or is the subject of a notice of intention to appoint an administrator or files a notice of appointment of an administrator with the court or passes a resolution by its directors or shareholders for the filing of such a notice; or
 - (iv) is the subject of a resolution for voluntary winding up (otherwise than for the purpose of an amalgamation or reconstruction which has been approved by the Landlord) or a meeting of creditors is called to consider a resolution for winding up; or
 - (v) has an interim order or winding up order made against it; or
 - (vi) has an administrative receiver or receiver appointed in respect of all or any of its assets; or
 - (vii) ceases to exist; or
 - (viii) becomes 'Bankrupt' within the meaning of the Interpretation (Jersey) law 1954; or
- (f) where the Tenant is a company or partnership Incorporated outside the United Kingdom analogous proceedings or events to those referred to in clause 5.1(e) shall be instituted or occur in the country of incorporation,

It shall be lawful for the Landlord at any time thereafter to re-enter the Premises or any part thereof in the name of the whole and thereupon this Lease shall absolutely determine but without prejudice to any rights of action of the Landlord or the Tenant against the other in respect of any antecedent breach by the Landlord or the Tenant (as the case may be) of any of the covenants herein provided that in the event that the Tenant comprises more than one person then the Landlord will be entitled to re-enter the Premises and this Lease shall thereupon absolutely determine upon the happening of any of the events referred to in clauses 5.1(c) to 5.1(f) hereof in relation to any one of them.

Replacement of surety

- 5.2 In the event of the occurrence of any of the events referred to in clauses 5.1(d) or 5.1(e) in respect of the Surety, the Landlord shall not exercise its right pursuant to clause 5.1 without first allowing the Tenant a period of 30 working days to procure that some other guarantor or guarantors reasonably acceptable to the Landlord execute a guarantee in respect of the Tenant's obligations contained in this Lease in the form referred to in the Seventh Schedule (or on such other terms as the Landlord shall reasonably require).

Payment of rent not waiver

- 5.3 No demand for or receipt or acceptance of any part of the Rents or any payment on account thereof shall operate as a waiver by the Landlord of any right which the Landlord may have to forfeit this Lease by reason of any breach of covenant by the Tenant and the Tenant shall not in any proceedings for forfeiture be entitled to rely on any such demand receipt or acceptance as aforesaid as a defence PROVIDED that this clause shall only have effect in relation to a demand receipt or acceptance made or given during such period as may in all the circumstances be reasonable for enabling the Landlord to conduct any negotiations with the Tenant for remedying the breach commenced upon the Landlord becoming aware of such breach.

Suspension of rent

- 5.4 If the Premises or the Building or the means of access to the Premises shall at any time be so damaged or destroyed:
- (a) by any of the Insured Risks as to render the Premises or the means of access to the Premises unfit for occupation or use then (save to the extent that the insurance monies shall be irrecoverable or the policy rendered void by reason of any act or default on the part of the Tenant any sub-tenant or their respective servants, agents, licensees or invitees) the Principal Rent, the Rent secondly reserved and the Rent thirdly reserved or a fair proportion thereof according to the nature and extent of the damage sustained shall be suspended immediately from the date of such damage or destruction until the earlier of:
 - (i) the date of issue of the Reinstatement Certificate; and
 - (ii) the expiration of the period in respect of which the Landlord has covenanted to Insure for loss of the Principal Rent and the Rent thirdly reserved pursuant to clause 4.2(a)(ii),and any dispute with reference to this clause 5.4(a) shall be referred by the Landlord or the Tenant to arbitration in accordance with the Arbitration Act 1996;
 - (b) by an Uninsured Risk as to render the Premises or the means of access to the Premises unfit for occupation or use then (save to the extent that damage or destruction results from the default of the Tenant, or Group Company of the Tenant or any sub-tenant or their respective agents, servants, licensees or invitees) the Principal Rent, the Rent secondly reserved and the Rent thirdly reserved or a fair proportion thereof according to the nature and extent of the damage sustained shall be suspended from the date 12 months after the date of such damage or destruction until the date of Issue of the Reinstatement Certificate and any dispute with reference to this proviso shall be referred by the Landlord or the Tenant to arbitration in accordance with the Arbitration Act 1996.

Damage before Rent Commencement Date

- 5.5 If clause 5.4 applies before the Rent Commencement Date the number of days between the date of the damage or destruction and the Rent Commencement Date (or where only a proportion of the Principal Rent is or would have been suspended, an equivalent proportion of those days) will be added to the date the period of rent suspension ends and the resulting date will become the Rent Commencement Date.

Determination If damage or destruction

- 5.6 If the Premises or the Building or the means of access to the Premises shall be destroyed or damaged by an Uninsured Risk so that the Premises are unfit for occupation or use the Landlord may elect not to carry out and complete the rebuilding and reinstatement of the Premises pursuant to clause 5.7 by serving notice to such effect on the Tenant and upon service of such notice this Lease shall determine but without prejudice to any claim by the Landlord or the Tenant against the other. If the Landlord shall not have served a notice on the Tenant pursuant to this clause 5.6 by a date prior to the date 12 months after such damage or destruction then either party shall be entitled at any time thereafter by notice in writing to the other party to determine this Lease and upon service of such notice this Lease shall determine but without prejudice to any claim by the Landlord or the Tenant against the other in respect of any antecedent breach of any covenant or provision herein contained.
- 5.7 If the Premises or the Building or the means of access to the Premises shall be destroyed or damaged by an Uninsured Risk so that the Premises are unfit for occupation or use the Landlord may elect at any time prior to the date 12 months after the date of damage or destruction to carry out and complete the rebuilding and reinstatement of the Premises by serving written notice to that effect on the Tenant whereupon the Landlord shall, subject to obtaining any planning permission or other permission or approval necessary for rebuilding and reinstating the Building,

the Premises and the means of access to the Premises and to the necessary labour and materials being and remaining available, be obliged to rebuild reinstate and make good (as the case may be) the Building, to generally no less a standard than that set out in the Base Building Definition and the Premises and the means of access to the Premises to generally no lesser standard than that described in the section of the Specification entitled "Category A Specification") (which may include aesthetic and specification improvements) with all reasonable speed (but not so as to provide accommodation identical in layout provided that the accommodation provided is no less commodious and does not differ materially in size to the accommodation provided at the date hereof) and the Landlord shall use all reasonable endeavours to obtain all necessary licences, consents, planning permissions and approvals therefor as soon as reasonably practicable and shall use reasonable endeavours to procure in favour of the Tenant a package of collateral warranties or third party rights relating to the design and carrying out of such works in a form consistent with market practice at the relevant time provided always that such rebuilding or reinstating shall be at the cost of the Landlord and the costs of or in any way relating to rebuilding or reinstating the Premises following damage or destruction of the Premises or the Building or any part thereof by an Uninsured Risk shall not be recoverable from the Tenant via the Service Charge provisions in the Fifth Schedule.

5.8

If:

- (a) the Premises or the Building or the means of access to them shall at any time be so damaged or destroyed by any of the Insured Risks as to render the Premises unfit for occupation or use and the Landlord has not commenced the works of reinstatement referred to in clause 4.4 within two and a half years of the date of damage or destruction; or
- (b) the Premises or the Building or the means of access to them shall at any time be so damaged or destroyed by any of the Insured Risks as to render the Premises unfit for occupation or use and the Landlord having used all reasonable and commercially prudent endeavours to do so has not completed the works of reinstatement referred to in clause 4.4 prior to the expiration of a period of five years following the date of such damage or destruction; or
- (c) the Premises or the Building or the means of access to them shall at any time be so damaged or destroyed by an Uninsured Risk as to render the Premises unfit for occupation and use and the Landlord has not commenced the works of reinstatement referred to in clause 5.7 within two and a half years of the date of damage or destruction; or
- (d) the Premises or the Building or the means of access to them shall at any time be so damaged or destroyed by an Uninsured Risk as to render the Premises unfit for occupation and use the Landlord having used all reasonable and commercially prudent endeavours to do so has not completed the works of reinstatement referred to in clause 5.7 within five years of the date of damage or destruction,

then the Landlord or (subject to clause 5.9) the Tenant may in the circumstances referred to in clauses 5.8(a) and 5.8(c) by giving to the other not less than three months' notice in writing or (subject to clause 5.9) the Tenant may in any the circumstances referred to in clauses 5.8(b) and 5.8(d) by giving to the Landlord not less than one month's notice in writing to that effect determine this Lease and upon the expiry of such notice this Lease shall (unless before the expiry of such notice the Landlord has in the circumstances of clause 5.8(a) or clause 5.8(c) commenced such works of reinstatement or in the circumstances of clause 5.8(b) or clause 5.8(d) completed such works of reinstatement by the expiry of such notice in which case the notice shall be of no effect) determine and this Lease shall cease to be of effect but without prejudice to any claim by the Landlord or the Tenant in respect of any antecedent breach by the other of any of the terms of this Lease.

- 5.9 The Tenant shall not be entitled to serve notice on the Landlord pursuant to clause 5.8 it
- (a) in the case of clauses 5.8(a) or 5.8(b) the insurance monies are irrecoverable or the policy rendered void by reason of any act or default on the part of the Tenant, any Group Company of the Tenant, any sub-tenant or their respective servants, agents, licensees or invitees unless the Tenant has complied with its obligations in clause 3.80; or
 - (b) in the case of clauses 5.8(c) or (d) the damage or destruction results from the default of the Tenant, any Group Company of the Tenant, any sub-tenant or their respective agents, servants, licensees or invitees.
- 5.10 If this Lease is determined under clauses 5.6 to 5.9 the Landlord shall be entitled to retain the insurance monies payable in respect of the Building but will hold on trust for the Tenant (and pay to the Tenant such monies within ten working days of receipt) any monies due to it in respect of works insured by it under clause 4.2 and use all reasonable endeavours to obtain such monies for the benefit of the Tenant whether received by the Landlord or by the Tenant.
- Roof Terrace*
- 5.11 If at any time during the term of this Lease the Western Roof Terrace shall cease to be designated for exclusive use by Mimecast Services Limited (or a Group Company of it if such Group Company takes an assignment of this Lease), the definition of "Roof Terrace" in clause 1.1 of this Lease shall, at the Landlord's option (which, if exercised, the Landlord shall notify the Tenant of in writing) be amended such that it shall also refer to the Western Roof Terrace and all references in this Lease to "Roof Terrace" shall be construed accordingly.
- Warranty as to use*
- 5.12 Nothing herein shall be deemed to constitute any warranty by the Landlord that the Premises or any part thereof are under the Planning Acts or any other relevant laws or regulations now or from time to time in force authorised for use for any specific purpose.
- Service of notices*
- 5.13 Any notices required to be served hereunder shall be validly served if served in accordance with Section 196 of the Law of Property Act 1925 or Section 23 of the Landlord and Tenant Act 1927 and (in the case of notices to be served on the Tenant) by sending the same to the Tenant at the Premises.
- Disputes between tenants/occupiers*
- 5.14 That in case any dispute or controversy shall at any time or times arise between the Tenant and the tenants and occupiers of the Building and/or any neighbouring, adjoining or contiguous property belonging to the Landlord relating to Service Conduits and Appliances serving the Building and/or the Premises or any such adjoining or contiguous property or any easements or privileges whatsoever affecting or relating to the Building and/or the Premises or such neighbouring, adjoining or contiguous property the same shall from time to time be settled and determined by the Landlord's Surveyor or agent (in either case acting reasonably) to which determination the Tenant shall submit (save in the case of manifest error).
- Apportionment*
- 5.15 Where any question as to the amount or method of apportionment of any sum falls to be determined under the provisions of this Lease (other than any amount or apportionment to be determined pursuant to the provisions of the Fifth Schedule) the same shall be referred (upon application to be made by either party) to and conclusively (save in case of manifest error) determined by the Landlord's Surveyor (acting reasonably) in accordance With the principles of good estate management and whose reasonable and proper fees for so acting shall be added to and deemed for all purposes to form part of the sum to be so apportioned and shall be borne accordingly.

Exclusions of Landlord's liability

- 5.16 Notwithstanding anything in any other provision herein contained (save where such event arises due to a breach of the covenants and conditions on the part of the Landlord set out herein) the Landlord shall not be liable to the Tenant nor shall the Tenant have any claim against the Landlord in respect of:
- (a) any temporary interruption in any of the Services or the supply of electricity to the Premises caused by factors outside the Landlord's reasonable control; or
 - (b) temporary closure or diversion of any of the Common Facilities or Service Conduits and Appliances by reason of Inspection, repair, maintenance or replacement thereof or any part thereof or of any plant, machinery, equipment, installations or apparatus used in connection therewith or damage thereto or destruction thereof by any risk (whether or not an Insured Risk); or
 - (c) by reason of electrical mechanical or other defect or breakdown or frost or other inclement conditions or shortage of fuel, materials, supplies or labour or whole or partial failure or stoppage of any mains supply outside the reasonable control of the Landlord,

SUBJECT TO the Landlord using reasonable endeavours to minimise the adverse effects of any of the above events or circumstances and using reasonable endeavours to reinstate and remedy such event or circumstance as expeditiously as reasonably possible AND PROVIDED ALWAYS that the Landlord shall (if reasonably practicable) have previously given reasonable notice of any intended interruption or closure of the nature mentioned above.

Development of adjoining property

- 5.17 That subject to compliance with the Landlord's covenants in clause 4.1 the Landlord or any superior Landlord may at any time or times without obtaining any consent from or making any arrangement with the Tenant carry out any development or works (or permit the same) or whatsoever nature to the Building (other than the Premises) and/or the Estate and/or any neighbouring, adjoining or contiguous land or premises whether or not the light or air now or at any time or times enjoyed by the Tenant may be diminished PROVIDED THAT proper means of access to and egress from the Premises is afforded at all times and the rights hereby granted expressly to the Tenant are not prejudiced.
- 5.18 Any access of light and air now or at any time during the Contractual Term enjoyed by the Premises shall be deemed to be by consent or agreement in writing for that purpose within the meaning of Section 3 of the Prescription Act 1832 so that neither the enjoyment thereof nor this Lease shall prevent any such development or works referred to in clause 5.16 and the Tenant shall permit such development or works without interference or objection.

Removal of property

- 5.19 If at such time as the Tenant has vacated the Premises after the determination of this Lease any property of the Tenant shall remain in or on the Premises and the Tenant shall fail to remove the same within 28 days after being requested by the Landlord so to do by a notice in that behalf then and in such case the Landlord may (in addition to any other remedies available to it) as the agent of the Tenant (and the Landlord is hereby Irrevocably appointed by the Tenant to act in that behalf) sell such property and shall then hold the proceeds of sale after deducting the reasonable costs and expenses of removal, storage and sale reasonably and property incurred by it on trust for and to the order of the Tenant PROVIDED THAT the Tenant will reimburse the Landlord against any liability property incurred by it to any third party whose property shall have been sold by the Landlord in the bona fide mistaken belief (which shall be presumed unless the contrary be proved) that such property belonged to the Tenant and was liable to be dealt with as such pursuant to this clause.

VAT

- 5.20 Any rent or other sum payable by any party hereunder is exclusive of VAT that is or may be payable thereon and shall be paid upon receipt of a valid VAT invoice.

5.21 Where under this Lease any party (the Indemnified Party") is entitled to recover from another party (the "Paying Party") the cost of any goods or services supplied to the Indemnified Party, the Paying Party will indemnify the Indemnified Party against so much of the input tax on the cost for which the Indemnified Party is not entitled to credit allowance under Section 24-26 of VATA.

5.22 If VAT is chargeable in respect of any supplies of goods and/or services by any party to the other party under this Lease the recipient of such supplies shall pay such VAT in addition to the amounts (if any) provided for under this Lease and in respect of the supplies made to it under this Lease subject to receipt of a valid VAT Invoice.

Exclusion of easements

5.23 Nothing herein contained other than those rights expressly granted to the Tenant in Part I of the Second Schedule shall by implication of law or otherwise operate to confer on the Tenant any easement, right or privilege whatever over or against any neighbouring, adjoining, contiguous or other property which might restrict or prejudicially affect the future rebuilding, alteration or development of such neighbouring, adjoining, contiguous or other property.

Sharing of Information

5.24 The Landlord and the Tenant agree that they will:

- (a) share the data they hold in respect of energy and water use and waste production/recycling and other environmental matters as are applicable to the use of the Premises between themselves and with any other third party who the parties agree needs to receive such data;
- (b) keep the data disclosed under this clause 5.24 confidential and will only use such data for the purposes of ensuring that the Building is run in a sustainable way that minimises its environmental impact,

provided always that this shall not prevent the Landlord from publishing information giving all details as to how central building energy costs are apportioned across the Building nor the general energy performance of the Building.

5.25 The Landlord and the Tenant agree that the Tenant's covenant contained in clause 3.1 of this Lease to pay the Energy Levy Rent shall survive the Termination of the Tenancy, but only until the Tenant has paid the Energy Levy Rent in full to the Landlord.

6 SURETY

The Surety in consideration of this Lease having been granted at its request covenants with the Landlord in the terms contained in the Seventh Schedule.

7 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Unless expressly stated to the contrary nothing in this Lease confers on anyone other than the parties to it any right pursuant to the Contracts (Rights of Third Parties) Act 1999.

8 DETERMINATION

8.1 The Tenant may terminate this Lease as at the tenth anniversary of the Term Commencement Date (the "relevant date") by serving not less than twelve calendar months' notice on the Landlord.

8.2 This Lease shall not terminate as a result of any notice served by the Tenant if on the relevant date:

- (a) the Tenant has not paid in cleared funds any part of the Principal Rent (or any VAT in respect of it), which was due to have been paid up to and including the relevant date; or

- (b) the Tenant or any third party remains in occupation of any part of the Premises; or
- (c) the Tenant and/or a Group Company of the Tenant (and assuming for these purposes that they are one entity) is not, or on the date immediately following the relevant date it will not be, in occupation of one vertically contiguous space within the Building;

except to the extent if at all the Landlord in its absolute discretion expressly and in writing waives compliance with one or more of the pre-conditions specified in this sub-clause.

- 8.3 Termination of this Lease under this clause 8 does not affect any obligation on the Tenant that applies on or at the expiry of this Lease or any right, accrued by the expiry of this Lease, which either the Landlord or the Tenant then has against the other or against any third party.
- 8.4 Waiver of a pre-condition under 8.2 shall not affect any right which the Landlord may have against the Tenant or against any third party in respect of a breach of the Tenant's obligations.
- 8.5 Time is of the essence of all dates and periods referred to in this clause 8.
- 8.6 If notice is not served by the Tenant to terminate this Lease on the relevant date pursuant to clause 8.1 the Landlord and Tenant agree that the Principal Rent shall be reduced to a peppercorn for the period of 9 months from and including the relevant date.
- 8.7 The parties agree that to the extent the Tenant has paid any Rents or Service Charge to a date which is beyond the relevant date the Landlord shall refund to the Tenant within 14 days of the relevant date all such sums to the extent they have been paid for a period beyond the relevant date.
- 8.8 The parties agree by way of explanation and example in order to clarify the meaning of "one vertically contiguous space" in clause 8.2(c) above that if the Tenant was the tenant of each of the third floor, fourth floor and fifth floor prior to the date of service of a determination notice by the Tenant and each lease contained in a clause in the terms of this clause 8, the Tenant would be entitled to validly determine any one or more of the following leases by exercising its rights in this clause 8:
 - (a) the Third Floor alone;
 - (b) the Fifth Floor alone;
 - (c) the Third and Fourth Floor together;
 - (d) the Fourth and Fifth Floor together; or
 - (e) the Third Floor, Fourth Floor and the Fifth Floor together.

9 RIGHT TO RENEW

- 9.1 The Tenant may exercise its option to take the Renewal Lease by serving written notice on the Landlord not less than twelve calendar months' prior to the Term Expiry Date.
- 9.2 The Tenant's option under clause 9.1 shall be of no effect if:
 - (a) on the Term Expiry Date:
 - (i) the Tenant and/or a Group Company of the Tenant (assessed together so for these purposes the Tenant and the relevant Group Company are assumed to be the same entity) shall not be in occupation of at least 70,000 square feet of contiguous office space within the Building; and
 - (ii) this Lease is not subsisting, and
 - (b) on the date following the Term Expiry Date the Tenant and/or a Group Company of the Tenant (assessed together so for these purposes the Tenant and the relevant Group Company are assumed to be the same entity) will not be in occupation of at least 70,000 square feet of contiguous office space within the Building.

- 9.3 For the purposes of clause 9.2 above it is agreed the contiguous office space means space let to the Tenant and/or a Group Company of the Tenant on sequential floors of the Building (with no lettable area between any such floors which is not let to the Tenant or a Group Company of the Tenant (as the case may be)).
- 9.4 The Renewal Lease shall be made on the same terms as this lease save that:
- (a) the Term Commencement Date shall be the date immediately following the day of expiry of this Lease;
 - (b) the Term shall be five (5) years;
 - (c) the Principal Rent shall be ascertained in accordance with clause 9.5;
 - (d) the "Review Dates" shall be the term commencement date and the term expiry date of the Renewal Lease;
 - (e) the Tenant's option to break in clause 8 and all references to it shall be omitted; and
 - (f) the term "Renewal Lease", this clause 9 and all references to them shall be omitted.
- 9.5 The Principal Rent payable on and from the term commencement date of the Renewal Lease shall be the higher of the Principal Rent passing on the last day of this lease (ignoring any suspension or abatement) and the Open Market Rent calculated in accordance with the provisions of the Third Schedule of this Lease. The provisions of paragraph 7 of the Third Schedule will apply if the Principal Rent payable under the Renewal Lease has not been agreed or assessed by the term commencement date of the Renewal lease.
- 9.6 If at the Term Expiry Date the Rents are suspended whether in whole or in part due to the occurrence of damage or destruction by an Insured Risk or an Uninsured Risk then the parties agree that for the purposes of the Renewal Lease it shall be assumed that such damage or destruction is an event which applies to the Renewal Lease so that such suspension continues and the time periods referred to in clauses 5.4 and 5.5 shall be reduced so as to take into account any part of these time periods that have occurred during the term of this Lease.
- 9.7 Any guarantor who is guaranteeing the obligations of the Tenant at the expiry of the Contractual Term shall be obliged to guarantee the Tenant's obligations under the Renewal Lease on the same terms (but shall not be obliged to do so if during the 12 month period prior to the Term Expiry Date the Tenant itself would have been able to satisfy the condition in clause 3.64(b) if at any time during such period the Tenant had wished to take an assignment of the Lease).
- 9.8 Subject to clause 9.2, if the Tenant exercises its option pursuant to clause 9.1, the Landlord shall grant and the Tenant shall accept the Renewal Lease on the date specified in clause 9.4(a).
- 9.9 Time is of the essence of the dates and periods referred to in this clause 9.

10 OPTION TO SURRENDER

- 10.1 In this Clause the following terms shall have the following meanings:

"Act" means the Landlord and Tenant Act 1954;

"Agreement to Surrender" means the agreement to surrender in the form attached at Appendix G;

"Landlord Warning Notice" means (i) a warning notice served by the Landlord on the Tenant and (ii) a warning notice served by the Landlord on the Surety, each pursuant to section 38A(4) of the Act;

"Option Period" means the period commencing on the date of this Lease and ending on the fourth anniversary of the Term Commencement Date;

"Surrender Agreement Notice" means together:

- (a) a written request made by the Tenant to the Landlord requesting the grant of the Agreement to Surrender; and
- (b) a statutory declaration in the form required by Schedule 4 of the Regulatory Reform (Business Tenancies)(England and Wales) Order 2003, properly executed by or on behalf of the Tenant and made before an independent solicitor or commissioner for oaths; and
- (c) a statutory declaration in the form required by Schedule 4 of the Regulatory Reform (Business Tenancies)(England and Wales) Order 2003, properly executed by or on behalf of the Surety and made before an independent solicitor or commissioner for oaths; and
- (d) a copy of the Agreement to Surrender executed by the Tenant and the Surety; and
- (e) written confirmation that the executed Agreement to Surrender is irrevocably released to the Landlord for completion in accordance with clause 10.4 below;

"Warning Notice Request" means a written request made by the Tenant to the Landlord requesting a Landlord Warning Notice.

10.2 Warning Notice Option

- (a) Grant

In consideration of the entry by the Tenant into this Lease the Landlord grants to the Tenant an option to call for a Landlord Warning Notice within the Option Period on the terms of this clause 10.2.

- (b) Exercise of Warning notice option

- (i) If the Tenant wishes to call for a Landlord Warning Notice it shall serve a Warning Notice Request on the landlord.
- (ii) The Landlord shall, within seven days of receipt of a Warning Notice Request, serve a Landlord Warning Notice on the Tenant in accordance with the terms of the Act.

10.3 Surrender Agreement Option

- (a) Grant

In consideration of the entry by the Tenant Into this Lease the Landlord grants to the Tenant an option to call for the Agreement to Surrender on the terms of this clause 10.3.

- (b) Applicability

The Tenant may not exercise the option granted pursuant to clause 10.3(a) above prior to service by the Landlord of a Landlord Warning Notice.

- (c) Exercise of Surrender Agreement Option

If the Tenant wishes to call for the Agreement to Surrender it shall serve a Surrender Agreement Notice on the Landlord within seven days of receipt of the Landlord Warning Notice and, following the date of service of such Surrender Agreement Notice, clause 10.4 shall apply.

10.4 Agreement To Surrender

The Landlord shall execute and complete the Agreement to Surrender within seven days of receipt of the Surrender Agreement Notice and shall immediately thereafter send to the Tenant the original Agreement to Surrender executed by the Landlord duly completed.

10.5 Time is of the essence

Time is of the essence of all dates and periods referred to in clauses 10.2, 10.3 and 10.4.

11 GOVERNING LAW AND JURISDICTION

11.1 This Lease and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law and within the exclusive jurisdiction of the English courts, to which the parties irrevocably submit.

11.2 Each party agrees that any claim form or other document to be served under the Civil Procedure Rules may be served on it by being delivered to or left at a correct address for the purposes of clause 5.13.

11.3 If any provision of this Lease is void or prohibited under any Act due to any applicable law, it shall be deemed to be deleted and the remaining provisions of this Lease shall continue in force.

² Drafting note: Only to be included if this is the highest floor lease being taken by the tenant at the time of grant (i.e. the tenant has exercised its option to contract over the whole of level 5).

IN WITNESS whereof this deed has been executed by the parties hereto and is intended to be and is hereby delivered on the day and year first above written

FIRST SCHEDULE

The Premises

ALL THAT accommodation on level 5 of the Building as the same is shown edged red and shaded blue on Plan 3 and which shall include:

- (a) one half severed medially of the non-structural and non-load bearing walls which divide the Premises from the remainder of the Building;
- (b) the entirety of all other non-structural or non-load bearing walls and columns;
- (c) the internal plaster surfaces and other finishes of load bearing walls and columns;
- (d) the ceiling finishes and the whole of any false ceilings and voids between the ceilings (including light fittings) and false ceilings;
- (e) void between the floor screed (but not the floor screed itself nor any of the floor joists or supporting structure) and any raised floors, all raised floors, the carpet or other covering or material;
- (f) the Landlord's fixtures and fittings;
- (g) the Landlord's Services Equipment within and exclusively serving the Premises;
- (h) the whole of any internal windows and the doors, partitions, equipment, fittings and lights of the Premises;
- (i) all Service Conduits and Appliances exclusively serving and within the Premises,

but there are excluded from the demise:

- (j) any structural parts, load bearing walls, columns, roofs, Foundations and Services, external walls, cladding, window frames and glass in the external facades of the Building and joists in and around the Premises;
- (k) any atria in the Building (including any glass therein);
- (l) such of the Landlord's Services Equipment and such of the Service Conduits and Appliances as are used in common with other parts of the Building.

SECOND SCHEDULE

Part I

Rights granted

- 1 The right for the Tenant and all persons authorised by the Tenant at all times:
- (a) to pass and repass on foot only over and along the pedestrian accessways within the Building from time to time designated by the Landlord and to pass and repass on foot only through and over the Common Facilities and the Estate Common Parts and any part or parts thereof to gain access to and from the Premises and generally to use the Common Facilities and the Estate Common Parts for all purposes in connection with the use and enjoyment of the Premises;
 - (b) to pass and repass with or without vehicles over and along the roads and accessways within the Building and the Estate Common Parts from time to time reasonably designated by the Landlord on the Building for the purpose of gaining access to and egress from the bicycle parking spaces referred to in paragraph 7 of this Part I of the Second Schedule and access to and egress from the loading bay in the Building;
 - (c) to use the loading bays in the Building in such locations from time to time designated by the Landlord acting reasonably;
 - (d) to use any compactor in the loading bay in the Building from time to time in such location as shall from time to time designated by the Landlord (acting reasonably);
 - (e) to use such emergency escape routes from the Premises through the Building and the Estate Common Parts as comply from time to time with statutory requirements and any requirements from time to time of the local authority or local fire authority;
 - (f) otherwise to use the Common Facilities and the Estate Common Parts for the purpose for which they are intended,
- (subject in each case to such regulations in relation thereto as may be imposed from time to time pursuant to clause 3.91 and/or clauses 3.105 to 3.107) in each case such rights being exercised in common with others entitled thereto.
- 2 The right of passage and use of all such Service Conduits and Appliances which now or may hereafter during the Contractual Term pass or run into, through, along, under or over the Building and the Estate in each case such rights being exercised in common with others entitled thereto.
- 3 Subject to clauses 3.21 to 3.31:
- (a) the right at all times to connect into and use (subject to the regulations of any appropriate authority) the Service Conduits and Appliances for the supply of services and for drainage and to connect into and use such other Service Conduits and Appliances as may from time to time be available for connection to the Premises;
 - (b) the right at all times to connect into and use such of the Landlord's Services Equipment as may from time to time be available for connection to the Premises,
- provided that such connection and use does not materially adversely affect the supply of services to other premises within the Building having regard to the Specification and on the basis that any residual capacity in such Service Conduits and Appliances and the Landlord's Services Equipment over and above that set out in the Specification shall be available and allocated to all occupiers of the Building on a fair and reasonable basis.
- 4 The right of support shelter and protection from the remainder of the Building.

- 5 The right at all reasonable times and upon reasonable prior notice (except in the case of emergency) to enter other parts of the Building for the purposes of carrying out any works required to comply with the covenants and conditions of the Tenant herein contained and where such works cannot otherwise conveniently be carried out without such entry the Tenant in the exercise of such right causing as little inconvenience and interference as is reasonably practicable In the circumstances to the Landlord or other occupier of the part of the Building so entered and its trade or business carried on therein and making good to the reasonable satisfaction of the Landlord or the other occupier (as the case may be) any physical damage thereby caused.
- 6 The right for the Tenant and any other lawful occupier of the Premises to display its name (in the Landlord's house style) on the sign board provided by the Landlord for that purpose in the main reception area of the Building subject to the Landlord's prior approval (such approval not to be unreasonably withheld or delayed) as to the size and design of the signage concerned and its location).
- 7 The exclusive right for the Tenant and any lawful occupier of the Premises only at all times to use 54 bicycle parking spaces in the area shown shaded red on Plan 6 and 54 lockers in the area shown shaded red on Plan 6 (the Landlord having the right at any time and from time to time on not less than 14 days' notice to nominate an alternative space or spaces within the Building provided such nomination is agreed by the Tenant (such agreement not to be unreasonably withheld or delayed)) provided that the Landlord shall be entitled to temporarily suspend all or any such rights after prior consultation with the Tenant as to timing and duration of the proposed works (save in the case of an emergency) and having proper regard to the Tenant's representations in relation thereto for the purpose of carrying out works of repair and maintenance to the parts of the Building in which the relevant spaces are located where it would not be practical to carry out the relevant works without such suspension and the Landlord shall use reasonable endeavours to keep any such period of suspension to the minimum reasonably practicable.
- 8 The right in common with other occupiers of the Building to use the showers in Level -1 of the Building as are from time to time provided.
- 9 Subject to the Landlord's entitlement to access and remain on the Roof Terrace in connection with any of the purposes listed in paragraph 2 of Part II of the Second Schedule the right for the Tenant in common with other occupiers of the Building to access onto the Roof Terrace for uses ancillary to the Tenant's use of the Premises and which are consistent with a high class office building provided that the Tenant shall obtain the Landlord's prior approval to any furniture or other item to be placed on the Roof Terrace (such approval not to be unreasonably withheld or delayed).
- 10 Subject to the Landlord's entitlement to access and remain on the Fifth Floor Terraces in connection with any of the purposes listed in paragraph 2 of Part II of the Second Schedule the right for the Tenant to access onto the Fifth Floor Terraces for uses ancillary to the Tenant's use of the Premises and which are consistent with a high class office building provided that the Tenant shall obtain the Landlord's prior approval to any furniture or other item to be placed on the Fifth Floor Terraces (such approval not to be unreasonably withheld or delayed).

- 11 The right in common with other occupiers of the Building to install in part or parts of the areas shown coloured red and blue on Plan 7 (being tenant roof plant space) from time to time (subject to obtaining consent from the Landlord (such consent not to be unreasonably withheld or delayed) by deed and containing covenants of the type referred to in the provisos at the end of clause 3.31 to such installation and subject to the Tenant obtaining all necessary consents and approvals) plant, machinery, satellite dishes aerals and equipment (including air conditioning equipment) together with the right to install and lay associated cabling and other service media (with any ancillary plant and equipment) in under over and through the Building for connection to the Premises and to use the same provided that the Landlord will manage the allocation of the tenant roof plant space with due regard to the requirements of all tenants in the Building and taking the following into account
- (a) where reasonably possible plant areas will be separate for each tenant and will take into account the riser allocation strategy (being the proviso to paragraph 12 below) and the location of the tenant's facilities requiring connection to those plant areas;
 - (b) the tenant plant space available for allocation will exclude the plant space set aside for tenant's generators;
 - (c) the Landlord reserves the right to run cables/pipes and other service media over under or along such areas provided that these shall not materially adversely affect the Tenant's use of the same and that the Landlord obtains the Tenant's prior written consent (such consent not to be unreasonably withheld or delayed) to the location of such cables/pipes and other service media;
 - (d) the proportion that the Net Internal Area of the Premises bears to the Net Internal Area of all of the offices within the Building let or intended to be let
- 12 The right to use a fair and reasonable proportion of the riser space and telecoms intake room or rooms allocated to tenants for their use within the Building based on the proportion that the Net Internal Area of the Premises bears to the total Net Internal Area of all offices within the Building for the purpose of running Service Conduits and Appliances exclusively serving the Premises provided that the installation of such cabling shall be subject to the Landlord's prior written consent such consent not to be unreasonably withheld or delayed and provisos (a) to (d) at the end of clause 3.31 shall apply to such installation and consent Provided that the Landlord will manage the allocation of the riser space for the purposes of the use of and connections to the Service Conduits and Appliances the Landlord's Services Equipment and such telecoms intake room or rooms on the following basis:
- (a) space shall be allocated between each of the tenants (and undertenants shall be not be taken into account for these purposes) in the same proportion as the Net Internal Area they occupy bears to the total Net Internal Area of the Building;
 - (b) where reasonably possible separate risers will be allocated to each tenant and will take into account the location of the premises demised to the tenant;
 - (c) where reasonably possible the allocation of riser space to be used for IT purposes shall be on the basis of separate cages within the risers provided that the Tenant will reimburse the Landlord for the reasonable cost of such cages;
 - (d) the Landlord reserves the right to run cables/pipes and other service media through such risers provided that these shall not materially adversely affect the Tenant's use of the same and that the Landlord obtains the Tenant's prior written consent (such consent not to be unreasonably withheld or delayed) to the location of such cables/pipes and other service media.

Wayleaves

- 13 The Landlord acknowledges that the Tenant may wish to enter into wayleaves for cabling from external third parties for connection through the Estate and the Building into the Premises and confirms that:
- (a) it will consent to any such wayleave without payment of a premium for such wayleaves;
 - (b) it will not unreasonably withhold or delay its consent to the entering into of any such wayleave in a form reasonably approved by the Landlord.

Staircase Rights

- 14 For such duration as the internal staircases connecting the fourth and fifth floors exist the right to pass and repass through the airspace of the slabs separating the fourth and fifth floors for the purposes of utilising such connecting staircase.

Part II

Rights excepted and reserved

- 1 The passage and use of all such Service Conduits and Appliances (If any) as now pass or run into through along under or over the Premises and which are designed to be used for the benefit of the remainder of the Building.
- 2 The right for the Landlord and all authorised persons at all reasonable times upon not less than 24 hours' prior notice (except in case of emergency) to enter the Premises and to enter and remain on the Roof Terrace and/or the Fifth Floor Terraces for the purposes of carrying out the Services and for all or any of the following purposes:
- (a) inspecting the Premises and the state and condition thereof;
 - (b) survey measurement or valuation of the Premises;
 - (c) reading electricity, water and other check meters or sub-meters installed within the Premises;
 - (d) preparation of a schedule of fixtures and fittings in or about the Premises;
 - (e) remedying any breach of covenant by the Tenant after failure by the Tenant so to do in accordance with the provisions of clause 3.18;
 - (f) access to or egress from any of the plant rooms or Service Conduits and Appliances included within the Premises or accessed from the Premises;
 - (g) access to or egress from the Fifth Floor Terraces;
 - (h) to comply with obligations owed by the Landlord (or any developer) to third parties or with the covenants on the part of the Landlord (or any developer) contained in this lease or contained in the Agreement for lease;
 - (i) maintaining, amending, renewing, cleaning, repairing or rebuilding any adjoining premises in so far as such works cannot be carried out without entering upon the Premises;
 - (j) to prepare any Energy Performance Certificate for the Premises or the Building;
 - (k) in connection with the provision of Services,

PROVIDED ALWAYS THAT the Landlord or other person exercising such rights shall cause as little interference and inconvenience as reasonably practicable to the Tenant or other occupier of the Premises and its or their trade or business carried on therein and as soon as reasonably practicable make good to the reasonable satisfaction of the Tenant any damage thereby caused to the Premises and the Tenant's fixtures and fittings and stock and PROVIDED FURTHER THAT the Landlord or other person exercising such rights complies with the reasonable security

requirements of the Tenant or other occupier and where requisite the Landlord or other person exercising such rights shall only exercise such rights while accompanied by a representative of the Tenant or occupier of the relevant part of the Premises PROVIDED THAT such a representative shall be made available at reasonable times on reasonable request by the Landlord and if such a representative is not made available after a reasonable period after such request (or in the case of emergency) entry may be made without such a representative.

- 3 All rights of light air and other easements and rights (but without prejudice to any expressly granted to the Tenant by this Lease (if any)) now or hereafter belonging to or enjoyed by the premises from or over any adjoining neighbouring or contiguous land or building.
- 4 The right to build or rebuild or alter or carry out any development or works to any adjoining neighbouring or contiguous land or building in any manner whatsoever (and to authorise any adjoining owner or occupier to do the same) and to let or authorise the letting of the same for any purpose or otherwise deal therewith notwithstanding that the light or air to the Premises is in any such case thereby diminished or any other liberty, easement, right or advantage belonging to the Tenant is thereby diminished or prejudicially affected and so that any access of light and air now or at any time enjoyed by the Premises shall be deemed to be by consent or agreement in writing for that purpose within the meaning of Section 3 of the Prescription Act 1832 so that the enjoyment thereof shall not prevent such building, rebuilding, alteration, development, works, letting or dealing as aforesaid and the Tenant shall permit such matters without interference or objection PROVIDED THAT the rights reserved by this paragraph 4 shall not be exercised so as to prejudice the rights expressly granted to the Tenant under this Lease.
- 5 The right to support and shelter and all other easements and rights now and hereafter belonging to or enjoyed by all adjoining, neighbouring or contiguous land or buildings an interest wherein possession or reversion is at any time vested in the Landlord.
- 6 The right to build on or into any boundary or party wall of the Premises provided always that the Landlord or the person exercising this right shall make good any damage thereby caused to the Premises and the Tenant's fixtures fittings and stock to the reasonable satisfaction of the Tenant.

THIRD SCHEDULE

Review of Principal Rent

- 1 In this Schedule:
- relevant Review Date means [*insert date which is the date which is five years from the Term Commencement Date*] and each fifth anniversary thereafter and any other date that becomes a Review Date pursuant to paragraph 8
- Completed Premises means the Premises on the assumption that:
- (a) the Landlord has completed the Premises at its own cost to the specification and standard described in the section of the Specification entitled "Category A Specification" and in compliance with every applicable Act;
 - (b) the Tenant has removed all fitting out works carried out by the Tenant or any permitted occupier and made good all damage so caused by such removal so that the Premises are at the relevant Review Date in the same specification as in (a) above and in compliance with statutory requirements;
 - (c) if the Premises or the means of access thereto have been destroyed or damaged they have been completely rebuilt or reinstated and fully restored
- Open Market Rent means the yearly rent which would reasonably be expected to become payable in respect of the Completed Premises after the expiry of a rent free period of such length as would be negotiated in the open market between a willing lessor and a willing lessee for the time required for fitting out the Completed Premises on the assumption that such rent free period has expired prior to the relevant Review Date upon a letting of the Completed Premises as a whole by a willing lessor to a willing lessee in the open market at the relevant Review Date for a term of 10 years commencing on the relevant Review Date in every case with rent reviews on each fifth anniversary of term commencement and with vacant possession without a fine or premium and for the use or uses permitted under this Lease but otherwise upon the terms of this Lease (other than (i) the length of the Contractual Term and (ii) the amount of the rent hereby reserved (but including the provisions for review of the Principal Rent)) and where at the relevant Review Date the Tenant has in fact the benefit of the Reception Side Letter and the Western Terrace Side Letter, the hypothetical tenant of this Lease shall be assumed also to have the benefit of the Reception Side Letter and the Western Terrace Side Letter, such benefit to be assumed to be shared on the same basis the benefit is in fact shared with other occupiers by the Tenant on the relevant Review Date, assuming whether or not it be the case:
- (a) that all the Landlord's and Tenant's covenants and obligations in this Lease have been fully complied with (provided that in the case of the Landlord the Landlord is at the relevant Review Date using all reasonable endeavours to remedy any subsisting breach which the Tenant notified the Landlord in writing as subsisting a reasonable period before the relevant Review Date); and

(b) that the Completed Premises are available and suitable for immediate occupation and use for fitting out as offices,

but disregarding:

(c) any goodwill attached to the Premises by reason of the carrying on thereat by the Tenant or by any person deriving title or any right to occupy through or under the Tenant of any business;

(d) any effect on rent of any alteration or improvement to the Premises made by the Tenant or any person deriving title or any right to occupy through or under the Tenant or their respective predecessors in title before or after the grant of this Lease other than an alteration or Improvement carried out to the Completed Premises pursuant to an obligation to the Landlord which shall include any alteration or Improvement carried out as a consequence of a statutory obligation;

(e) any effect on rent of the fact that the Tenant or any person deriving title or any right to occupy through or under the Tenant or their respective predecessors in title may have been in occupation of the Premises or other premises in the Building or on the Estate, but so that it will be assumed that such other premises in the Building are fully let at the relevant Review Date;

(f) any effect on rent of any works to or alterations to the Premises carried out by the Tenant or any person deriving title or any right to occupy through or under the Tenant or their respective predecessors in title which reduce their rental value; and

(g) the provisions of clause 8

Reception Side Letter

means the side letter granting Mimecast Services Limited exclusive use of a reception desk or reception point in the Building on the terms set out therein, the form of which is attached at Appendix E to this Lease

Surveyor

means an independent chartered surveyor agreed upon by the Landlord and the Tenant (both acting reasonably) or in default of agreement appointed by the President in accordance with paragraph 3 of this Schedule

Western Terrace Side Letter

means the side letter granting Mimecast Services Limited exclusive use of the Western Roof Terrace on the terms set out therein, the form of which is attached at Appendix F to this lease

agree or agreed

means agree or agreed in writing between the Landlord and the Tenant.

2

From each Review Date the Principal Rent shall be such as may at any time be agreed between the Landlord and the Tenant as the Principal Rent payable from that Review Date or (in default of such agreement) whichever is the greater of:

(a) the Open Market Rent; and

(b) the Principal Rent contractually payable immediately before that Review Date (ignoring any rent abatement under clause 5.4).

- 3 If by a date three months before the relevant Review Date the rent payable from that Review Date has not been agreed the Landlord and the Tenant may agree upon a person to act as the Surveyor who shall determine the Open Market Rent but in default of such agreement then either the Landlord or the Tenant may at any time make application to the President to appoint a surveyor to determine the Open Market Rent and every application shall request that the Surveyor to be appointed shall if practicable be a specialist experienced in the letting or rental valuation of office premises in the area in which the Premises are situate.
- 4 Unless the Landlord and the Tenant otherwise agree the Surveyor shall act as an arbitrator in accordance with the Arbitration Act 1996.
- 5 If the Surveyor whether appointed as arbitrator or expert refuses to act or is or becomes incapable of acting or dies the Landlord or the Tenant may apply to the President for the further appointment of a surveyor.
- 6 If the Surveyor is appointed as an expert he shall be required to give notice to the Landlord and the Tenant inviting each of them to submit to him within such time as he shall stipulate a proposal for the Open Market Rent supported (if so desired by either of the parties) by any or all of:
- (a) a statement of reasons;
 - (b) a professional rental valuation or report; and
 - (c) submissions in respect of each others' statement of reasons,
- but notwithstanding the foregoing the Surveyor shall determine the Open Market Rent in accordance with his own judgement but shall issue the determination with a statement of reasons.
- 7 If by a Review Date the Principal Rent payable from the Review Date has not been ascertained pursuant to this Third Schedule the Tenant shall continue to pay the Principal Rent at the rate payable hereunder immediately before that Review Date and on the quarter day next after such ascertainment the Tenant shall pay to the Landlord the difference between the Principal Rent paid and the Principal Rent so ascertained for the period from the Review Date and ending on the said quarter day together with interest on such difference for such period at the Prescribed Rate (calculated by reference to such difference or the relevant parts thereof from the date or the respective dates on which the same would have become due had the Principal Rent payable from the relevant Review Date been ascertained by such Review Date).
- 8 If at any Review Date there is by virtue of any Act a restriction which operates to restrict the Landlord's right to review the Principal Rent or if at any time there is by virtue of any Act a restriction which operates to restrict the right of the Landlord to recover an increase in the Principal Rent otherwise payable then upon the ending removal or modification of such restriction the Landlord may at any time within three months thereafter give to the Tenant not less than one month's notice requiring an alternative rent review upon the succeeding quarter day which quarter day shall for the purposes of this Schedule be a Review Date.
- 9 A memorandum of the Principal Rent ascertained from time to time in accordance with this Schedule shall be endorsed on this Lease and the counterpart thereof by way of evidence only and signed by or on behalf of the Tenant and the Landlord respectively.
- 10 In this Schedule time shall not be of the essence in agreeing or determining the Open Market Rent nor appointing the Surveyor.

FOURTH SCHEDULE

Matters to which the demise is subject

The entries on the registers of title number NGL770398 dated 6 October 2017 and timed at 12:10:07.

FIFTH SCHEDULE

The Service Charge

1	In this Schedule:	
	Accounting Period	means 1 April in each year to (and including) 31 March in the following year or such other period being a whole year as shall be notified by the Landlord to the Tenant in writing
	Base Figure	means the figure being the amount of the all items index figure of the RPI published for the month falling three months preceding the commencement of the Accounting Period in the year of grant of this Lease
	Base Service Charge Cap	means the sum of [<i>calculate £12 p.s.f.</i>] pounds (£[]) (exclusive of VAT)
	Building Services Cost	means all proper expenditure incurred by or on behalf of the Landlord on the provision of the Building Services for an Accounting Period and on all related costs specified in Part 1 of the Sixth Schedule, excluding any Outside Normal Business Hours Charge
	Capped Element	means a proportion of the Building Service Cost for that Accounting Period which the Landlord reasonably determines is fairly and reasonably attributable to the Premises (from which, for the purposes of this definition only, Utility Costs, Energy Levy and Services specifically requested by the Tenant shall be excluded)
	Capped Period	means the term of this Lease
	Estate Services Cost	means all proper expenditure incurred by or on behalf of the Landlord on the provision of the Estate Services for an Accounting Period and on all related costs specified in Part 2 of the Sixth Schedule, excluding any Outside Normal Business Hours Charge
	Incidental Services	means the reasonable costs and expenses reasonably and properly incurred by the Landlord or with the Landlord's authority in connection with the Services as set out in Part III of the Sixth Schedule
	Incidental Service Costs	means all proper expenditure incurred by or on behalf of the Landlord on the provision of Incidental Services
	Index Figure	means the figure being the amount of the all items index figure of the RPI published for the month falling three months prior to the expiry of the Accounting Period in respect of which the calculation is being made
	Interim Sum	means a yearly sum assessed by the Landlord or the Landlord's Surveyor (acting reasonably) on account of the Service Charge for each Accounting Period being a fair and reasonable estimate of the Service Charge payable by the Tenant in respect of that Accounting Period
	RPI	means the Retail Prices Index (all items) published monthly in the United Kingdom by the Office for National Statistics or any official publication substituted for it

Service Charge

means for any Accounting Period:

- (a) the Capped Element
- (b) a fair and reasonable proportion of the Estate Service Cost for that Accounting Period which the Landlord reasonably determines is fairly and reasonably attributable to the Premises
- (c) a fair and reasonable proportion of the Utility Costs for that Accounting Period as reasonably determined by the Landlord
- (d) a proportion of the Incidental Service Cost for that Accounting Period which the Landlord reasonably determines is fairly and reasonably attributable to the Premises
- (e) (to the extent the Tenant does not pay it directly to the relevant supplier) the total cost of all utilities separately metered and exclusively supplied to the Premises

PROVIDED ALWAYS THAT all interest earned on all Interim Sums and any other service charge monies held by the Landlord whether in anticipation of future expenditure or otherwise shall be credited against Service Costs

Service Charge Cap

means the following amounts (exclusive of VAT):

- (a) in relation to the first Service Period, or proportionately for the relevant part of the first Accounting Period, the Base Service Charge cap;
- (b) in relation to the second and all subsequent Accounting Periods the higher of:
 - i. the Service Charge cap for the preceding Accounting Period; and
 - ii. an amount calculated in accordance with the following formula:
$$\text{SRC} \quad \times \quad \frac{\text{Index Figure}}{\text{Base Figure}}$$

where SRC is the amount of the Service Charge Cap for the preceding Service Period; and

Service Charge Certificate

means a certificate showing the Service Cost and Service Charge for each Accounting Period served pursuant to paragraph 8 of this Schedule

Service Charge Code

The RICS Service Charges in Commercial Property - a Code of Practice – 3rd Edition - which is effective from 4 February 2014 but not as updated or replaced from time to time thereafter

Service Cost

means the total sum calculated in accordance with paragraph 2 of this Schedule.

Utility Costs

means together the cost of the supply of electricity and gas:

- (a) for the provision of the Services; and
- (b) to the whole or any part of the Common Facilities.

- 2 The Service Cost shall be the total of the aggregate of the reasonable and proper costs reasonably and properly incurred by the Landlord in any Accounting Period in carrying out or procuring the carrying out of the Services and providing each item of the Services including (without prejudice to the generality of the foregoing) the Incidental Services but excluding for the avoidance of doubt any costs attributable to the provision of any of the Services outside Normal Business Hours at the specific request of the Tenant or any other tenant or tenants of the Building.
- 3 The Capped Element of the Service Charge shall not exceed the Service Charge Cap for the Capped Period.
- 4 If at any time and from time to time the method or basis of calculating or ascertaining the cost of any item of the Services shall alter or the basis of calculating or ascertaining the Service Charge in relation to any item of the Services shall change and in the reasonable opinion of the Landlord or the Landlord's Surveyor such alteration or change shall require alteration or variation of the calculation of the Service Charge in order to achieve a fairer and better apportionment of the Service Cost amongst the tenants of the Building then and In each and every such case the Landlord shall have the right to vary and amend the Service Charge and to make appropriate adjustments thereto.
- 5 The Tenant shall pay to the Landlord the Interim Sum without deduction by equal quarterly instalments in advance on the usual quarter days.
- 6 Before the commencement of every Accounting Period the Landlord shall serve or cause to be served on the Tenant written notice of the Interim Sum for the relevant Accounting Period Provided that without prejudice to the provisions of paragraphs 11 and 12 of this Schedule if the written notice aforesaid shall be served after the first occurring quarter day in the relevant Accounting Period the Tenant shall until service of the written notice aforesaid make payments on account of the Interim Sum for the relevant Accounting Period on the days and in the manner provided by paragraph 5 of this Schedule at an annual rate equal to the Interim Sum for the immediately preceding Accounting Period.
- 7 In the event that the Landlord shall not have served written notice of the Interim Sum for any Accounting Period before any quarterly instalments of the Interim Sum becomes due the Tenant shall within 21 days of the service of such notice pay to the Landlord an amount equal to the difference between instalments of the Interim Sum due on the date of service of such notice and the amount paid by the Tenant on account of the Interim Sum pursuant to paragraph 6 of this Schedule.
- 8 As soon as practicable after the expiry of every Accounting Period (and in any event no later than the expiry of three months after the expiry of the relevant Accounting Period) the Landlord shall serve or cause to be served a Service Charge Certificate on the Tenant for the relevant Accounting Period.
- 9 A Service Charge Certificate shall contain a detailed summary of the Service Cost in respect of the Accounting Period to which it relates together with the relevant calculations showing the Service Charge which shall be binding upon the Landlord and the Tenant (save in the case of manifest error).
- 10 The Tenant may request the Landlord to provide or at the Landlord's option make available for inspection further details of the breakdown of the expenditure under a Service Charge Certificate or any particular item or items shown in a Service Charge Certificate by giving notice thereof in writing to the Landlord within three months of the date of service on the Tenant of the relevant Service Charge Certificate and upon receipt of such a notice the Landlord shall furnish to the

Tenant or at the Landlord's option make available for inspection and afford to the Tenant all reasonable facilities to enable the Tenant to make copies of full details of such expenditure and other service charge information and documentation as may be reasonably required as soon as reasonably practicable and in any event within 28 days of each and every request PROVIDED ALWAYS that notwithstanding the giving of any such notice the Tenant shall nevertheless pay all Interim Sums and Service Charges as and when they fall due or as may be underpaid from time to time.

- 11 Within 21 days after the service on the Tenant of a Service Charge Certificate showing that the Service Charge for any Accounting Period exceeds the Interim Sum for that Accounting Period the Tenant shall pay to the Landlord or as it shall direct a sum equal to the amount by which the Service Charge exceeds the Interim Sum provided that and the Tenant hereby acknowledges that if there shall be any such excess in respect of the Accounting Period the amount of such excess shall be a debt due from the Tenant to the Landlord notwithstanding that the Contractual Term may have expired or been determined before the service by or on behalf of the Landlord of the relevant Service Charge Certificate.
- 12 If in any Accounting Period the Service Charge is less than the Interim Sum for that Accounting Period a sum equal to the amount by which the Interim Sum exceeds the Service Charge shall be accumulated by the Landlord and shall be applied in or towards the Service Charge for the next following Accounting Period and following the last year of this Lease howsoever determined any excess shall be repaid to the Tenant within 28 days of the date of service on the Tenant of the Service Charge Certificate for such Accounting Period.
- 13 The Landlord and Tenant agree that should the Termination of the Tenancy occur during any Accounting Period then the Tenant's liability in respect of the Service Charge shall be apportioned on a daily basis up to the date of Termination of the Tenancy but that the Tenant shall have no liability in respect of the Service Charge for any period after the Termination of the Tenancy but this paragraph shall be without prejudice to any balancing payments to be made pursuant to paragraphs 11 or 12 of this Schedule.
- 14 The Landlord will in the provision and management of the Services have due and proper regard to and shall use reasonable endeavours to comply with the Service Charge Code.
- 15 The Landlord shall not be entitled to require any payment from the Tenant towards the establishment or maintenance of any sinking or reserve fund in respect of the Service Cost.

16 CHANGES TO THE RPI

- 16.1 In the event of any change after the date of this Lease in the reference base used to compile the RPI the all items index figure taken to be shown in the RPI after the change shall (where possible) be the all items index figure which would have been shown in the RPI if the reference base current at the date of this lease had been retained.
- 16.2 If the Landlord reasonably believes that any change referred to in paragraph 16.1 above would fundamentally alter the calculation of the Service Charge Cap or in the event of it becoming impossible or impracticable, by reason of any change after the date of this lease in the methods used to compile the RPI or for any other reason whatsoever, to calculate the Service Charge Cap there shall be substituted such other provisions for calculating the Service Charge Cap as shall be agreed between the Landlord and the Tenant or, in default of agreements may be determined pursuant to paragraph 17 below.

17 DISPUTES

- 17.1 If any dispute or question arises between the Landlord and the Tenant as to the calculation of the Service Charge cap or as to the interpretation, application or effect of any of the provisions of paragraph 16 then the matter in question may (without prejudicing the parties' ability to agree it at any time) be referred for determination by an independent person (the "Expert") who is to be appointed (in default of agreement) on the application of either party by the President for the time being of either (taking into account the nature of the matter in dispute) the Royal Institution of Chartered Surveyors or the Institute of Actuaries and in respect of any Expert appointed to act under this paragraph 17:

- 17.2 he shall:
- (a) act as an expert and not as an arbitrator;
 - (b) allow the Landlord and the Tenant to make written representations and cross-representations concerning the Service Charge Cap (or other matter in dispute) within such time limits as he may prescribe;
 - (c) seek appropriate professional advice on any relevant matter beyond his professional expertise; and
 - (d) make a reasoned determination which shall be final and binding between the parties unless it contains a manifest error;
- 17.3 he shall have full power to determine the dispute or matter in question including (without limitation) substituting an alternative index for the RPI that most closely resembles it (but having regard to paragraph 16;
- 17.4 his fees and the cost of his nomination shall be paid as he may determine or, otherwise, equally by the Landlord and the Tenant; and
- 17.5 if he refuses to act, or is or becomes incapable of acting or dies, the Landlord or the Tenant may apply for the appointment of another Expert.

SIXTH SCHEDULE

Part I

Building Services

- 1 The maintenance, repair, decoration and inspection and when reasonably necessary (where in the reasonable opinion of the Landlord the item is beyond economic repair) the renewal of the Building and each and every part thereof (including the glass in the outside walls of the Building in any atria in the Building and in the Common Facilities) excepting:
 - (a) the Premises; and
 - (b) other premises within the Building as are from time to time let or Intended to be let.
- 2 The operation, maintenance, repair, inspection and cleansing and when reasonably necessary (where in the reasonable opinion of the Landlord the item is beyond economic repair) the renewal of any roof terrace and the Common Facilities including (without prejudice to the generality of the foregoing) the lifts and escalators within and forming part of the Building, the Service Conduits and Appliances, water treatment systems, sanitary apparatus, pneumatics, vehicle turntables, electrically/mechanically operated barrier gates, computer monitoring system, closed circuit television, surveillance system, control security system and indicator installation, refuse compactors and all other mechanical and electrical systems and all plant, machinery and equipment associated therewith (except Landlord's Services Equipment) within the Building.
- 3 The:
 - (a) operation, maintenance, repair, inspection and cleansing and when reasonably necessary (where in the reasonable opinion of the Landlord the item is beyond economic repair) the renewal and replacement of the Standby Generators and the Landlord's Services Equipment (excluding such parts as are within the Premises or any other parts of the Building let or intended to be let by the Landlord and respectively serve the Premises or such other parts of the Building let or intended to be let by the Landlord exclusively) and provision of heating, cooling and ventilation to all parts of the Building;
 - (b) external cleaning of the Building; and
 - (c) external and internal cleaning of the Common Facilities,in all such cases as often as in the Landlord's reasonable opinion may be requisite and such maintenance shall include the preparation, cleaning, decoration, repainting, painting, graining, varnishing, papering, polishing and other treatment or replacement of finishes (walls, floors and ceilings) with good quality materials of their several kinds and in a suitable manner for maintenance in good condition as may be appropriate for the particular external or internal finishes.
- 4 The provision (but not the initial capital cost of the provision of equipment) and maintenance of security services (including (without prejudice to the generality of the foregoing) 24 hour security guards in respect of the Common Facilities and electronic surveillance systems as the Landlord shall reasonably deem necessary).
- 5 The lighting (including the maintenance, repair and for the purposes of repair the proper replacement of the lighting equipment and fittings) of any atria in the Building and the Common Facilities.
- 6 The disposal of refuse from the Building including the collection and compaction thereof and the provision of receptacles and plant and equipment in connection therewith.
- 7 The cleaning of the outside of all exterior windows of the Building and all atria glazing (other than such as is the responsibility of any tenant of the Building) and glazing in the Common Facilities as often as may be requisite and the maintenance cleansing, repair, inspection and (where in the reasonable opinion of the Landlord the item is beyond economic repair), renewal of all window cleaning cradles, carriages and runways.

- 8 The provision (but not the initial capital cost of providing the same), cultivation, maintenance and replacement of plants and other decorative landscaping on the exterior of the Building in the Common Facilities and in any atria in the Building.
- 9 The continuous provision of hot water (in compliance with statutory requirements as to minimum temperatures) and cold water to each level of the Building.
- 10 The provision of a caretaker, engineers, building technicians, receptionist and such other staff as the Landlord may deem reasonably and properly necessary for the good management and security of the Building in accordance with principles of good estate management with on-site security and reception services for the Building to be provided on a 24/7 basis.
- 11 The reasonable cost of making good any damage occasioned to the Premises or any other premises in the Building let to tenants of the Building as an unavoidable result of carrying out any of the Services.
- 12 The expenses reasonably and properly incurred by the Landlord in respect of any repairing, rebuilding and re-cleansing any party walls, fences, sewers, drains, channels, sanitary apparatus, pipes, wires, passageways, stairways, entrance ways, roads, pavements and other things the use of which is or is capable of being common to the Building and any other property.
- 13 The installation and (where appropriate) replacement or updating of separate sub-metering of utilities used in the Common Facilities and the Premises.
- 14 The provision of all such other services and facilities for the benefit of the Building and the tenants and occupiers of the Building generally as the Landlord shall from time to time reasonably consider to be necessary or expedient in accordance with good principles of estate management prevailing from time to time.

Part II

Estate Services

- 1 The provision of security services, personnel, plant and equipment (including security gates and barriers) and traffic control systems for the purpose of monitoring, supervising and controlling the Estate and persons present on the Estate (whether with or without vehicles).
- 2 The maintenance, repair, renewal, replacement, resurfacing, cleansing and keeping open and free from obstructions and detritus all accessways, areas, surfaces and paving (including roadways, footways, ramps, turntables, car parking areas and loading bays) laid out on the Estate from time to time and available for passage, access and parking.
- 3 The taking of all appropriate steps to clean and maintain on a regular basis the Estate.
- 4 The provision and operation of means of collection, storage, compaction and disposal of refuse and rubbish (including litter and pest control) arising or occurring on the Estate.
- 5 The provision of suitable landscaping and planting and to keep such parts of the Estate as are laid out with landscaping and planting from time to time in good order and condition and properly tended, maintained, cultivated and planted including where appropriate or necessary replanting.
- 6 The maintenance and keeping in good repair and working condition efficient fire and smoke detection, fire preventative and firefighting equipment for the Estate (including sprinklers, hydrants, hose-reels, extinguishers, fire alarms, fire escapes and fire escape routes and general means of escape) all in compliance with statutory requirements the requirements of the Chief Fire Officer and any other competent statutory or other authorities underwriters and insurers.

- 7 The effecting, maintaining and renewing of:
- (a) such insurance on such terms and in such amount as shall be reasonably determined by the Landlord against any liabilities which the Landlord or any of the owners of other buildings on the Estate may incur to third parties on account of the condition of the Estate or any part thereof; and
 - (b) such other insurance in connection with the Estate as the Landlord may reasonably determine.
- 8 The provision of any water, fuel, oil, gas, electricity and other energy supplies as may be required for use in running or operating any of the Services to the Estate except such as are for the exclusive use of a particular tenant or tenants including (if the Landlord reasonably considers it necessary or appropriate) standby power generators and plant.
- 9 The inspection and maintenance of the Estate.
- 10 The lighting to an adequate and sufficient standard throughout such periods of the day and night as may be requisite all parts of the Estate to which access is available in fact or by right and the heating, cooling and ventilation as necessary of the underground parts of the Estate.
- 11 As often as may be necessary the erection, placing, renewal and replacement in suitable locations on the Estate such direction signs, notices, artwork, sculptures, seats/benches, public toilets and other fixtures, fittings and chattels as are in the Interests of good estate management appropriate for the enjoyment or better enjoyment of those parts of the Estate to which the public have access in common with the owners of the buildings on the Estate or persons authorised by them provided that no addition will be made which would result in a material adverse change to the nature or quality of the Estate.
- 12 The maintenance, repair and renewal of such special highway finishes on land Immediately adjacent to the Estate or any part thereof as exist at the date hereof until such time as such land and finishes are dedicated to the relevant highway authority and the highway authority assumes responsibility for the maintenance of the same.
- 13 The installation, cleaning maintenance, repair, insurance, reinstatement and renewal of any canopies that may exist from time to time over any part of the Estate.
- 14 The provision of other services and benefits which the Landlord property considers to be in the Interest of good estate management generally for the Estate as a whole including without prejudice to the generality the foregoing holding private functions and entertainments and/or events for general or public benefit.
- 15 Making (and as appropriate from time to time replacing) and enforcing reasonable regulations for the management operation and control of the Estate as a whole and entering into agreements deeds or other arrangements with tenants or users of the Estate or any part or parts thereof and adjoining or neighbouring owners for the purpose of performing any of the Services.

Any reference in Part II of this Schedule to renewal includes renewal, in accordance with the principles of good estate management, of the relevant part of the Estate which is beyond its natural life or deemed by the Landlord (acting reasonably) to be of Insufficient quality to maintain standards in keeping with the remainder of the Estate, even though such item is not malfunctioning or in a state of disrepair.

Part III

Incidental costs and expenses to be Included in tile Service Cost

- 1 The proper cost of fuel, oil, gas and electricity or other energy supplies or power sources from time to time used in running or operating any of the Services.
- 2 All existing and future rates, taxes, assessments, charges and outgoings of whatsoever nature payable in respect of the Building or any part thereof (including general and water rates and in respect of the Common Facilities and Communal Areas) other than:
 - (a) rates and other outgoings payable in respect of:
 - (i) the Premises; and/or
 - (ii) other premises within the Building as are from time to time let or intended to be let but not then let;
 - (b) any tax payable or assessed as a result of any dealing with (including any actual or deemed disposal of) any reversion immediately or mediately expectant on this Lease; and/or
 - (c) any tax payable or assessed in respect of the Rents or other payments reserved or payable hereunder; and/or
 - (d) any future property ownership tax or assessment in respect of any reversionary interest in the Premises; and/or
 - (e) any tax payable or assessed on the Landlord in respect of or arising out of or relating to the grant of this Lease.
- 3 All reasonable and proper costs, fees, expenses and other outgoings incurred in connection with:
 - (a) the employment or engagement of such independent contractors, agents, consultants, professional advisers or other personnel as are reasonably necessary in connection with the provision or carrying out of the Services;
 - (b) the salaries, wages, pensions and pension contributions and other emoluments and statutory employer's contributions or levies of all persons properly employed in connection with the provision or carrying out of the Services;
 - (c) the provision of any necessary uniforms, protective or specialist clothing, tools, appliances, plant, equipment and materials as may be necessary or desirable for use in connection with the provision or carrying out of the Services.
- 4 The reasonable and proper fees and disbursements of managing agents engaged by the Landlord in connection with the provision or carrying out of the Services which shall be in line with market rates for a central London office building.
- 5 All reasonable fees and costs properly incurred in respect of keeping full and proper records and accounts of the Services and Service Cost and the preparation of all necessary accounts statements and certificates in relation to the recovery of the Service Cost from tenants of the Building.
- 6 Reasonable bank charges and interest on overdrawings for discharging items of Service Cost and the collection of the Service Charges after giving credit for any interest earned thereon in respect of the same Accounting Period.

- 7 Rent rates and all other outgoings in respect of accommodation properly incurred for use or occupation by the Landlord its agents, servants, employees, workmen or other persons employed directly in connection with the provisions and carrying out of the Services PROVIDED THAT:
- (a) where such accommodation is within the Building or on other premises owned by the Landlord and no rent is paid to the Landlord the Landlord shall be entitled to include in the Service Cost an amount equal to market rent of such accommodation as property and reasonably determined annually by the Landlord's Surveyor; and
 - (b) where such accommodation is not used exclusively for the provision and carrying out of the Services a fair and reasonable proportion of such rent or deemed rent shall be allocated to the Service Cost.
- 8 All proper and reasonable legal and other professional fees and disbursements properly incurred by the Landlord in connection with the enforcement of any contract or agreement entered into by or on behalf of the Landlord with any third party In connection with the provision or carrying out of the Services.
- 9 The reasonable and proper cost d any maintenance or service agreements or insurance contracts in respect of any of the plant, equipment, services or facilities used in connection with the Services.
- 10 The supply of requisites to the lavatories comprised in the Common Facilities and such other facilities in the Common Facilities.
- 11 The reasonable and proper cost of taking steps to comply with or making representations concerning the requirements of any statutes, by-laws and other regulations affecting the Building.
- 12 The payment of all VAT properly payable on any item of expenditure in connection with the provision or carrying out of the Services to the extent that it is not otherwise recoverable by the Landlord.
- 13 The cost of making up any amount properly deducted by the insurers pursuant to any excess provisions contained in any insurance policy of the Building.
- 14 Ally other proper and reasonable expense property incurred by the Landlord or its managing agents or other provider of the Services attributable to the provision supervision and management of the Services or the improvement from time to time of the standard thereof as shall be reasonably considered advisable or necessary not otherwise specifically mentioned in the Schedule.
- 15 A fair and reasonable proportion of the Energy Levy which is attributable on a fair and reasonable basis to the Common Facilities which proportion shall be based on a comparison of the energy supplied to the Common Facilities with the energy supplied to the Building

PROVIDED ALWAYS that

- (a) where in this Schedule there are references to matters or things which are then stated to include certain particular matters or things which are not also stated to be without prejudice to the generality of the wording preceding it nevertheless the reference to the particular matters or things shall be deemed to be and in each case shall be without prejudice to the generality of the wording preceding it;
- (b) the Landlord may temporarily withdraw any item of service matter or thing specified in this Schedule if such withdrawal is in the interest of good estate management provided that the use and enjoyment of the Premises is not thereby impaired in any material respect;

- (c) the Landlord shall have the right (provided that the occupation and use of the Premises is not materially adversely affected) to cease or to procure the cessation of the provision of or add to or procure the addition to any item of Services matter or thing specified in this Schedule if the Landlord in its reasonable discretion shall deem it desirable or expedient to do so but in reaching such decision the Landlord is to have regard to the principles of good estate management and the interests of the tenants in the Building;
- (d) any parts of the Building occupied by the Landlord for any purpose otherwise than in connection with or incidental to the provision of the Services shall be deemed to be premises "let or intended to be let" for the purposes of this Schedule;
- (e) the Landlord shall credit to the Service Cost any cost or expense to the extent to which the Landlord is paid or reimbursed by any person in connection with the maintenance and repair of the Building including but not necessarily limited to the cost of any item for which the Landlord is paid or reimbursed by insurance proceeds warranties service contracts or otherwise;
- (f) the Service Cost and the Service Charge shall not include:
 - (i) costs and expenses attributable to any part or parts of the Building or the Estate let or intended to be let to any other tenant or occupier (other than management accommodation which for the avoidance of doubt shall not include marketing suites temporarily located in parts of the Building or the Estate intended to be let) which are not so let or occupied nor the costs in respect of collection of rents and Service Charge or arrears and Service Charge or review of principal yearly rents in respect of such parts of the Building and such costs and expenses shall be borne and be payable by the Landlord;
 - (ii) any costs and expenses attributable in any way whatsoever to the initial construction of the Building (including landscaping and the Foundations and Services) and the Estate, the Base Building Definition and the initial installation of the Landlord's Services Equipment and the Services Conduits and Appliances;
 - (iii) any fees, costs and commissions of whatsoever nature incurred in procuring or attempting to procure other tenants for the Building;
 - (iv) the costs of remedying any disrepair, damage or destruction caused by any of the Insured Risks or by an Uninsured Risk to the Building or the Estate;
 - (v) any costs in connection with enforcing covenants in any other lease of any part of the Building on the Estate;
 - (vi) any sums payable by the Landlord in relation to any of its charges or indebtedness or financing;
 - (vii) the costs of commissions and charges in respect of collecting of principal rents, service charges and electricity cost and Outside Normal Business Hours charge and of reviewing rents payable by other tenants of the Building;
 - (viii) costs of CIL and any costs associated with CIL;
 - (ix) costs associated with Historic Contamination;
 - (x) costs attributed to the Developer's Works (as defined in the Agreement for Lease);
 - (xi) costs which would otherwise form part of the Service Costs but which are directly recoverable in full from any third party occupier in the Estate;
 - (xii) costs incurred in connection with applications to assign, sublet or alter in respect of any lease or other occupational document relating to the Building other than In relation to the Premises;

- (xiii) costs in respect of any voids or vacant area in the Building which are available to let and/or intended for letting;
- (xiv) future redevelopment costs;
- (xv) costs associated with any breach of the Landlord of its obligations to repair and maintain the Estate and the Building in accordance with its obligations in this Lease; and
- (xvi) any amounts recovered from a third party contractor or professional employed by the Landlord or its predecessors in title in relation to the construction, modification or improvement of the Building on the Estate (less reasonable and proper costs incurred by the Landlord in making such recovery);

SEVENTH SCHEDULE

Surety's Covenant

- 1 The Surety hereby covenants with the Landlord as a primary obligation that:
- (a) the Tenant will pay the rents reserved by this Lease on the days and in manner aforesaid and will duly perform and observe all the Tenant's covenants contained in this Lease and that in case of default the Surety will pay and make good to the Landlord on demand all loss, damages, costs and expenses thereby arising or incurred by the Landlord;
 - (b) the Surety will (to the extent property required by the Landlord in accordance with the terms of this Lease) enter into any further lease granted by the Landlord to the Tenant whether pursuant to the Landlord and Tenant Act 194 or otherwise to guarantee the obligations of the Tenant under such lease such guarantee to be in terms identical (mutatis mutandis) to the terms of this guarantee or in such other terms as may be required by the Landlord;
 - (c) in the event that a liquidator or trustee in bankruptcy shall disclaim this Lease the Surety shall if the Landlord so requires by notice in writing given to the Surety within three months after such event take a new lease of the Premises for the residue of the term unexpired at the date of such event and at the rents then payable and subject to the terms of this Lease in every respect and to execute and deliver to the Landlord a counterpart thereof and to pay to the Landlord the reasonable costs thereof;
 - (d) In the event that the Landlord shall not require the Surety to take up a lease in accordance with the provisions of paragraph 1(b) hereof following the disclaimer of this Lease then the Surety shall pay to the Landlord a capital sum in the amount of the Rents that would have otherwise have been payable under this Lease for the period of 6 months from the date of such disclaimer;
 - (e) for the purposes of paragraph
 - (i) the new lease shall:
 - (A) be completed within 4 weeks after the date when the Landlord notifies the requirement to the Surety; and
 - (B) take effect from the date of forfeiture, subject to any third party rights of vesting and possession; and
 - (ii) the contractual term of the new lease shall expire when the Contractual Term would have expired but for the disclaimer.
- 2 PROVIDED ALWAYS THAT IT IS HEREBY AGREED THAT:
- 2.1 The Surety shall not be released or discharged in any way from its obligations under this Lease by:
- (a) any neglect or forbearance of the Landlord in endeavouring to obtain payment of the Rents when the same become payable or to enforce performance or observance of the Tenant's covenants herein and any time which may be given by the Landlord to the Tenant;
 - (b) any variation of the terms of this Lease with the Surety's consent;
 - (c) the transfer of the Landlord's reversionary interest immediately expectant on the determination of this Lease;
 - (d) any refusal by the Landlord to accept rent tendered by or on behalf of the Tenant at a time when the Landlord was entitled to re-enter the Premises;
 - (e) any legal limitation and/or incapacity of the Tenant and/or any change in the constitution or powers of the Tenant the Surety or the Landlord;

- (f) any liquidation, administration or bankruptcy of the Tenant or the Surety; or
 - (g) any other act, omission, matter or thing whatsoever whereby but for this provision the Surety would be released (other than a release of the Surety by Deed entered into by the Landlord).
- 2.2 The Surety shall not be entitled to participate in or be subrogated to any security held by the Landlord in respect of the Tenant's obligations or otherwise to stand in the place of the Landlord in respect of any such security.
- 2.3 The Surety hereby waives any right to require the Landlord to pursue against the Tenant any rights which may be available to the Landlord before proceeding against the Surety.
- 2.4 The Surety abandons and waives any right it may have at any time under the law whether existing or future (whether by virtue of the *droit de discussion* or *division* or otherwise) to require that:
- (a) the Landlord, before enforcing this Lease or any right, interest or obligation under this Lease, takes any action, exercises any recourse or seeks a declaration of bankruptcy against the Tenant or any other person, makes any claim in a bankruptcy, liquidation, administration or insolvency of the Tenant or any other person or enforces or seeks to enforce any other right, claim, remedy or recourse against the Tenant or any other person;
 - (b) the Landlord, in order to preserve any of its rights against the Surety joins the Surety as a party to any proceedings against the Tenant or any other person or the Tenant or any other person as a party to any proceedings against the Surety or takes any other procedural steps or observes any other formalities; or
 - (c) the Landlord divides or apportions the liability of the Surety under this Lease with any other person or such liability is reduced in any manner.

- 1.2 where a party comprises more than one person, that party's obligations take effect jointly and severally; and
- 1.3 references to any clause are to the corresponding clause in this agreement and the headings do not affect the construction or interpretation of this agreement.

2. **AUTHORISED GUARANTEE AGREEMENT**

This authorised guarantee agreement is entered into by the Existing Tenant in consideration of the Landlord's entering into the Licence to Assign and, accordingly, the Existing Tenant as a principal obligor agrees with the Landlord that:

2.1 **Guarantee**

The Existing Tenant's obligations will be complied with by the Assignee and, to the extent they are not, the Existing Tenant will comply with them and will indemnify the Landlord against any loss it suffers as a result of any non-compliance, without deduction or set-off.

2.2 **Preservation of the guarantee**

The Existing Tenant's obligations under this clause are not affected by:

- 2.2.1 any delay or other indulgence, compromise or neglect in enforcing the Tenant's obligations or any refusal by the Landlord to accept tendered rent;
- 2.2.2 any partial surrender of the Lease (and the Existing Tenant's liability shall continue but only in respect of the continuing Tenant's obligations);
- 2.2.3 without prejudice to clause 2.4, any disclaimer of the Assignee's liability under the Lease;
- 2.2.4 any legal limitation, immunity, incapacity, insolvency or the winding-up of the Assignee (or, If the Assignee is more than one person, of any such person) or by the Assignee (or any such person) otherwise ceasing to exist;
- 2.2.5 any act or omission in connection with any right or remedy against the Assignee or with any other security which the Landlord holds at any time for the Tenant's obligations or in connection with re-letting the Premises;
- 2.2.6 any other act or omission which, but for this provision, would have released the Existing Tenant from liability,

or any combination of any such matters and, subject as provided in section 18 of the 1995 Act, the Existing Tenant's obligations are not released by, but shall be construed so as to require compliance with, the terms of any consent or approval by the Landlord or of any variation or waiver of any of the Tenant's obligations and the Existing Tenant shall, If the Landlord requests, join in any such consent, approval, variation or waiver in order to acknowledge and confirm that requirement.

2.3 **Subrogation rights, etc.**

The Existing Tenant

- 2.3.1 may not participate in, or exercise any right of subrogation in respect of, any security which the Landlord holds at any time for the Tenant's obligations;
- 2.3.2 will unconditionally waive any right of contribution by the Assignee towards the Existing Tenant's liability under this clause, to the extent the waiver is requisite for preserving that liability;
- 2.3.3 acknowledges that the Existing Tenant's obligations under this clause are and shall remain additional to and separate from any other security which the Landlord holds at any time for the Tenant's obligations and shall be complied with irrespective of any such other security;

- 2.3.4 shall not:
- (A) claim in competition with the Landlord in any proceedings or any type of arrangement in connection with the Assignee's insolvency; or
 - (B) exercise any other right or remedy against the Assignee whether insolvent or not,
- in respect of any performance of the Existing Tenant's obligations under this clause unless and until all of those obligations are fully performed (and, it, notwithstanding, the Existing Tenant does receive any money pursuant to any such claim, right or remedy, it shall hold the money on trust for the Landlord until those obligations are fully performed); and
- 2.3.5 warrants that it has not taken and agrees that it will not take any security over the Assignee's assets for any liability owed to the Existing Tenant (and, if, notwithstanding, the Existing Tenant does receive any such security, it shall hold the security on trust for the Landlord until the Existing Tenant's obligations under this clause are fully performed).

2.4 **Disclaimer, etc.**

- 2.4.1 If the Assignee's liability under the Lease is disclaimed, the Landlord may require the Existing Tenant to accept (and, if so, the Existing Tenant will accept) a new lease of the Premises on and giving effect to the same terms, and containing the same agreements, as the Lease except this clause (and, where any such term applies as at a particular date or period, as at the same date or period), and as the terms had effect immediately before the disclaimer such that the obligations of the new lease are no more onerous than the Tenant's obligations, subject as provided in clause 2.4.2.
- 2.4.2 For the purposes of clause 2.4.1:
- (A) the Landlord's requirement must be notified to the Existing Tenant within six months after the date of the Landlord's receipt of notice of the disclaimer;
 - (B) the new lease shall:
 - (1) be granted in all respects at the Existing Tenant's cost;
 - (2) be completed within four weeks after the date when the Landlord notifies the requirement to the Existing Tenant; and
 - (3) take effect from the date of disclaimer, subject to any third party rights of vesting and possession; and
 - (C) the contractual term of the new lease shall expire when the Term would have expired but for the disclaimer.
- 2.4.3 In the event that the Landlord shall not require the Existing Tenant to take up a new lease of the Premises following the disclaimer of the Lease then the Tenant will continue to pay to the Landlord the rents reserved by the Lease for a period of six months from the date of disclaimer or until the date the Premises are re-let, whichever first occurs.

3. **[AGA GUARANTEE**

In consideration of the Landlord entering into the Licence to Assign, the Existing Tenant's Guarantor as a principal obligor agrees with the Landlord, with effect from the Assignment, that

3.1 **Guarantee**

Until the date when the Existing Tenant is released by the 1995 Act from the guarantee and supplementary provisions in clause 2 (referred to in this clause as the "**Authorised Guarantee Agreement**") the Existing Tenant will comply with the Authorised Guarantee Agreement and, to the extent the Existing Tenant does not, the Existing Tenant's Guarantor will comply with them and will indemnify the Landlord against any loss it suffers as a result of any non-compliance, without deduction or set-off.

3.2 **Preservation of the guarantee**

The Existing Tenant's Guarantor's obligations under this clause are not affected by:

- 3.2.1 any delay or other indulgence, compromise or neglect in enforcing the Authorised Guarantee Agreement;
- 3.2.2 any partial surrender of the Lease (and the Existing Tenant's Guarantor's liability shall continue but only in respect of the continuing Authorised Guarantee Agreement);
- 3.2.3 without prejudice to clause 3.4, any disclaimer of the Authorised Guarantee Agreement;
- 3.2.4 any legal limitation, immunity, incapacity, insolvency or the winding-up of the Existing Tenant (or, if the Existing Tenant is more than one person, of any such person) or by the Existing Tenant (or any such person) otherwise ceasing to exist;
- 3.2.5 any act or omission in connection with any right or remedy against the Existing Tenant or with any security which the Landlord holds at any time for the Tenant's obligations or in connection with re-letting the Premises;
- 3.2.6 any other act or omission which, but for this provision, would have released the Existing Tenant's Guarantor from liability,

or any combination of any such matters and, subject as provided in section 18 of the 1995 Act, the Existing Tenant's Guarantor's obligations in connection with the Authorised Guarantee Agreement are not released by, but shall be construed so as to require compliance (through the Authorised Guarantee Agreement) with, the terms of any consent or approval by the Landlord or of any variation or waiver of any of the Tenant's obligations and the Existing Tenant's Guarantor shall, if the Landlord requests, join in any such consent, approval, variation or waiver in order to acknowledge and confirm that requirement.

3.3 **Subrogation rights, etc.**

The Existing Tenant's Guarantor:

- 3.3.1 may not participate in, or exercise any right of subrogation in respect of any security which the Landlord holds at any time for the Tenant's obligations;
- 3.3.2 will unconditionally waive any right of contribution by the Existing Tenant towards the Existing Tenant's Guarantor's liability under this clause, to the extent the waiver is requisite for preserving that liability;
- 3.3.3 acknowledges that the Existing Tenant's Guarantor's obligations under this clause are and shall remain additional to and separate from any other security which the Landlord holds at any time for the Tenant's obligations and shall be complied with irrespective of any such other security;
- 3.3.4 shall not:
 - (A) claim in competition with the Landlord in any proceedings or any type of arrangement in connection with the insolvency of any person who owes the Landlord liability for the Tenant's obligations; or
 - (B) exercise any other right or remedy against any such person whether insolvent or not.

in respect of any performance of the Existing Tenant's Guarantor's obligations under this clause unless and until all of those obligations are fully performed (and, if, notwithstanding, the Existing Tenant's Guarantor does receive any money pursuant to any such claim, right or remedy, it shall hold the money on trust for the Landlord until those obligations are fully performed); and

3.3.5 warrants that it has not taken and agrees that it will not take any security over the Existing Tenant's assets for any liability owed to the Existing Tenant's Guarantor (and, if, notwithstanding, the Existing Tenant's Guarantor does receive any such security, it shall hold the security on trust for the Landlord until the Existing Tenant's Guarantor's obligations under this clause are fully performed).

3.4 **Disclaimer, etc.**

3.4.1 If a new lease is to be granted to the Existing Tenant pursuant to clause 2.4, the Existing Tenant's Guarantor shall be a party to it in order to guarantee compliance with the Existing Tenant's obligations under it and to accept a further lease following any disclaimer or forfeiture by or against the Existing Tenant as tenant of the new lease.

3.4.2 The Existing Tenant's Guarantor's obligations in clause 3.4.1 shall be on the same terms, subject to any necessary differences of fact, as applied to the obligations which the Existing Tenant's Guarantor had under the Lease before the Assignment.

3.4.3 If the Existing Tenant fails to comply with clause 2.4.1, the Existing Tenant's Guarantor will do so by taking the new lease in its own name.

4. **TRANSMISSION OF GUARANTEES**

The benefit of every guarantee provided for in this agreement shall:

4.1 be annexed and incident to the whole, and to each and every part, of the immediate reversion to the Lease; and

4.2 pass on an assignment of the whole or any part of that reversion.

5. **SEVERANCE**

If any provision of this agreement is void or prohibited under any statutory enactment due to any applicable law, it shall be deemed to be deleted and the remaining provisions of this agreement shall continue in force.

6. **GOVERNING LAW AND JURISDICTION**

6.1 This agreement and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law and within the exclusive jurisdiction of the English courts, to which the parties irrevocably submit.

6.2 Each party irrevocably agrees that any claim form or other document to be served under the Civil Procedure Rules may be served on it by being delivered to or left at its address in the United Kingdom as stated in this document or as otherwise notified to [each] [the] other party and each party undertakes to notify the others in advance of any change from time to time of such address for service and to maintain an appropriate address at all times.

7. **EXCLUSION OF THIRD PARTY RIGHTS**

The parties confirm that no term of this agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to it

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

EXECUTED as a DEED by [INSERT NAME OF COMPANY] acting
by two directors /a director and its company secretary

.....
(Signature of director)

.....
(Signature of director / secretary)

EXECUTED as a DEED by [INSERT NAME OF COMPANY] acting
by a director in the presence of:

.....
(Signature of director)

.....
(Name of witness)

.....

.....

.....

.....
(Address of witness)

.....
(Signature of witness)

Signed as a deed on behalf of **BLCT (PHC 15A)**)
LIMITED, a company incorporated in Jersey,)
by _____, being a)
person who, in accordance with the laws of that)
territory, is acting under the authority of the company)

Signature(s): _____

Authorised Signatory

EXECUTED as a **DEED** by **MIMECAST**
SERVICES LIMITED acting by two
directors /a director and its
company secretary

.....
(Signature of director)

.....
(Signature of director / secretary)

Signed as a deed on behalf of **MIMECAST**)
LIMITED, a company incorporated in Jersey,)
by _____, being a)
person who, in accordance with the laws of that)
territory, is acting under the authority of the company)

Signature(s): _____

Authorised Signatory

Appendices Intentionally Omitted

ANNEXURE K: RECEPTION DESK SIDE LETTER IN AGREED FORM

This is Annexure K to the agreement for lease dated 2 January 2018 in respect of the 3rd, 4th and 5th floors of 1 Finsbury Avenue, London EC2 as made between (1) B.L.C.T. (PHC 15A) Limited (2) Bluebutton Developer Company (2012) Limited (3) Bluebutton Properties UK Limited (4) Mimecast Services Limited and (5) Mimecast Limited

Signed on behalf of:

B.L.C.T. (PHC 15A) Limited

/s/ [Illegible]

Bluebutton Developer Company (2012) Limited

/s/ [Illegible]

Bluebutton Properties UK Limited

/s/ [Illegible]

Mimecast Services Limited

/s/ Peter Bauer

Mimecast Limited

/s/ Peter Bauer

ANNEXURE K: RECEPTION DESK SIDE LETTER IN AGREED FORM

This is Annexure K to the agreement for lease dated 2 January 2018 in respect of the 3rd, 4th and 5th floors of 1 Finsbury Avenue, London EC2 as made between (1) B.L.C.T. (PHC 15A) Limited (2) Bluebutton Developer Company (2012) Limited (3) Bluebutton Properties UK Limited (4) Mimecast Services Limited and (5) Mimecast Limited

Signed on behalf of:

B.L.C.T. (PHC 15A) Limited

/s/ [Illegible]

Bluebutton Developer Company (2012) Limited

/s/ [Illegible]

Bluebutton Properties UK Limited

/s/ [Illegible]

Mimecast Services Limited

/s/ P. Bauer

Mimecast Limited

/s/ P. Bauer

[To be typed on landlord's letterhead]

Mimecast Services Limited (Tenant)
6th floor, CityPoint
One Ropemaker Street
London EC2Y 9AW

and

Mimecast Limited (Surety)
22 Grenville Street
St Helier
Jersey JE4 8PX

20[]

Dear Sir or Madam

Premises: 3rd [./and] 4th [and 5th] floors of 1 Finsbury Avenue, London EC2

Leases: The [two/three] underleases of the Premises each dated the date hereof and each made between (1) B.L.C.T. (PHC 15A) Limited (2) Mimecast Services Limited and (3) Mimecast Limited

1. BACKGROUND

- 1.1 This side letter is supplemental to the Leases.
- 1.2 The parties to this side letter agree that this side letter is not intended to and does not effect a variation of the terms of the Leases and the Leases shall remain in full force and effect.
- 1.3 For the avoidance of doubt this side letter deals only with the rights relating to the matters contained at paragraph 2 below and does not extend to any other matter.
- 1.4 Defined terms in this letter shall have the same meanings as are ascribed to them in the Leases.

2. RECEPTION DESK

In consideration of your acceptance of the grant of the Leases today we hereby grant (subject to the provisions of paragraphs 3 and 4 below):

- 2.1 the exclusive right for the Tenant and the Surety to use a dedicated reception desk or reception point on the ground floor of the Building in the indicative location shown marked on the attached plan; such reception desk to be manned by an employee(s) provided by or on behalf of us;
- 2.2 the right to brand such reception desk with the name and/or logo of the Tenant in such form as the Landlord shall reasonably approve, the indicative size and prominence of which is to be substantially in accordance with the attached computer-generated image; and
- 2.3 the right to run services to and from the dedicated reception desk from the Premises such as telephone and internet in such form and along such routes as the parties shall agree, acting reasonably.

3. CONDITIONS

- 3.1 This letter is personal to you, Mimecast Services Limited and Mimecast Limited and does not extend, and cannot be assigned, to any other person other than a Group Company of either Mimecast Services Limited and/or Mimecast Limited and any such assignment must be effected simultaneously with the assignment of the Leases to the corresponding Group Company.
-

- 3.2 Your use of the reception desk or reception point is subject to such reasonable and proper regulations for the time being made by us for the use, operation, security and/or maintenance of the Building previously notified to you.
- 3.3 You will make good to our reasonable satisfaction all damage caused to the Building or any part thereof including Landlord's fixtures and fittings arising out of or in respect of the rights contained in this letter and any breach by you of the terms set out herein.
- 3.4 Clause 3.85 (*Indemnity*) of the Lease will apply in respect of any breach by you of your obligations contained in this letter.
- 3.5 The reasonable and proper costs incurred by us in providing the employee(s) referred to in paragraph 2.1 shall be recoverable through the service charge pursuant to the Leases.
- 3.6 The benefit of this letter shall be taken into account on the occasion of any review of the Principal Rent under the Leases.
- 3.7 You shall keep the existence and the terms of this side letter confidential and shall not disclose the same to any third party.

4. DETERMINATION

- 4.1 Subject to paragraph 4.3, this letter may be determined by us immediately by giving written notice to you to that effect in the event of:
- 4.1.1 you persistently and materially breaching the terms or the covenants, conditions or provisos on the tenant's part contained in the Leases or you breaching the terms of this letter; or
- 4.1.2 the occurrence of any event which would entitle the landlord to exercise a right of re-entry under the Leases, provided that in the case of any breaches of the terms of this letter we have given you at least twenty one (21) days' advance notice in writing of such breach and that such breach is still subsisting at the end of such 21 day notice period.
- 4.2 Subject to paragraph 4.3, this letter shall immediately determine (without need for service of written notice) in the event of:
- 4.2.1 us exercising the landlord's rights of re-entry under any Lease (subject to any right of relief granted to you subsequent to the exercise of that right of re-entry);
- 4.2.2 you or any Group Company of Mimecast Limited and Mimecast Services Limited (assessed as if they were one entity) being in occupation of less than 70,000 square feet of office space within the Building; or
- 4.2.3 the expiration or sooner determination of the terms of all of the respective Leases.
- 4.3 Determination pursuant to any of the events referred to in this paragraph 4 shall be without prejudice to our rights and remedies in respect of any antecedent breach by you of the terms of this letter and paragraphs 3.3 and 3.4 shall continue to apply.

Yours faithfully,

For and on behalf of/authorised signatory
B.L.C.T. (PHC 15A) Limited

We acknowledge our agreement to the terms of this letter.

For and on behalf of/authorised signatory
Mimecast Services Limited

In consideration of your consenting to the terms of this letter, we Mimecast Limited, guarantor under the Leases, hereby acknowledge and accept the terms of this letter and covenant with you in the terms of the Seventh Schedule to the Leases in relation to the obligations of Mimecast Services Limited contained in this letter.

For and on behalf of/authorised signatory

Mimecast Limited

ANNEXURE L: TERRACE SIDE LETTER IN AGREED FORM

This is Annexure L to the agreement for lease dated 2 January 2018 in respect of the 3rd, 4th and 5th floors of 1 Finsbury Avenue, London EC2 as made between (1) B.L.C.T. (PHC 15A) Limited (2) Bluebutton Developer Company (2012) Limited (3) Bluebutton Properties UK Limited (4) Mimecast Services Limited and (5) Mimecast Limited

Signed on behalf of:

B.L.C.T. (PHC 15A) Limited

/s/ [Illegible]

Bluebutton Developer Company (2012) Limited

/s/ [Illegible]

Bluebutton Properties UK Limited

/s/ [Illegible]

Mimecast Services Limited

/s/ Peter Bauer

Mimecast Limited

/s/ Peter Bauer

[To be typed on landlord's letterhead]

Mimecast Services Limited (Tenant)
6th floor, CityPoint
One Ropemaker Street
London EC2Y 9AW
and
Mimecast Limited (Surety)
22 Grenville Street
St Helier
Jersey JE4 8PX

20[]

Dear Sir or Madam

Premises: 3rd [,/and] 4th [and 5th] floors of 1 Finsbury Avenue, London EC2

Leases: The [two/three] underleases of the Premises each dated the date hereof and each made between (1) B.L.C.T. (PHC 15A) Limited (2) Mimecast Services Limited and (3) Mimecast Limited

1. BACKGROUND

- 1.1 This side letter is supplemental to the Leases.
- 1.2 The parties to this side letter agree that this side letter is not intended to and does not effect a variation of the terms of the Leases and the Leases shall remain in full force and effect.
- 1.3 For the avoidance of doubt this side letter deals only with the rights relating to the matters contained at paragraph 2 below and does not extend to any other matter.
- 1.4 Defined terms in this letter shall have the same meanings as are ascribed to them in the Leases.

2. LEVEL 8 WESTERN TERRACE

In consideration of your acceptance of the grant of the Leases today we hereby grant (subject to the provisions of paragraphs 3 and 4 below):

- 2.1 the exclusive right for the Tenant and all persons authorised by the Tenant and the Surety to use the terrace on level 8 on the western side of the Building as shown shaded green on the attached plan (the "**Terrace**") for uses ancillary to the Tenant's use of the Premises and which are consistent with a high class office building; and
- 2.2 the right of access and egress thereto and therefrom over the Common Facilities and use of the toilets situated on the eighth floor of the Building in connection with such use.

3. CONDITIONS

- 3.1 This letter is personal to you, Mimecast Services Limited and Mimecast Limited and does not extend, and cannot be assigned, to any other person other than a Group Company of either Mimecast Services Limited and/or Mimecast Limited and any such assignment must be effected simultaneously with an assignment of the Lease to the corresponding Group Company.
 - 3.2 Your use of the Terrace is subject to such reasonable and proper regulations for the time being made by us for the use, operation, security and/or maintenance of the Terrace and/or the Building previously notified to you.
-

- 3.3 You shall provide us with not less than 48 hours' notice of any occasion or event on which you anticipate that the number of persons on the Terrace will exceed 100 people.
- 3.4 You shall keep the Terrace clean and tidy.
- 3.5 You will make good to our reasonable satisfaction all damage caused to the Terrace or any part thereof including Landlord's fixtures and fittings arising out of or in respect of the rights contained in this letter and any breach by you of the terms set out herein.
- 3.6 Clause 3.85 (*Indemnity*) of the Lease will apply in respect of any breach by you of your obligations contained in this letter.
- 3.7 The benefit of this letter shall be taken into account on the occasion of any review of the Principal Rent under the Leases.
- 3.8 You shall keep the existence and the terms of this side letter confidential and shall not disclose the same to any third party.

4. DETERMINATION

- 4.1 Subject to paragraph 4.3, this letter may be determined by us immediately by giving written notice to you to that effect in the event of:
 - 4.1.1 you persistently and materially breaching the terms or the covenants, conditions or provisos on the tenant's part contained in the Leases or you breaching the terms of this letter; or
 - 4.1.2 the occurrence of any event which would entitle the landlord to exercise a right of re-entry under the Leases, provided that in the case of any breaches of the terms of this letter we have given you at least twenty one (21) days' notice in writing of such breach and that such breach is still subsisting at the end of such 21 day notice period.
 - 4.2 Subject to paragraph 4.3, this letter shall immediately determine (without need for service of written notice) in the event of:
 - 4.2.1 us exercising the landlord's rights of re-entry under any Lease (subject to any right of relief granted to you subsequent to the exercise of that right of re-entry);
 - 4.2.2 you or any Group Company of Mimecast Limited and Mimecast Services Limited (assessed as if they were one entity) being in occupation of less than 70,000 square feet of office space within the Building; or
 - 4.2.3 the expiration or sooner determination of the terms of all of the respective Leases.
 - 4.3 Determination pursuant to any of the events referred to in this paragraph 4 shall be without prejudice to our rights and remedies in respect of any antecedent breach by the other party of the terms of this letter and paragraphs 3.5 and 3.8 shall continue to apply.
 - 4.4 Upon determination of this letter the parties agree to each sign a memorandum recording such fact.
-

Yours faithfully,

For and on behalf of/authorised signatory
B.L.C.T. (PHC 15A) Limited

We acknowledge our agreement to the terms of this letter.

For and on behalf of/authorised signatory
Mimecast Services Limited

In consideration of your consenting to the terms of this letter, we Mimecast Limited, guarantor under the Leases, hereby acknowledge and accept the terms of this letter and covenant with you in the terms of the Seventh Schedule to the Leases in relation to the obligations of Mimecast Services Limited contained in this letter.

For and on behalf of/authorised signatory
Mimecast Limited



AGREED FORM

_____ **201***

B.L.C.T. (PHC 15A) LIMITED

and

MIMECAST SERVICES LIMITED

and

MIMECAST LIMITED

_____ **CALL OPTION AGREEMENT**

relating to property
at

**Second Floor, 1 Finsbury Avenue, London
EC2**

Herbert Smith Freehills LLP

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PARTICULARS

DATE	201*
GRANTOR	B.L.C.T. (PHC 15A) LIMITED whose registered office is at 47 Esplanade, St Helier, Jersey JE1 OBD c/o York House, 45 Seymour Street, London W1H 7LX (Co. Regn. No. 76075)
GRANTEE	MIMECAST SERVICES LIMITED whose registered office is at 6th Floor, CityPoint, One Ropemaker Street, London EC2Y 9AW (Co. Regn. No. 04901524)
GUARANTOR	MIMECAST LIMITED whose registered office is at 22 Grenville Street, St Helier, Jersey JE4 8PX c/o 6th Floor, CityPoint, One Ropemaker Street, London EC2Y 9AW (Co. Regn. No. 119119)
Y6 OPTION PERIOD	the period commencing on the date of this agreement and expiring on the date 5 years after the Date of Sectional Completion of Section One
Y12 OPTION PERIOD	the period commencing on the date 6 years after the Date of Sectional Completion of Section One and expiring on the date 11 years after the Date of Sectional Completion of Section One
PREMISES	the part of the second floor of the building known as 1 Finsbury Avenue, London EC2 (registered under Title No. NGL770398) shown edged red on the Plan
GRANTOR'S SOLICITORS	Herbert Smith Freehills LLP of Exchange House, Primrose Street, London EC2A 2EG Ref: 2856/31004060 (which shall be quoted on all correspondence) or such other firm as the Grantor may notify to the other parties to this agreement
GRANTEE'S SOLICITORS	Taylor Wessing LLP of 5 New Street Square, London EC4A 3TW Ref: [] (which shall be quoted on all correspondence) or such other firm as the Grantee may notify to the other parties to this agreement

BY THIS AGREEMENT made on the date and between the parties specified in the Particulars **IT IS AGREED** as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 The following expressions and those defined in the Particulars have the respective specified meanings:-

“**Agreed Form**” means in relation to any document, the form of that document or the draft of it which is agreed between the parties and signed by them (or by their respective solicitors on their behalf);

“**Agreement for Underlease**” means the agreement for underlease of the 3rd, 4th and 5th floors of the building known as 1 Finsbury Avenue, London EC2 dated 2017 entered into between (1) the Grantor (2) Bluebutton Developer Company (2012) Limited (3) the Grantee and (4) the Guarantor;

“**Exercise Date**” means the date (if any) during either the Y6 Option Period or the Y12 Option Period when the Y6 Option or the Y12 Option (as applicable) is validly exercised pursuant to clause 3;

“**[Fourth Floor Lease][Fifth Floor Lease]**” means the lease of the [[Fourth Floor][Part Fifth Floor/Fifth Floor]]¹ dated[•] entered into between (1) the Grantor (2) the Grantee and (3) the Guarantor and all documents supplemental and collateral to it;

“**Grantor Legal Opinion**” means the legal opinion in the Agreed Form at **Annexure C**;

“**Group Company**” means a company is a Group Company of another company if it is from time to time the holding company of that company or a subsidiary company of that company or any company whose holding company is the holding company of that company where the expressions “holding company” and “subsidiary” have the meanings given in Section 1159 and Schedule 6 of the Companies Act 2006;

“**Guarantor Legal Opinion**” means the legal opinion in the Agreed Form at **Annexure D**;

“**Leases**” means one or any of the leases granted pursuant to the Agreement for Underlease;

“**Particulars**” means the particulars set out at the beginning of this agreement;

“**Plan(s)**” means the plan(s) annexed to this agreement;

“**Surplus Premises**”² means the premises known as the part [[5th Floor] [4th Floor]], 1 Finsbury Avenue and more particularly described in the [[Fifth Floor Lease][Fourth Floor Lease]]³;

“**Term Commencement Date**” means, in relation to the Year 6 Lease, the date falling 6 years after the Date of Sectional Completion of Section One, and in relation to the Year 12 Lease, the date falling 12 years after the Date of Sectional Completion of Section One (or in each case, if earlier, the respective number of years after the Date of Notional Sectional Completion);

“**VAT**” means Value Added Tax as referred to in the Value Added Tax Act 1994 (“**VATA 1994**”) or any tax of a similar nature which may be substituted for or levied in addition to it;

“**Y6 Notice**” means a signed notice in the form or substantially in the form set out in schedule 1 given at any time during the Y6 Option Period by or on behalf of the Grantee to the Grantor pursuant to the Year 6 Option;

“**Y6 Option**” means the option to take the Year 6 Lease of the Premises granted pursuant to clause 2.1.1;

¹ To be deleted as appropriate on completion.

² To refer to the c.8000 sq ft of space on either L4 or L5 that the tenant can hand back after 5 years.

³ To be deleted as appropriate on completion.

“**Y12 Notice**” means a signed notice in the form or substantially in the form set out in schedule 1 given at any time during the Y12 Option Period by or on behalf of the Grantee to the Grantor pursuant to the Year 12 Option;

“**Y12 Option**” means the option to take the Year 12 Lease of the Premises granted pursuant to clause 2.1.2;

“**Year 6 Lease**” means an underlease of the Premises in the Agreed Form at **Annexure A**; and

“**Year 12 Lease**” means an underlease of the Premises in the Agreed Form at **Annexure B**.

1.2 Any capitalised term used but not defined in this agreement shall have the meaning given to it in the Agreement for Underlease.

1.3 **Interpretation:**

In this agreement:

1.1.1 the Particulars form part of it;

1.1.2 reference to a clause schedule or paragraph is a reference to the relevant clause schedule or paragraph of this agreement and their headings do not affect its construction;

1.1.3 reference to a specific enactment includes every statutory modification consolidation and re-enactment and any regulation, direction or order made under it; and

1.1.4 the expression “Grantor” includes its successors in title.

2. **CALL OPTIONS**

2.1 **Grant**

In consideration of the sum of £1.00 (one pound) now paid by the Grantee to the Grantor (the receipt of which the Grantor acknowledges) the Grantor grants to the Grantee an option:

2.1.1 to take the Year 6 Lease of the Premises during the Y6 Option Period; or

2.1.2 to take the Year 12 Lease of the Premises during the Y12 Option Period,
on the terms of this agreement.

2.2 **Applicability – Year 6**

2.2.1 Subject to paragraph 2.2.2, paragraph 2.1.1 applies during the Y6 Option Period and ceases to have effect (and the Grantee may not exercise any option to take the Year 6 Lease under paragraph 2.1.1) after the expiry of the Y6 Option Period.

2.2.2 Paragraph 2.1.1 only applies (and the Grantee may only exercise its option to take the Year 6 Lease pursuant to paragraph 2.1.1) in the event that:

- (A) the Grantee and/or a Group Company of the Grantee (assessed together so for these purposes the Grantee and the relevant Group Company are assumed to be the same entity) is in occupation of at least 70,000 square feet of contiguous office space within the Building; and

- (B) the Grantee has not exercised its right pursuant to clause [] of the [[Fourth Floor Lease][Fifth Floor Lease]] to surrender the Surplus Premises.

2.3 Applicability – Year 12

- 2.3.1 Subject to paragraph 2.3.2, paragraph 2.1.2 applies during the Y12 Option Period and ceases to have effect (and the Grantee may not exercise any option to take the Year 12 Lease under paragraph 2.1.2) after the expiry of the Y12 Option Period.
- 2.3.2 Paragraph 2.1.2 only applies (and the Grantee may only exercise its option to take the Year 12 Lease pursuant to paragraph 2.1.2) in the event that:
- (A) the Grantee and/or a Group Company of the Grantee (assessed together so for these purposes the Grantee and the relevant Group Company are assumed to be the same entity) is in occupation of at least 70,000 square feet of contiguous office space within the Building; and
 - (B) the Grantee has not exercised its right pursuant to clause [] of the [Fourth Floor Lease]/[Fifth Floor Lease] ⁴ to surrender the Surplus Premises; and
 - (C) the Grantee has not already exercised its option to take the Premises by way of the Year 6 Lease pursuant to clause 2.1.1.

3. EXERCISE OF OPTIONS

3.1 If the Grantee wishes to take:

- 3.1.1 the Premises and enter into the Year 6 Lease during the Y6 Option Period, it must serve a Y6 Notice on the Grantor on or before the expiry of the Y6 Option Period and, following the date of service of such Y6 Notice, clause 4 shall apply; or
- 3.1.2 the Premises and enter into the Year 12 Lease during the Y12 Option Period, it must serve a Y12 Notice on the Grantor on or before the expiry of the Y12 Option Period and, following the date of service of such Y12 Notice, clause 4 shall apply.

3.2 Once served, a Y6 Notice or a Y12 Notice (as applicable) is irrevocable.

4. LEASE GRANT

4.1 Engrossment of lease

The Grantor's solicitors shall prepare the engrossment of the Year 6 Lease or the Year 12 Lease (as applicable) and a counterpart of it.

4.2 Completion of lease

The Grantee and (in consideration of the Grantor having entered into this agreement at the Guarantor's request) the Guarantor shall execute and deliver the counterpart and the Grantor shall execute and grant the Year 6 Lease or the Year 12 Lease (as applicable) on the tenth Working Day next after the Term Commencement Date provided that the Grantor shall not be obliged to grant either the Year 6 Lease or the Year 12 Lease and the provisions of the relevant option granted pursuant to clause 2.1 shall cease to apply if on the relevant Term Commencement Date the Grantee is not in occupation of at least 70,000 square feet of contiguous office space within the Building.

4.3 Legal opinions

On the date of completion of the Year 6 Lease or the Year 12 Lease (as applicable) the Grantor shall provide the Grantee with a signed and dated copy of the Grantor Legal Opinion and the Guarantor shall provide the Grantor with a signed and dated copy of the Guarantor Legal Opinion.

⁴ To be deleted as appropriate.

4.4 Terms of lease

The following provisions shall apply for the purposes of and in relation to the grant of the Year 6 Lease or the Year 12 Lease (as applicable):

- 4.4.1 the Contractual Term shall be computed from the Term Commencement Date;
- 4.4.2 in relation to the Year 6 Lease only, the first Review Date shall be the Term Commencement Date and subsequent review dates shall be coincidental with the review dates under the Third Floor Lease;
- 4.4.3 the Principal Rent shall be due and commence to be payable on the Term Commencement Date and shall be ascertained in accordance with clause 6; and
- 4.4.4 the rent secondly reserved in each Lease and the Service Charge shall be due and commence to be payable on the Term Commencement Date.

4.5 Registration of lease

Where the Year 6 Lease or the Year 12 Lease (as applicable) when granted is registrable at the Land Registry pursuant to sections 4 or 27 of the Land Registration Act 2002 (as appropriate) the Grantee will:-

- 4.5.1 (subject to receipt of the Year 6 Lease or the Year 12 Lease (as applicable) executed and delivered by the Grantor) apply to register the lease as soon as reasonably practicable but in any event within six weeks of the date of grant; and
- 4.5.2 within 10 Working Days of completion of the registration give notice thereof together with a copy of the official copies and title plans of the entries in all registered titles affected by such registration to the Grantor's solicitors.

4.6 Cancellation of Land Registry notice

Following completion of the Year 6 Lease or the Year 12 Lease (as applicable) the Grantee shall immediately cancel or procure the cancellation of any notice or other entry registered at the Land Registry relating to this agreement and provide evidence to the Grantor of such cancellation.

5. TIME IS OF THE ESSENCE

Time is of the essence of all dates and periods referred to in clauses 2 and 3.

6. ASCERTAINMENT OF RENT

- 6.1 The Principal Rent payable on and from the Term Commencement Date of either the Year 6 Lease or the Year 12 Lease (as applicable) shall be the higher (on a pounds per square foot basis) of the Principal Rent passing as at the Term Commencement Date under the Third Floor Lease (ignoring any suspension or abatement) and the Open Market Rent (as defined in the Year 6 Lease or the Year 12 Lease (as applicable) calculated in accordance with the provisions of the Third Schedule of the Year 6 Lease or Year 12 Lease (as applicable).
- 6.2 If the Principal Rent payable under the Year 6 Lease or the Year 12 Lease (as applicable) has not been agreed or assessed by the relevant Term Commencement Date, the Grantee shall pay the Principal Rent at the rate (on a pounds per square foot basis) payable under the Third Floor Lease and on the quarter day next after such ascertainment the Grantee shall pay to the Grantor the difference between the Principal Rent paid and the Principal Rent so ascertained for the period from the Term Commencement Date and ending on the said quarter day together with interest on such difference for such period at the Prescribed Rate (as defined in the Year 6 Lease or the Year 12 Lease (as applicable)) (calculated by reference to such difference or the relevant parts thereof from the date or the respective dates on which the same would have become due had the Principal Rent payable from the Term Commencement Date been ascertained by such Term Commencement Date).

7. VAT

- 7.1 All sums payable under this agreement shall be exclusive of VAT, and where a party to this agreement makes a supply to the other party and the supplier has to account for VAT in respect of that supply then the recipient of the supply shall, in addition to the consideration payable for such supply, pay an amount equal to the VAT (if any) arising in respect of such supply against the production of a valid VAT invoice.
- 7.2 Where either party is required by the terms of this agreement to reimburse or indemnify the other party for any cost, expense or other liability, the relevant party shall reimburse or indemnify the other party for the full amount of such cost, expense or liability, including such part thereof as represents VAT, save to the extent that the other party is entitled to credit or repayment in respect of such VAT from HM Revenue & Customs.

8. TITLE

Title having been deduced to the Grantee, the Grantee shall be deemed to have entered into the agreement with full knowledge of them and may not raise any requisition or objection to them or to the title which has been deduced other than in respect of new encumbrances revealed by the Tenant's pre-completion searches.

9. ALIENATION

The Grantee shall not assign, charge or otherwise deal with the benefit of this agreement in whole or in part except by way of a charge permitted pursuant to the Agreement for Underlease or the Leases or by way of an assignment to a Group Company who is a tenant under any or all of the Leases.

10. NOTICES

- 10.1 Any notice given under or in connection with this agreement (including the Exercise Notice):
- 10.1.1 must be in writing, addressed to the relevant party at a correct address and signed by or on behalf of the party giving it; and
 - 10.1.2 may be served by:
 - (A) post (including special delivery) or personal delivery (but not by facsimile, e-mail, other electronic means of transmission, any document exchange nor by any other means);
 - (B) an agent of the serving party but not on an agent of the party to be served.
- 10.2 An addressee's correct address is the address for the relevant party given in the Particulars or (to the exclusions of that address) any other address in the United Kingdom notified to the other parties to this agreement:
- 10.2.1 in the case of the Grantor marked for the attention of [], or for the attention of such other person, as was last notified in writing by the Grantor to the Grantee;
 - 10.2.2 in the case of the Grantee marked for the attention of [], or for the attention of such other person, as was last notified in writing by the Grantee to the Grantor; and
 - 10.2.3 in the case of the Guarantor marked for the attention of [], or for the attention of such other person, as was last notified in writing by the Guarantor to the Grantor.
- 10.3 10.3.1 For the purpose of calculating any notice period associated with the service of a notice, the period begins on the date the notice is given to the party to be served.
- 10.3.2 A notice is given:
 - (A) by post, on the date of the second (or, if earlier receipt is proved, the first) day after the date when the notice is posted; and

(B) by personal delivery, on the date when the notice is delivered, to a correct address of the party to be served.

11. PROTECTION OF THE GRANTEE'S INTEREST

The Grantee shall not be entitled to note this agreement against the Title Number relating to the Premises other than by a unilateral notice and the Grantee shall immediately make an application to register a notice of the Option in the Charges Register of the Title Number and shall provide the Grantor's Solicitors with a copy of an official copy of the Title Number evidencing such registration.

12. PROTECTION OF GRANTOR'S INTEREST

If neither the Y6 Option nor the Y12 Option is exercised or is not validly exercised the Grantee shall, within 10 working days after the expiry of the Y12 Option Period, apply to the Land Registry for the cancellation of the notice referred to in clause 11.

13. TERMINATION

The Grantor may determine this agreement by notice to the Grantee and the Guarantor if the Grantee or the Guarantor:

- 13.1 is the subject of a winding up order, bankruptcy order or a petition is presented, filed or lodged at court or an application made for winding up or bankruptcy whether voluntarily (except for reconstruction or amalgamation of a solvent company on terms agreed by the Grantor) or compulsorily;
- 13.2 calls, convenes or summons a meeting of members to consider a winding-up resolution or is the subject of any such resolution, except for a voluntary reconstruction as stated in clause 13.1;
- 13.3 is subject to the appointment of any receiver, manager or administrative receiver or a provisional liquidator or a resolution is passed or any other step is taken by the Grantee or the Guarantor or its directors for the appointment of an administrator, or an administrator is appointed, or a petition or application for an administration order is presented, in relation to the Grantee or the Guarantor;
- 13.4 enters into any form of compromise of debts, scheme of arrangement, rescheduling or restructuring with its creditors or any of them, including but not limited to any scheme of arrangement under the Companies Act 2006 or any voluntary arrangement under the Insolvency Act 1986;
- 13.5 obtains, or takes any steps to obtain, any moratorium or other form of protection against creditors or a general suspension of the payment of debts due and payable, including but not limited to any moratorium available under the Insolvency Act 1986; or
- 13.6 dies or is dissolved or is otherwise struck off any register of companies in its place of incorporation or any other place where it is registered or located; unless (and subject always to clause 14) within 14 working days thereof the Grantee or the Guarantor shall have set aside or rectified the same.

14. REPLACEMENT OF GUARANTOR

In the event of the occurrence of any of the events referred to in clause 13 in respect of the Guarantor, the Grantor shall not exercise its right pursuant to clause 13 without first allowing the Grantee a period of 30 working days to procure that some other guarantor or guarantors reasonably acceptable to the Grantor execute a guarantee in respect of the Grantee's obligations contained in this agreement in the same terms as set out in clause 17.

15. ENTIRE AGREEMENT AND REPRESENTATIONS

- 15.1 This agreement constitutes the entire agreement between the parties to the exclusion of every other antecedent statement and agreement.

15.2 The Grantee and the Guarantor severally acknowledge that they have not entered into this agreement in reliance upon any statement or other agreement (other than those which have been given by the Grantor's Solicitors in a written reply to enquiries made by, or provided to, the Grantee's Solicitors before the exchange of this agreement).

16. GOVERNING LAW AND JURISDICTION

16.1 This agreement and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including noncontractual disputes or claims) shall be governed by and construed in accordance with English law and within the exclusive jurisdiction of the English Court to which the parties irrevocably submit.

16.2 Each party agrees that any claim form or other document to be served under the Civil Procedure Rules may be served on it by being delivered to or left at a correct address for the purposes of clause 10.2.

17. GUARANTOR

17.1 The Guarantor (in consideration of the Grantor entering into this agreement) agrees with the Grantor that the Grantee will duly observe and perform all its obligations under this agreement and if the Grantee does not do so the Guarantor shall do so and shall indemnify the Grantor against all consequences sustained by the Grantor arising directly or indirectly from the Grantee's breach.

17.2 None or any combination of the following affect the Guarantor's liability:

17.2.1 any neglect, delay or forbearance in enforcing the observance or performance of the Grantee's obligations under this agreement;

17.2.2 any extension of time given to the Grantee;

17.2.3 any variation of this agreement;

17.2.4 any act which is ultra vires;

17.2.5 any insolvency, winding up or liquidation of the Grantee;

17.2.6 the Grantee ceasing to exist or at any time being under any incapacity, limitation, disability or immunity;

17.2.7 anything else which, but for this provision, the Guarantor's liability would be affected.

17.3 As between the Grantor and the Guarantor, the Guarantor is a principal debtor.

17.4 The Grantor may enforce the Guarantor's liability without having first enforced any other remedy.

18. EXCLUSION OF THIRD PARTY RIGHTS

Each party confirms that no term of this agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this agreement.

IN WITNESS whereof the Grantor and the Grantee and the Guarantor have respectively signed this agreement each acting by authorised signatories.

SIGNED by)
Director)
for and on behalf of)
B.L.C.T. (PHC 15A) LIMITED) _____

SIGNED by)
Director)
for and on behalf of)
MIMECAST SERVICES LIMITED) _____

SIGNED by)
Director)
for and on behalf of)
MIMECAST LIMITED) _____

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement (“Agreement”) is made as of the 2nd day of September, 2015 (the “Effective Date”), between Mimecast North America, Inc., a Delaware corporation (the “Company”), and Peter C. Bauer (the “Executive”).

WHEREAS, the Company and the Executive previously entered into an employment agreement, dated December 22, 2009, which the Company and the Executive intend to replace with this Agreement; and

WHEREAS, the Company desires to continue to employ the Executive and the Executive desires to continue to be employed by the Company on the new terms and conditions contained herein.

1. Employment.

(a) Term. The term of this Agreement shall commence on the Effective Date and continue until terminated in accordance with the provisions hereof (the “Term”).

(b) Position and Duties. During the Term, the Executive shall serve as the Chief Executive Officer of the Company, and shall have supervision and control over and responsibility for the day-to-day business and affairs of the Company and shall have such other powers and duties as may from time to time be prescribed by the Board of Directors of the Company (the “Board”), provided that such duties are consistent with the Executive’s position or other positions that he may hold from time-to-time. The Executive shall devote his full working time and efforts to the business and affairs of the Company. The Executive and the Company acknowledge and agree that the Executive’s duties herein extend to Company’s subsidiaries, affiliates, and parent corporations. Notwithstanding the foregoing, the Executive may serve on other boards of directors, with the approval of the Board, or engage in religious, charitable or other community activities as long as such services and activities are disclosed to the Board and do not materially interfere with the Executive’s performance of his duties to the Company as provided in this Agreement.

2. Compensation and Related Matters.

(a) Base Salary. During the Term, the Executive’s initial annual base salary shall be \$320,000.00. The Executive’s base salary shall be reviewed annually by the Board or the Compensation Committee of the Board. The base salary in effect at any given time is referred to herein as “Base Salary.” The Base Salary shall be payable in a manner that is consistent with the Company’s usual payroll practices for senior executives.

(b) Incentive Compensation. During the Term, the Executive shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. The Executive’s initial target annual incentive compensation shall be \$190,000. The target annual incentive compensation in effect at any given time is referred to herein as “Target Incentive Compensation”. Except as otherwise provided herein, to earn incentive compensation, the Executive must be employed by the Company on the day such incentive compensation is paid.

(c) Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by him during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its senior executive officers.

(d) Other Benefits. During the Term, the Executive shall be eligible to participate in or receive benefits under the Company’s employee benefit plans in effect from time to time, subject to the terms of such plans.

(e) Vacations. During the Term, the Executive shall be entitled to accrue up to 25 paid vacation days in each year in accordance with the policies of the Company in effect from time to time. The vacation year shall be from April 1 to March 31. Up to 15 days of earned but unused vacation may be carried from one vacation year to the following vacation year, provided that carried forward vacation must be used by September 30th of such following vacation year. The Executive may take vacation at the discretion of the Board, and no more than two weeks may be taken at any one time without the prior written consent of the Board, which shall not be unreasonably withheld. The Executive shall also be entitled to all paid holidays given by the Company to its United States employees.

3. Termination. During the Term, the Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive's employment hereunder shall terminate upon his death. In such event, in addition to the payments specified in Section 4(a) hereof, the Company shall pay to the Executive's authorized representative or estate a pro-rata portion of the Executive's Target Incentive Compensation for the period in which the Date of Termination occurs, such amount determined by multiplying the Target Incentive Compensation (or, if the applicable bonus period is a calendar quarter rather than calendar year, one-quarter of the Target Incentive Compensation) by a fraction, the numerator of which is the number of days the Executive was employed in the bonus period and the denominator is the total number of days in such bonus period. The Company shall have no further obligation to the Executive hereunder.

(b) Disability. The Company may terminate the Executive's employment if he is disabled and unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq.* and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.*

(c) Termination by Company for Cause. The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean: (i) conduct by the Executive constituting a material act of misconduct in connection with the performance of his duties, including, without limitation, misappropriation of funds or property of the Company or any of its subsidiaries or affiliates other than the occasional, customary and de minimis use of Company property for personal purposes; (ii) the commission by the Executive of any felony or a misdemeanor involving moral turpitude, deceit, dishonesty or fraud, or any conduct by the Executive that would reasonably be expected to result in material injury or reputational harm to the Company or any of its subsidiaries and affiliates if he were retained in his position; (iii) continued non-performance by the Executive of his duties hereunder (other than by reason of the Executive's physical or mental illness, incapacity or disability) which has continued for more than 30 days following written notice of such non-performance from the Company; (iv) a breach by the Executive of the provisions of Section 7 of this Agreement (the "Restrictive Covenants"); (v) a material violation by the Executive of the Company's written employment policies; or (vi) failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation.

(d) Termination Without Cause. The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement which does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed a termination without Cause.

(e) Termination by the Executive. The Executive may terminate his employment hereunder at any time for any reason, including but not limited to Good Reason. For purposes of this Agreement, "Good Reason" shall mean that the Executive has complied with the "Good Reason Process" (hereinafter defined) following the occurrence of any of the following events: (i) a material diminution in the Executive's responsibilities, authority or duties; (ii) a material diminution in the Executive's Base Salary except for across-the-board salary reductions based on the Company's financial performance similarly affecting all or substantially all senior management employees of the Company; (iii) a material change in the geographic location at which the Executive provides services to the Company; or (iv) the material breach of this Agreement by the Company. "Good Reason Process" shall mean that (i) the Executive reasonably determines in good faith that a "Good Reason" condition has occurred; (ii) the Executive notifies the Company in writing of the first occurrence of the Good Reason condition within 60 days of the first occurrence of such condition; (iii) the Executive cooperates in good faith with the Company's efforts, for a period not less than 30 days following such notice (the "Cure Period"), to remedy the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist; and (v) the Executive terminates his employment within 60 days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.

(f) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

(g) Date of Termination. "Date of Termination" shall mean: (i) if the Executive's employment is terminated by his death, the date of his death; (ii) if the Executive's employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Company under Section 3(d), the date on which a Notice of Termination is given; (iv) if the Executive's employment is terminated by the Executive under Section 3(e) without Good Reason, 30 days after the date on which a Notice of Termination is given, and (v) if the Executive's employment is terminated by the Executive under Section 3(e) with Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

4. Compensation Upon Termination.

(a) Termination Generally. If the Executive's employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to his authorized representative or estate) (i) any Base Salary earned through the Date of Termination, unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement) and unused vacation that accrued through the Date of Termination on or before the time required by law but in no event more than 30 days after the Executive's Date of Termination; and (ii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "Accrued Benefit").

(b) Termination by the Company Without Cause or by the Executive with Good Reason. During the Term, if the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates his employment for Good Reason as provided in Section 3(e), then the Company shall pay the Executive his Accrued Benefit. In addition, subject to the Executive signing a separation agreement containing, among other provisions, a general release of claims in favor of the Company and related persons and entities, confidentiality, return of property and non-disparagement, in a form and manner satisfactory to the Company (the "Separation Agreement and Release") and the Separation Agreement and Release becoming fully effective, all within the time frame set forth in the Separation Agreement and Release:

(i) the Company shall pay the Executive an amount equal to six months of the Executive's Base Salary, plus two weeks of Base Salary for every year of completed employment with the Company up to a maximum of 12 months of the Executive's Base Salary (the total duration of such payments, the "Severance Period"), plus any incentive compensation earned (as determined by the Board or the Compensation Committee) but unpaid as of the Date of Termination (the "Severance Amount"). Notwithstanding the foregoing, if the Executive breaches any of the provisions of the Restrictive Covenants, all payments of the Severance Amount shall immediately cease; and

(ii) if the Executive was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Executive a monthly cash payment until the end of the Severance Period or the Executive's COBRA health continuation period, whichever ends earlier, in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company; and

(iii) the amounts payable under this Section 4(b) shall be paid out in substantially equal installments in accordance with the Company's payroll practice over the Severance Period commencing within 30 days after the Date of Termination; provided, however, that if the 30-day period begins in one calendar year and ends in a second calendar year, the Severance Amount shall begin to be paid in the second calendar year by the last day of such 30-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

5. Change in Control Payment. The provisions of this Section 5 set forth certain terms of an agreement reached between the Executive and the Company regarding the Executive's rights and obligations upon the occurrence of a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Executive's continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of any such event. These provisions shall apply in lieu of, and expressly supersede, the provisions of Section 4(b) regarding severance pay and benefits upon a termination of employment, if such termination of employment occurs within 12 months after the occurrence of the first event constituting a Change in Control. These provisions shall terminate and be of no further force or effect beginning 12 months after the occurrence of a Change in Control.

(a) Change in Control. If a Change in Control occurs during the Term, 50% of the unvested shares underlying all share options and other share-based awards held by the Executive shall immediately accelerate and become fully exercisable or nonforfeitable as of the consummation of the Change in Control. During the Term, if within 12 months after a Change in Control, the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates his employment for Good Reason as provided in Section 3(e), then, subject to the signing of the Separation Agreement and Release by the Executive and the Separation Agreement and Release becoming fully effective, all within the time frame set forth in the Separation Agreement and Release,

(i) the Company shall pay the Executive a lump sum in cash in an amount equal to 12 months of the Executive's Base Salary and the Executive's Target Incentive Compensation; and

(ii) notwithstanding anything to the contrary in any applicable option agreement or share-based award agreement, all share options and other share-based awards held by the Executive shall immediately accelerate and become fully exercisable or nonforfeitable as of the Date of Termination; and

(iii) if the Executive was participating in the Company's group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Executive a monthly cash payment for 12 months or the Executive's COBRA health continuation period, whichever ends earlier, in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company; and

(iv) The amounts payable under this Section 5(a) shall be paid or commence to be paid within 30 days after the Date of Termination; provided, however, that if the 30-day period begins in one calendar year and ends in a second calendar year, such payment shall be paid or commence to be paid in the second calendar year by the last day of such 30-day period.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code and the applicable regulations thereunder (the "Aggregate Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be \$1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. § 1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. § 1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 5(b), the "After Tax Amount" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive's receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 5(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(iv) Definitions. For purposes of this Section 5, the following terms shall have the following meanings:

“Change in Control” shall mean any of the following:

(v) any “person,” as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Act”) (other than the Company, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Company or any of its subsidiaries), together with all “affiliates” and “associates” (as such terms are defined in Rule 12b-2 under the Act) of such person, shall become the “beneficial owner” (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing 50 percent or more of the combined voting power of the Company’s then outstanding securities having the right to vote in an election of the Board (“Voting Securities”) (in such case other than as a result of an acquisition of securities directly from the Company); or

(vi) the date a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election; or

(vii) the consummation of (A) any consolidation or merger of the Company where the stockholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, shares representing in the aggregate more than 50 percent of the voting shares of the Company issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), or (B) any sale or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company.

Notwithstanding the foregoing, a “Change in Control” shall not be deemed to have occurred for purposes of the foregoing clause (i) solely as the result of an acquisition of securities by the Company which, by reducing the number of shares of Voting Securities outstanding, increases the proportionate number of Voting Securities beneficially owned by any person to 50 percent or more of the combined voting power of all of the then outstanding Voting Securities; provided, however, that if any person referred to in this sentence shall thereafter become the beneficial owner of any additional shares of Voting Securities (other than pursuant to a stock split, stock dividend, or similar transaction or as a result of an acquisition of securities directly from the Company) and immediately thereafter beneficially owns 50 percent or more of the combined voting power of all of the then outstanding Voting Securities, then a “Change in Control” shall be deemed to have occurred for purposes of the foregoing clause (i).

6. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive’s separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a “specified employee” within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive’s separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive’s separation from service, or (B) the Executive’s death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes “non-qualified deferred compensation” under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive’s termination of employment, then such payments or benefits shall be payable only upon the Executive’s “separation from service.” The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

7. Restrictive Covenants.

(a) During the Term, the Executive shall:

(i) Not take any action that would harm the reputation of the Company, any Company affiliate, or the Board;

(ii) Report to the Board his own material wrongdoing and any material wrongdoing or proposed material wrongdoing of any Company (or Company affiliate) employee or member of the Board;

(iii) Promptly report to the Board: (x) the plans of any other senior employee of Company or any Company affiliate to leave his or her employment, (y) the plans of any other senior employee of Company or any Company affiliate to compete with Company or any Company affiliate, or (z) the misuse by any employee of Company or any Company affiliate of any Confidential Information or any Trade Secrets (each as defined below);

(iv) Ensure that he meets the requirements of any regulatory body or any other entity whose consent or approval is required to enable him to undertake any of his duties hereunder; and

(v) When requested to do so, fully and promptly give the Board such explanations, information and assistance as it may require of which the Executive has knowledge or of which the Executive ought to have knowledge.

(b) Nondisclosure of Trade Secrets and Confidential Information.

(i) Except as reasonably necessary to perform his duties hereunder, the Executive will not, without the express written consent of the Company, directly or indirectly, disclose to any person or entity, or make use of for himself or any other person or entity: (i) any Confidential Information during his employment and for a period of three years immediately following his termination for any reason, and (ii) any Trade Secrets during his employment and for so long as any particular Trade Secret retains its status as a trade secret under applicable law. The protection afforded to Trade Secrets and/or Confidential Information by this provision is not intended to limit in any way any protection provided to any such information under any applicable federal, state or local law.

(ii) For purposes of this Agreement, the following definitions shall apply:

(A) "Trade Secret" shall be given its broadest possible interpretation under the law of the Commonwealth of Massachusetts and shall include, without limitation, anything tangible or intangible or electronically kept or stored, which constitutes, represents, evidences, or records any secret technical, merchandising, production or management information, or any other secret formula, pattern, compilation, program, device, method, technique, drawing, process, design, procedure, invention, improvement, financial data, financial plans, product plans, or a list of actual or potential customers or suppliers, or other confidential or proprietary information or documents that (x) derives actual or potential economic value from not being generally known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use and (y) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Trade Secrets also include any information described in this subparagraph (A) which the Company or any Company affiliate obtains from another party which the Company or Company affiliate treats as proprietary, confidential, or designates as a trade secret, whether or not owned or developed by the Company or a Company affiliate.

(B) "Confidential Information" shall mean any Company or any Company affiliate confidential and proprietary data or information, whether in written, oral, electronic or other form, that is of value to the Company or any Company affiliate and is not generally known to competitors of the Company or a Company affiliate. Confidential Information includes, but is not limited to, lists of any information about executives and employees, technical data and specifications, business and financial information, product and marketing plans, customer and client information, customer and client lists, customer, client and vendor identities and characteristics, agreements, marketing knowledge and techniques, sales figures, business plans, price lists, pricing policies, business methods, strategy forecasts, financial

information, budgets, software, projections and procedures, contracts and contractual relations with customers or suppliers, the confidential evaluation of (and confidential use or non-use by the Company or any affiliate of) technical or business information in the public domain, Inventions, and any other scientific, technical, or trade secrets. Confidential Information also includes any information described in this subparagraph (B) which the Company or any Company affiliate obtains from another party which the Company or a Company affiliate treats as proprietary or designates as confidential information, whether or not owned or developed by the Company or a Company affiliate.

(C) The terms "Trade Secrets" and "Confidential Information" shall not include any materials or information of the types specified above to the extent that such materials or information: (x) are or become publicly known or generally utilized by others engaged in the same business or activities in which the Company utilized, developed or otherwise acquired such information; or (y) are known to the Executive prior to his employment; or (z) are furnished to others by the Company with no restriction on disclosure. Failure to mark any of the Trade Secrets or Confidential Information as confidential shall not affect its status as Trade Secrets or Confidential Information under this Agreement.

(c) Return of Property. Within five days of the Date of Termination, or as otherwise requested by the Company or the Board, the Executive will: (i) return all property of Company including, but not limited to, all Confidential Information and copies thereof (regardless how such Confidential Information or copies are maintained); (ii) deliver to Company any Company property which may be in the Executive's possession including, but not limited to, products, materials, memoranda, notes, records, reports, or other documents or photocopies of the same; and (iii) advise Company in writing that the Executive does not have Company information or property in his possession, custody, or control.

(d) Ownership and Assignment of Protected Works.

(i) "Protected Works" shall mean all ideas, inventions, formulas, techniques, processes, apparatuses, methods of operation, machines, manufactures, compositions of matter, concepts, systems, programs, software, schematics, flow charts, client lists, manuals, pamphlets, instructional materials, photographs, artwork, compilations, data, documents, notes, designs, drawings, trademarks, service marks, or trade names, including improvements thereto or derivatives therefrom, whether patentable or subject to copyright, trademark or trade secret protection, developed, created, or conceived by the Executive, either alone or with others, either (1) during or in connection with his employment hereunder or (2) using resources, materials, facilities, Confidential Information, Trade Secrets or other Company property.

(ii) The Executive agrees that any Protected Works are the sole property of Company, and that no additional compensation other than that set forth herein is due to him. Further, the Executive hereby assigns and agrees to assign all of his respective rights, title and interest in the Protected Works, including all patents, patent applications, divisional, continuation, continuation-in-part, or reissue applications to Company or as otherwise directed by Company. The Executive agrees that the Executive's contributions to the Protected Works are intended to be works made for hire by the Executive, but, to the extent such contributions are not considered works made for hire, then the Executive hereby assigns and agrees to assign all of his respective rights, title and interest in and to the Protected Works as set forth herein. The Executive agrees, at the Company's request and expense, to communicate to the Company any facts known to him; testify in any legal proceedings involving the Protected Works; sign all instruments, applications or papers to register and/or obtain protection for the Protected Works in the United States and any foreign country, and to carry into full force and effect, the assignment, transfer and conveyance hereby made or intended to be made; and generally do everything possible for title to the Protected Works and all patents, copyrights, trademarks or service marks therein to be exclusively held by the Company. The Executive agrees not to apply for any state, federal, or other jurisdiction's registration of rights in any Protected Works and that he will not challenge, oppose or seek to cancel any applications or registration of same by the Company or its designees. The Executive agrees that he will not make Protected Works available to a third party without the Company's express written consent.

(iii) The Executive agrees that all documents, files, software, equipment, price or customer lists, or other tangible things (and all copies thereof) that are discovered or obtained by the Executive as a result of his employment hereunder will, as between the Company and the Executive, remain the sole property of the Company. Upon the Executive's termination, or upon a demand by the Company, the Executive will return all such things to the Company immediately.

(e) Inventions, Discoveries and Improvements. In addition to the Executive's obligations under Section 7(d) above, the Executive will promptly disclose to the Company all inventions, discoveries, and improvements, whether or not patentable, made or conceived by the Executive, either alone or with others: (i) during the Executive's employment; and (ii) within one year after the Date of Termination, if based in whole or in part upon Confidential Information or Trade Secrets (both categories collectively referred to hereafter as "Inventions"). All such Inventions that relate in any way to the business of the Company or its affiliates ("Company Inventions") will, as between the Executive and the Company, be used solely for the benefit of the Company and will become and remain its exclusive property. The Executive agrees to assign to the Company or its nominee his entire right, title and interest in and to such Company Inventions and to execute any other documents that may be requested by the Company for the purpose of applying for and obtaining patents with respect to such Company Inventions in the United States and abroad. The Executive also agrees to

cooperate at any time to the extent and in the manner reasonably requested by the Company in the prosecution or defense of any patent claims or any litigation or other proceeding involving any such Company Inventions. The Executive warrants that he is under no other contract or duty to assign Inventions. The Executive will not disclose or induce the Company to use any confidential information or material that belongs to anyone other than the Company.

(f) Non-Solicitation of Customers. The Executive agrees that, during the Term and for a period of one year immediately following the Date of Termination, he will not solicit or take away, or attempt to solicit or take away, any customer of the Company or any of its affiliates with whom the Executive had contact or about whom the Executive had Confidential Information that the Executive would not have known but for his employment with the Company, for any purpose which may be construed, or may be in fact, competitive in nature.

(g) Non-Solicitation of Employees. The Executive agrees that, during the Term and for a period of one year immediately following the Date of Termination, he will not solicit or attempt to hire, on his own behalf or on behalf of any other person or entity, any person who was employed by the Company during the one year prior to Executive's termination and who has not thereafter ceased to be employed by the Company for a period of at least six months.

(h) Covenant Not to Compete. During the Term, the Executive will not engage in any employment, consulting, or other activity in any business competitive with the business of the Company or any Company affiliate as conducted now or at any future time during the Executive's employment. The Executive further agrees that, for a period of one year immediately following the Date of Termination, he will not perform duties or functions that are the same as or substantially similar to those performed on behalf of the Company during his employment with the Company on behalf of himself or any other person or entity engaged in any activity in competition with the services and products offered by the Company on the Date of Termination.

8. Consent to Jurisdiction. The parties hereby consent to the jurisdiction of the Superior Court of the Commonwealth of Massachusetts and the United States District Court for the District of Massachusetts. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter.

10. Withholding. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law.

11. Successor to the Executive. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal representatives, executors, administrators, heirs, distributees, devisees and legatees. In the event of the Executive's death after his termination of employment but prior to the completion by the Company of all payments due him under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to his death (or to his estate, if the Executive fails to make such designation).

12. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

13. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

14. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

15. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention of the Board.

16. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

17. Governing Law. This is a Massachusetts contract and shall be construed under and be governed in all respects by the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws principles of the Commonwealth of Massachusetts. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the First Circuit.

18. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

19. Successor to Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession shall be a material breach of this Agreement.

20. Gender Neutral. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first above written.

MIMECAST NORTH AMERICA, INC.

By: /s/ Peter Campbell
Peter Campbell

Its: Chief Financial Officer

EXECUTIVE

/s/ Peter C. Bauer
Peter C. Bauer

[Signature Page to the Employment Agreement]

DATED 22 December 2009

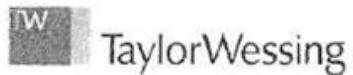
MIMECAST LIMITED

and

NEIL MURRAY

SERVICE AGREEMENT

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THIS AGREEMENT is made on 22 December 2009

BETWEEN

- (1) **MIMECAST LIMITED** whose registered office is at 2-8 Balfe Street, London, N1 9EG (company registration number 04698693) (the “**Company**”); and
- (2) **NEIL MURRAY** (the “**Executive**”).

AGREED TERMS

1. Definitions and Interpretations

1.1 In this agreement including any schedule the following expressions shall have the following meanings:

“**Board**” means the board of directors of the Company from time to time or any committee of the Board duly appointed by it;

“**Business Day**” means any day other than a Saturday, Sunday or any other day that is a public holiday in the place from which the notice in question was sent;

“**Effective Date**” means 14 March 2003;

“**Employment**” means the employment of the Executive by the Company;

“**Group**” means the Company and its Group Members;

“**Group Member**” means the Company and any “group undertaking” (as defined in section 1161 of the Companies Act 2006) of the Company; and

“**Termination Date**” means the date on which the Executive’s employment under this agreement terminates.

1.2 In this agreement and any schedule:

- (a) reference to any statute or statutory provision includes a reference to that statute or statutory provision as amended, extended or re-enacted and to any regulation, order, instrument or subordinate legislation under the relevant statute or statutory provision;
- (b) reference to the singular includes a reference to the plural and vice versa;
- (c) reference to any clause or schedule is to a clause or schedule (as the case may be) of or to this agreement;
- (d) reference to any gender includes a reference to all other genders; and
- (e) references to persons include bodies corporate, unincorporated associations and partnerships and any reference to any party who is an individual is also deemed to include their respective legal personal representative(s).

2. Commencement of Employment

- 2.1 The Company shall employ the Executive and the Executive agrees to act as a Chief Technical Officer on and subject to the terms and conditions specified in this agreement.
- 2.2 The Employment shall begin on the Effective Date and shall continue until terminated in accordance with the terms of this agreement.
- 2.3 The Executive’s period of continuous employment for the purposes of the Employment Rights Act 1996 began on the Effective Date.
- 2.4 The Executive warrants that by entering into this agreement he will not be in breach of any express or implied terms of any contract with or any other obligations to any third party.
- 2.5 The Executive warrants that he has the unrestricted right to work in the United Kingdom without any additional immigration approvals and that he has provided the Company with all necessary assistance to enable the Company to comply with its duties under the Immigration Asylum and Nationality Act 2006. The Executive undertakes to notify the Company immediately if any such right ceases, or is reasonably expected to cease during the Employment and to immediately provide the Company with written details of changes to his personal circumstances that might affect his immigration permission.
- 2.6 In order for the Company to comply with its duties to prevent illegal working, if the Executive is a sponsored migrant under the Points Based System, the Executive is required to notify the Company in writing within five working days of any change in the Executive’s personal contact details (home address, home telephone number and mobile telephone number).

2.7 The Executive undertakes to provide on request, and if necessary at least once in every 12 month period, the Executive's original passport and other satisfactory documentary evidence of his right to work in the UK. The Executive acknowledges that his continuing employment with the Company is conditional on compliance with this obligation and the duties in clauses 2.5 and 2.6, and that failure to comply to the Company's satisfaction may result in disciplinary action under the Company's Disciplinary Procedure.

3. Duties

The Executive:

- (a) shall faithfully and diligently perform such duties and exercise such powers as may be assigned to or vested in the Executive from time to time by or under the authority of the Board in such manner as shall be specified by or under the authority of the Board and shall use his best endeavours to promote, protect and develop the interests of the Company and any Group Member as directed by the Board;
- (b) shall report to the Chief Executive Officer as and when reasonably required or to such other person as the Board may direct;
- (c) shall devote the whole of his time attention and abilities to the performance of his duties during the Company's normal business hours of 9.30 am to 5.30 pm Monday to Friday inclusive and at such other times as may reasonably be necessary in the interests of the Company (unless prevented by illness or other incapacity and except as may from time to time be permitted or required by the Board);
- (d) acknowledges that he holds a senior executive position with certain autonomous decision taking powers and therefore is not subject to regulation 4(1) of the Working Time Regulations 1998 but without prejudice to that the Executive accepts that by signing this agreement he has agreed that, insofar as it would apply to the Employment, regulation 4(1) of the Working Time Regulations 1998 shall not apply unless the Executive withdraws such agreement by giving to the Company not less than three months prior notice in writing;
- (e) undertakes not to harm the reputation of the Company or any Group Member;
- (f) shall report to the Board his own wrongdoing and any wrongdoing or proposed wrongdoing of any employee or director of the Company or any Group Member immediately on becoming aware of it;
- (g) shall report to the Board:
 - (i) the plans of any other senior employee to leave the Company or any Group Member (whether alone or in concert with any other employee);
 - (ii) the plans of any other senior employee (whether alone or in concert with any other employee) to join a competitor or to establish a business in competition with the Company or any Group Member;
 - (iii) the misuse by any employee of any Confidential Information belonging to the Company or any Group Member;
- (h) shall ensure that he meets the requirements of any regulatory body or any other entity whose consent or approval is required to enable him to undertake any of his duties; and
- (i) shall when requested to do so, fully and promptly give the Board such explanations, information and assistance as it may require relating to the transactions and affairs of the Company and any Group Member of which the Executive shall have knowledge or of which the Executive ought to have knowledge.

4. Place of Employment

- 4.1 The Executive's place of employment shall be at the offices of the Company at 2-8 Balfé Street, London, N1 9EG or at such other place within the United Kingdom as the Company may reasonably require.
- 4.2 The Executive shall travel to such parts of the world as the Board may direct or authorise. If the Company requires the Executive to work outside the United Kingdom for a period of more than one month it will provide him with written details of any terms and conditions which may apply to that work and to his return to the United Kingdom.

5. Remuneration and Benefits

5.1 Salary

- (a) The Executive shall be paid a basic salary of £125,000 per annum for the proper performance of his duties, which shall be subject to deduction of tax and National Insurance contributions. This salary will accrue from day to day and will be payable by equal monthly instalments in arrears on the last Friday of each month and will include any director's and other fees and emoluments receivable by him as a director of the Company or of any Group Member.
- (b) The basic salary will be reviewed, but need not be increased, by the Board on and with effect from 1 April 2010 and thereafter not less than once in each calendar year. There will be no review of the salary after either party has given notice of termination.
- (c) The Executive will also be entitled to participate in the Company's discretionary bonus plan from time to time in force. The bonus payable to the Executive under the current plan will be £75,000 per annum and will be subject to prior deductions as required by law. Payment of a bonus in any one year does not guarantee nor create an expectation of any future bonus payments.
- (d) The Executive will not be entitled to receive any additional remuneration for work performed outside normal business hours for the Company.
- (e) One calendar day's basic salary is $\frac{1}{365}$ th of the Executive's annual basic salary.

5.2 Details of any benefits that may be introduced by the Company shall be available from the Company secretary. To the extent that any introduced benefits are taxable, the Executive will be responsible for all of those liabilities.

6. Expenses and Receipts

- 6.1 Subject to clause 6.2, the Executive shall be reimbursed all reasonable hotel, travelling, entertainment and other expenses properly incurred by him in the course of the Employment in accordance with the Company's regulations from time to time.
- 6.2 Reimbursement of expenses incurred by the Executive will only be made on production of valid receipts for such expenses acceptable to the Company.
- 6.3 The Executive must not without the prior written authorisation of the Board directly or indirectly seek, receive or obtain, in respect of the performance of his duties or of any goods or services sold or purchased or other business transacted (whether or not by the Executive) by or on behalf of the Company or any Group Member, any personal benefits, discount, rebate, commission, bribe, kickback or other inducement ("Inducement") (whether in cash or in kind) which is not expressly authorised by the Company in advance. In the event that the Executive or any person on the Executive's behalf directly or indirectly receives any such Inducement, the Executive must immediately account to the Company for the amount so received.

7. Pension

- 7.1 The Executive is not eligible for membership of any occupational pension scheme.
- 7.2 A contracting-out certificate is not in force in respect of the Executive's employment.

8. Holidays

- 8.1 The Executive shall in addition to normal public holidays in England and Wales be entitled to 25 working days' paid holiday during each year commencing on 1 January and pro rata for any shorter period.
- 8.2 The holiday year is from 1 April to 31 March. Up to five days' holiday entitlement may be carried forward to the following holiday year. Carried forward entitlement must be used by 30 September of the following holiday year, after which it will be forfeited. There shall be no entitlement to pay in respect of accrued but not taken holiday except under clause 8.4.
- 8.3 The times at which annual holidays may be taken are at the discretion of the Company, and not more than two weeks may be taken at any one time without the prior written consent of the Company, which shall not be unreasonably withheld.
- 8.4 On termination of the Employment the Executive shall be entitled to receive a payment representing holiday accrued and as yet untaken on a pro rata basis for the number of completed calendar months he has worked during the current holiday year. For these purposes any paid holiday that has been taken by the Executive (including any paid holiday on public holidays) shall be deemed first to be statutory paid holiday. If the Executive has taken holidays in excess of his accrued entitlement he will be required to refund to the Company a sum representing such unearned holiday. Payments under this clause 8.4 shall be calculated at a rate of $\frac{1}{260}$ th of annual basic salary payable to the Executive pursuant to clause 5.1 from time to time per day of holiday.

9. Sickness Absence

- 9.1 If the Executive is absent from work due to sickness or injury, he may be entitled to statutory sick pay. Any other payment will be at the discretion of the Company.
- 9.2 In the event of the Executive being absent from work on the grounds of sickness or injury for a continuous period exceeding 10 working days, the Executive agrees to consent to medical examinations (at the Company's expense) by a medical practitioner nominated by the Company should the Company so require in relation to such absence. The Executive agrees that any report produced in connection with any such examination may be disclosed to the Company and the Company may discuss the contents of the report with the relevant medical practitioner and otherwise, as appropriate, subject to written confidentiality being agreed by all parties.
- 9.3 Without prejudice to clause 13, if, in the opinion of the Board, the Executive is or has been or may be unable to perform his duties properly by reason of sickness or injury for a period or periods exceeding an aggregate of three months in any 12 month period the Company shall be entitled to terminate the Employment by giving four months' notice notwithstanding that any entitlement of the Executive to any insurance or assurance benefit, including under the Company's permanent health insurance scheme, may be lost or diminished.
- 9.4 If the Executive's absence is caused by the actionable negligence of a third party in respect of which damages are recoverable, then all sums paid by the Company shall constitute loans to the Executive, who shall:
- (a) forthwith notify the Company of all the relevant circumstances and of any claim, compromise, settlement or judgment made or awarded as a result of such negligence;
 - (b) if the Company so requires, refund to the Company such sum as the Company may determine, not exceeding the lesser of;
 - (i) the amount of damages recovered by the Executive under any compromise, settlement or judgment; and
 - (ii) the sums advanced to the Executive by the Company in respect of the period of incapacity.

10. Outside Interests

During the Employment (including without limitation during any period for which clause 13.2 is operated) the Executive shall not (save with the prior written consent of the Board):

- (a) directly or indirectly be engaged, concerned or interested in any capacity in any business, trade or occupation (including without limitation the setting up of any business, trade or occupation) other than that of the Company except as a holder of not more than five per cent of the issued shares or securities of any companies which are listed or dealt in on any recognised stock exchange or market. For this purpose "occupation" shall include any public, private, or charitable work which the Board considers may hinder or interfere with the performance of the Executive's duties; or
- (b) introduce to any person, firm or company other than any Group Member, or transact for the account of himself or any other person, firm or company other than any Group Member, business of any kind with which the Company is able to deal.

11. Intellectual property

- 11.1 The Executive will promptly disclose and deliver to the Company for the exclusive use and benefit of the Company or any other Group Member full details of any Inventions upon the making, devising or discovering of the same during the Employment, irrespective of whether they were so made, devised or discovered during normal working hours or using the facilities of the Company or any other Group Member. The Executive will, irrespective of the termination of the Employment, give all information and data in his possession as to the exact mode of working, producing and using the same and will also at the expense of the Company give all such explanations, demonstrations and instructions to the Company as the Board may deem appropriate to enable the full and effectual working, production or use of the same.
- 11.2 The Executive will, without additional payment to him (except to the extent provided in Section 40, Patents Act 1977 or any similar provision of applicable law), whether or not during the continuance of the Employment, at the expense of the Company, promptly execute and do all acts, matters, documents and things necessary to enable the Company or its nominee to apply for and obtain any or all applicable Intellectual Property Rights in any or all countries relating to any Inventions or other materials produced by the Executive during the Employment.

- 11.3 The Executive:
- (a) will do anything necessary to confirm vesting of title to any or all applicable Intellectual Property Rights (except only to the extent that such Intellectual Property Rights fail to vest in the Company) in any or all countries relating to any Inventions or other materials produced by the Executive during the Employment in the Company or its nominee absolutely;
 - (b) with full title guarantee hereby assigns (insofar as title to them does not automatically vest in the Company as a consequence of the Employment) to the Company by way of future assignment all copyrights arising in any original material (including without limitation source code and object code for software) produced by the Executive during the Employment, whether during the normal hours of work of the Company or otherwise or at the premises or using the facilities of the Company or otherwise, being the exclusive right to do and to authorise others to do any and all acts restricted by the Copyright Designs and Patents Act 1988 in relation to such material in the United Kingdom together with copyright in all other countries of the world (and/or any similar rights in countries where such rights exist) for the whole term of such copyright including any extensions or renewals thereof and including the right to sue for damages and other remedies in respect of any infringements of the copyrights in such material or conversion of infringing copies of the material prior to the date of this Agreement to hold unto the Company absolutely; and
 - (c) waives all moral rights arising from any such original material so far as the Executive may lawfully do so in favour of the Company and for the avoidance of doubt this waiver shall extend to the licensees and successors in title to the copyright in the said material.
- 11.4 Without prejudice to the generality of Clauses 11.2 and 11.3, the Executive hereby irrevocably and by way of security appoints the Company as his attorney in his stead to do all such things and execute all such documents as may be necessary for or incidental to grant to the Company the full benefit of this Clause.
- 11.5 The Executive will do nothing (whether by omission or commission) during the Employment or at any times thereafter to affect or imperil the validity of any Intellectual Property Rights obtained, applied for or to be applied for by the Company or its nominee. In particular without limitation the Executive shall not disclose the subject matter of any Inventions which may be patentable before the Company has had the opportunity to apply for any patent or patents. The Executive will at the direction and expense of the Company promptly render all assistance within his power to obtain and maintain such Intellectual Property Rights or any application for any extension of them.
- 11.6 Nothing in this Agreement obliges the Company or any Group Member to seek patent or other protection for any Invention or to exploit any Invention.
- 11.7 The Executive agrees to enter into and be bound by an IPR Assignment in the form set out in Appendix 1.
- 11.8 For the purpose of this clause the following words have the following meanings:-
- (a) **“Intellectual Property Rights”** means copyrights, patents, utility models, trade marks, service marks, design rights (whether registered or unregistered), database rights, semiconductor topography rights, proprietary information rights and all other similar proprietary rights and applications for such rights as may exist anywhere in the world and any applications, extensions and renewals in relation to any of these rights;
 - (b) **“Inventions”** means all inventions, improvements, modifications, processes, formulae, models, prototypes and sketches, drawings, plans or specifications for them or other matters which the Executive alone or with one or more others may make, devise or discover during the Employment and which pertain or are actually or potentially useful to the commercial or industrial activities from time to time of the Company or any Group Member or the processes or machinery of the Company or any Group Member for providing the services or making the products of the Company or any Group Member or which pertain to result from or are suggested by any work which the Executive or any employee has done or may do during the Employment for the Company or any Group Member;
- 12. Confidentiality**
- 12.1 The Executive acknowledges that during the Employment (and possibly also prior to its commencement) the Executive will have access to and be entrusted with information in respect of the technology, business and financing of the Company and that of its clients, customers, suppliers, agents and business associates and likewise in relation to Group Members that amounts to a trade secret, is confidential or is commercially sensitive (the **“Confidential Information”**). Confidential Information includes by way of example only
- (a) know-how, technical designs, drawings, diagrams or specifications relating to the systems, products or services of the Company or any of its clients, customers, suppliers, agents, business associates or Group Members;

- (b) details of current activities and current and future business strategies and tactics including (without limitation) those relating to property consultancy, services, management, advertising, sales and marketing, the acquisition or disposal of a company or business or part thereof or any proposed expansion or contraction of activities;
 - (c) the research and development of new compounds, systems, products or services;
 - (d) external consultants, contractors and suppliers and their services, designs, production and delivery capabilities;
 - (e) clients and details of their particular requirements and businesses and the terms of business with them;
 - (f) details of employees and officers of the Company or any Group Member and of the remuneration and other benefits paid to them;
 - (g) costings, profit margins, discounts, rebates, pricing, payment and credit policies and other financial information and procedures and systems for the foregoing whether of the Company or of any client, customer, supplier, agent or business associate of the Company; and
 - (h) any document or intangible material clearly marked 'confidential', information which the Executive is told is confidential or any other information of a private, confidential or secret nature concerning the Company or any Group Member and any information which has been given to the Company or any Group Member in confidence by clients, customers, suppliers, agents, business associates or other persons.
- 12.2 The Executive shall keep secret and shall not use or disclose to any person any of the Confidential Information other than for the proper performance of the Executive's duties or as directed by the Company or through any failure to exercise due care and diligence, cause any unauthorised disclosure of Confidential Information to any person.
- 12.3 Without prejudice to clause 17; clause 12.1 and the restrictions contained in clause 12.2 shall also apply after termination of the Employment for whatever reason.
- 12.4 Clause 12.1 and the restrictions contained in clause 12.2 shall not apply to any Confidential Information to the extent that the Executive:
- (a) can demonstrate was:
 - (i) known to the Executive prior to the commencement of the Employment; or
 - (ii) is in the public domain,other than as a result of a breach of clauses 12.1 and 12.2 or breach of an analogous provision by any person, including other employees of the Company; or
 - (b) is required to disclose by any court or regulatory body of competent jurisdiction.
- 12.5 All notes, memoranda, samples and other documents and materials (in whatever form) containing Confidential Information or otherwise relating to the business of the Company or any Group Member (whether created or acquired by the Executive or otherwise) shall be:
- (a) the property of the Company or the relevant Group Member; and
 - (b) surrendered by the Executive to the Company or the relevant Group Member (or irretrievably deleted by the Executive where incapable of surrender) at the termination of the Employment or at the request of the Company or the relevant Group Member at any time during the course of the Employment.
- 12.6 Nothing in this agreement shall prevent the Executive following termination of the Employment from using information which becomes part of his professional skill and knowledge and which does not include any Confidential Information of the Company.

13. Termination

13.1 Notice of Termination

- (a) Either party may terminate the Employment by giving to the other four months' notice in writing.
- (b) The Executive's retirement age is 65 and, subject to any legal obligation on the Company to consider extending the Employment past that age, the Employment will terminate on the date the Executive reaches that age.

- 13.2 If written notice is given by the Executive or by the Company to terminate the Employment or in circumstances where the Executive has purported to resign without giving due notice the Company may, subject to clause 13.3:
- (a) require the Executive to perform such duties as the Board may direct;
 - (b) require the Executive to perform no duties;
 - (c) require the Executive not to have any communication with any Counterparty or Prospective Counterparty of the Company (as defined in clause 17.1) or any Group Member in relation to the business of the Company or any Group Member;
 - (d) require the Executive not to contact or have any communication with any employee, officer, director, agent or consultant of the Company or of any Group Member in relation to the business of the Company or any Group Member; and
 - (e) require the Executive not to remain or become involved in any respect with the business of the Company or any Group Member except as required by such Group Member or Company,

and in each case the Company will continue to pay the Executive salary and provide all other benefits arising under this agreement during the period of notice except that notwithstanding any other terms of this agreement bonus or other performance related benefits shall not accrue. During such period of notice, the Executive shall remain an employee of the Company and bound by the terms of his contract of employment. The periods for which the restrictions in clause 17 apply shall be reduced by any period that the Executive has been excluded pursuant to this clause 13.2.

- 13.3 The Company may in its sole and absolute discretion terminate the Executive's employment forthwith at any time (whether or not notice to terminate has already been given) by paying the Executive a lump sum equal to his basic salary, bonus and benefits (as at the Termination Date) in accordance with clause 5.1 in lieu of any required notice or balance of such notice, together with any accrued but untaken holiday pay entitlement pursuant to clause 8.

- 13.4 Where the Company terminates this agreement otherwise than in accordance with the provisions of clause 13.2 or 13.3 (subject always to the provisions of clause 13.6) the Executive shall not be entitled to enforce any claim as a contractual debt or as liquidated damages and his sole remedy will be a claim in damages and any such damages to which the Executive may be entitled shall be calculated in accordance with ordinary common law principles including those relating to mitigation of loss.

- 13.5 The Executive hereby irrevocably authorises the Company to appoint such person in his place and on his behalf to do all such things and execute all such documents which he is obliged to execute and do under this agreement (including without limitation those documents which may be necessary for, or incidental to, his resignation from office and transfer of shares).

- 13.6 Notwithstanding clauses 13.1 and 9.3, the Company shall be entitled to terminate the Employment summarily by written notice and without any payment in lieu of notice (but without prejudice to the rights and remedies of the Company for any breach of this agreement and to the Executive's continuing obligations under this agreement):

- (a) if the Executive commits any serious or wilful or (after warning) persistent breach or breaches of any express or implied term of his employment or refuses or neglects to comply with any reasonable direction of the Company;
- (b) if the Board has reason to believe that the Executive has committed any criminal offence or been guilty of any dishonesty or serious misconduct in each case whether during the performance of his duties or otherwise which in the opinion of the Board renders the Executive unfit to continue as an executive of the Company;
- (c) if the Board has reason to believe the Executive has done anything which would be likely adversely to prejudice the reputation or interests of the Company or any Group Member for which the Executive has performed duties during the Employment;
- (d) if the Executive shall petition for a bankruptcy order or have a bankruptcy order made against him or take the benefit of any legislation for the relief of insolvent debtors or make any composition with his creditors or shall become prohibited by law from being a director or taking part in the management of the Company whether under the Company Directors Disqualification Act 1986 or any statutory modification or re-enactment thereof for the time being in force or otherwise;
- (e) if the Executive has, in the opinion of the Board, failed to perform his duties to a standard satisfactory to the Board, after having received a written warning from the Company relating to the same; or

- (f) if the Executive fails or ceases to meet the requirements of, or is guilty of a serious breach of the rules of, any regulatory body or any other entity whose consent or approval is required to enable the Executive to undertake all or any of his duties or if the warranties by the Executive at clause 2 are found to be misleading or incorrect.

14. Suspension

If the Company has reason to suspect that any one or more of the events set out in clause 13.6 has occurred or if the Company has reason to suspect the Executive has acted or omitted to act in a manner which amounts to misconduct, the Company may suspend the Executive on such terms as to payment of salary and other benefits or otherwise as the Company may think fit pending further investigations **PROVIDED THAT** in the event of any such suspension being made the Executive shall have the right to terminate his employment forthwith by notice in writing to the Company.

15. Grievance, Disciplinary and Dismissal Procedure

- 15.1 If the Executive has any grievance relating to the Employment he should raise the matter with the Chairman of the Company in writing and he should state the basis for the grievance. The Executive will be invited to a meeting to discuss the matter. After the meeting, the Chairman will respond to the Employee as soon as practicable. If the matter is not then settled the Executive may submit an appeal in writing to the Board. An appeal meeting will be convened and the Executive will be invited to attend. The Executive will be given a written response as soon as practicable thereafter. The appeal decision will be final. This policy does not form part of the Executive's contract of employment.
- 15.2 A copy of the disciplinary rules and procedures of the Company can be obtained from the Company secretary. They do not form part of the Executive's contract of employment.

16. Duties upon Termination

Upon termination of the Employment for whatever reason or after notice having been served at the request of the Company the Executive shall immediately:

- (a) hand over to the Company all documents, books, materials, records, correspondence, papers and information (on whatever media and wherever located) relating to the business of the Company or any Group Member, any magnetic discs on which information relating to the business is stored and any keys, credit cards and other property of the Company or any Group Member (including in particular any car provided to the Executive) which may be in his possession, custody, care or control and shall provide a signed statement that he has complied fully with the terms of this clause;
- (b) irretrievably delete any confidential information relating to the business of the Company or any Group Member stored on any magnetic or optical disc or memory and all matter derived therefrom which is in his possession, custody, care or control outside the premises of the Company and shall produce such evidence of compliance with this sub-clause as the Company may require;
- (c) comply with the provisions of clauses 13.5 and 13.6 of this agreement, and
- (d) provide a signed statement that he has complied fully with his obligations under this clause 16.

17. Restrictions

Definitions

17.1 For the purposes of this clause the following words have the following meanings:

- (a) **"Counterparty"** means any supplier, client, customer, person, firm, company or other entity whatsoever.
 - (i) who or which is an investor in the Company at the Termination Date or who or which invested in the Company at any time in the period of 12 months immediately preceding the Termination Date;
 - (ii) who or which had regular dealings with the Company in connection with or arising out of the business of the Company at the Termination Date or at any time in the period of 12 months immediately preceding the Termination Date (and shall include without limitation any person, company, or other entity with whom there was an actual arrangement for a joint venture with the Company or an arrangement for the provision of goods or services to, by, or in conjunction with the Company),
 - (iii) who or which is a client or customer of the Company at the Termination Date or who or which was a client or customer of the Company at any time in the period of 12 months immediately preceding the Termination Date;

and in each case:

- (iv) with whom or with which the Executive had material dealings in the course of the Employment;
- (v) of or about whom the Executive acquired confidential information as set out in clause 11 or trade secrets or material knowledge or material information in the course of the Employment, or
- (vi) with whom or with which any employee who was under the direct or indirect supervision of the Executive had material dealings in the course of his employment,

at any time in the period of 12 months immediately preceding the Termination Date;

- (b) **“Prospective Counterparty”** means any supplier, client, customer, person, firm, company or other entity whatsoever with whom or with which the Company shall during the 12 months immediately preceding the Termination Date have had negotiations or discussions regarding:

- (i) possible investment in the Company;
- (ii) having regular dealings with the Company in connection with or arising out of the business of the Company,
and in each case:
 - (iii) with whom or which during such period the Executive shall have had material dealings in the course of the Employment;
 - (iv) of whom or which during such period the Executive shall have acquired Confidential Information or trade secrets or material knowledge or material information in the course of the Employment; or
 - (v) with whom or which during such period any employee who was under the direct or indirect supervision of the Executive had material dealings in the course of his employment,

during the period of 12 months immediately preceding the Termination Date;

- (c) **“Restricted Area”** means the United Kingdom, the United States of America, the Republic of South Africa and each country within the European Union in respect of which the Company or any Group Member has or is planning to have material business operations as at the Termination Date;
- (d) **“Restricted Business”** means the business of the Group including but not limited to the design, manufacture, production or research of online technology platforms and related software and equipment but limited to the activities with which the Executive was concerned or involved in the course of his employment during the 12 month period immediately prior to the Executive ceasing to be employed or for which the Executive has been responsible during such period;
- (e) **“Restricted Person”** means any person who is employed at the Termination Date or has at any time in the period of six months prior to the Termination Date been:
- (i) employed by the Company; or
 - (ii) engaged as a consultant to the Company;

and in either case in a senior executive or a senior technical or senior advisory capacity in the Restricted Business and who was known to or worked with the Executive during that period.

17.2 The Executive shall not either personally or by an agent and either on his own account or for or in association with any other person directly or indirectly for a period of four months after the Termination Date:

- (a) carry on or be employed, engaged or interested in any capacity in either any business which as at the Termination Date is competitive with a Restricted Business within a Restricted Area or any business, which as at the Termination Date is reasonably considered to be planning to compete or has taken any active steps to compete with a Restricted Business within a Restricted Area;
- (b) in competition with the Company, in respect of Restricted Business, solicit business from or canvass or entice away or endeavour to solicit business from, or canvass or entice away any Counterparty or Prospective Counterparty;

- (c) in competition with the Company, in respect of Restricted Business, have any business dealings with, any Counterparty or Prospective Counterparty;
 - (d) interfere or take such steps as may be likely to interfere with the continuance of supplies to the Company in respect of the Restricted Business (or the terms relating to such supplies) from any Counterparty or Prospective Counterparty or seek to damage the relationship between any such person and the Company;
 - (e) solicit or induce or endeavour to solicit or induce any person who, on the Termination Date, was a Restricted Person to cease working for or providing services to the Company, whether or not any such person would thereby commit a breach of contract; or
 - (f) employ or otherwise engage in Restricted Business any person who, on the Termination Date was a Restricted Person.
- 17.3 Nothing in this clause 17 shall prevent the Executive from being engaged in or by, or participating in, any business or entity to the extent that any of the Executive's activities for such business or entity shall relate solely to:
- (a) geographical locations in which the business or entity does not compete or seek to compete with the Company In the Restricted Business; and
 - (b) matters of a type with which the Executive was not materially concerned in the 12 months immediately preceding the Termination Date.
- 17.4 If the Executive receives an offer to be employed or engage in a business concern during the Employment, the Executive shall give the person making the offer a copy of this clause 17.
- 17.5 *Group Members*
- (a) The provisions of clauses 17.1 to 17.3 inclusive shall apply equally where, during the period of six (6) months prior to the Termination Date, the Executive was engaged in or responsible for the business of any Group Member (each of which Group Member is hereinafter called "Relevant Company").
 - (b) In addition to the covenants given by him in clauses 17.1 to 17.3 above the Executive hereby covenants with the Company (which for the purposes of this paragraph shall act as trustee for each Relevant Company) in relation to each of the clauses 17.1 to 17.3 inclusive as if every reference therein to the Company was a reference to the Relevant Company and the definitions of "Counterparty", "Prospective Counterparty", "Restricted Business" and "Restricted Person" in clause 17.1 apply with the substitution of the "Relevant Company" for the Company.
- 18. Data Protection**
- 18.1 The Executive agrees that personal data (other than sensitive personal data) relating to him and to his employment with the Company may to the extent that it is reasonably necessary in connection with his employment or the business of the Group in any jurisdiction:
- (a) be collected and held (in hard copy and computer readable form) and processed by the Company; and
 - (b) be disclosed or transferred to other employees of the Company or any other Group Member and their employees; any other persons as may be reasonably necessary; and as otherwise required or permitted by law.
- 18.2 The Executive agrees that the Company may process sensitive personal data relating to him, including medical details and details of gender, race and ethnic origin. Personal data relating to gender, race and ethnic origin will be processed by the Company only for the purpose of monitoring any equal opportunities policy the Company may operate, with a view to enabling equal opportunities to be promoted and maintained. The Executive agrees that the Company may disclose or transfer such sensitive personal data to other persons if it is required or permitted by law to do so or, in the case of personal data relating to gender, race or ethnic origin, for the purpose of monitoring or enabling the monitoring of any equal opportunity policy of the Company.
- 18.3 The Executive consents to the transfer and disclosure of personal data as set out above which shall apply regardless of the country to which the data is to be transferred whether within or outside the European Economic Area. Where the disclosure or transfer is to a person resident outside the European Economic Area, the Company shall take reasonable steps to ensure that the Executive's rights and freedoms in relation to the processing of the relevant personal data are adequately protected.

18.4 The Company may, from time to time, monitor the Executive's use of the internet and of email communications received, created, stored, sent or forwarded by the Executive on equipment provided by the Company to the Executive for the performance of his duties where reasonably necessary to check facts relevant to the business, ensure compliance with Company policies and procedures and investigate or detect unauthorised use of the Company system.

19. Notices

- 19.1 Any notice or other written communication given under or in connection with this agreement shall be delivered personally or sent by pre-paid recorded delivery or registered post or by facsimile.
- 19.2 The address for service of the Company shall be its registered office marked for the attention of the managing director and in the case of the Executive shall be his address stated in this agreement or if any other permanent address has previously been notified to the Company to the address so notified.
- 19.3 Any notice or other written communication shall be deemed to have been served:
- (a) if delivered personally, at the time of delivery;
 - (b) in the case of pre-paid recorded delivery or registered post, 48 hours from the time of posting;
 - (c) if sent by facsimile message, at the time of transmission (if sent during normal business hours, that is 9.30 to 17.30 local time) in the place from which it was sent or (if not sent during such normal business hours) at the beginning of the next Business Day in the place from which it was sent.
- 19.4 In proving service it shall be sufficient to prove that personal delivery was made, or that such notice or other written communication was properly addressed stamped and delivered into the custody of the postal authority as a recorded delivery or registered post or in the case of a facsimile message that an activity or other report from the sender's facsimile machine can be produced in respect of the notice or other written communication showing the recipient's facsimile number and the number of pages transmitted.

20. Deductions

For the purposes of the Employment Rights Act 1996 the Executive consents to the deduction from any sum otherwise payable to the Executive by reason of the Employment (or its termination) the value of any claim of whatever nature and in whatever capacity that the Company may have against the Executive, including but not limited to:

- (a) overpayment of wages or expenses;
- (b) loans or advances on wages which the Company may from time to time make to the Executive; and
- (c) the cost of repairing any damage or loss to the Company's property caused by the Executive.

21. Third Party Rights

No term of this agreement is enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.

22. Miscellaneous

- 22.1 Save as expressly provided in this agreement no term or provision of this agreement shall be varied or modified by any prior or subsequent statement, conduct or act of any party. The Company and the Executive may amend this agreement only by letter or written instrument signed by both the Company and the Executive.
- 22.2 The headings to the clauses and any underlining in this agreement and in any schedule are for ease of reference only and shall not form any part of this agreement for the purposes of construction or interpretation.
- 22.3 Subject to any other agreements pertaining to the Executive's rights as a shareholder of the Company remaining in force, this agreement sets out the entire agreement and understanding between the Company and the Executive and between any Group Member and the Executive and supersedes all prior agreements, understandings or arrangements whether oral or written or implied in connection with the Employment save only for any terms implied by law. The Executive acknowledges and warrants that he is not entering into this agreement in reliance on any representation not expressly set out in this agreement.

22.4 If at any time any term or provision in this agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, under any rule of law or enactment, such term or provision or part shall to that extent be deemed not to form part of this agreement, but the enforceability of the remainder of this agreement shall not be affected.

23. Law and Jurisdiction

This agreement shall be governed by and construed in accordance with the law of England and Wales and each party to this agreement submits to the non-exclusive jurisdiction of the courts of England and Wales.

Intellectual Property Assignment

THIS DEED dated 22 December 2009 is made between:

PARTIES

- (1) NEIL MURRAY (the "Assignor"); and
- (2) MIMICAST LIMITED whose registered office is at 2-8 Balfe Street, London, N1 9EG (company registration number 04698693) (the "Assignee").

RECITALS

- (A) The Assignor is the Chief Technology Officer of the Assignee.
- (B) The Assignor has agreed to assign to the Assignee all of its intellectual property rights in the Assigned IPR on the terms set out below.

WHEREBY IT IS AGREED as follows:

1. INTERPRETATION

The definition in this clause applies in this agreement.

"Assigned IPR" means the Founder IPR;

"Founder IPR" means all Intellectual Property Rights that are owned by the Assignor and which were created or acquired in connection with any Group Company or the business of any Group Company;

"Group Company" means the Assignee, any subsidiary of the Assignee, any holding company of the Assignee and any subsidiary of such holding company as at the date of this agreement;

"Intellectual Property Rights" means patents, rights to inventions, copyright and related rights, trade marks, trade names and proprietary rights in domain names, rights in get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database 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 (and rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection or rights or forms of protection having an equivalent effect, which subsist or will subsist, now or in the future, in any part of the world;

2. ASSIGNMENT

- 2.1 In consideration of the sum of £1 exclusive of value added tax (receipt of which the Assignor hereby acknowledges), the Assignor hereby assigns (insofar as such rights are owned by the Assignor and title to them has not already automatically vested in the Assignee as a consequence of the Assignor's employment by the Assignee) to the Assignee the following rights:

- 2.1.1 all Intellectual Property Rights in the Assigned IPR;
- 2.1.2 all rights in any unregistered trade marks used by any Group Company;
- 2.1.3 all rights to bring any proceedings and obtain any remedy in respect of any infringement of the Assigned IP, irrespective of when such infringement occurred or occurs;
- 2.1.4 all rights to claim priority from any of the Assigned IPR; and
- 2.1.5 all rights to any continuations, continuations in part, divisions, extensions, amendments, conversions, reissues, re-examinations, renewals or restorations of the Assigned IPR.

3. PROCEEDINGS

The Assignor agrees and undertakes to provide to the Assignee (at its request) and at the cost and expense of the Assignee all reasonable assistance with any proceedings which may be brought by or against the Assignee against or by any third party relating to the rights assigned by this agreement.

4. WARRANTIES

The Assignor warrants that, at the date of this agreement:

- 4.1.1 the Assignor is the sole owner of all Intellectual Property Rights in the Assigned IPR;

4.1.2 with the exception of any licence or assignment of rights in the Assigned IPR that the Assignor has granted to any Group Company the Assignor has not licensed or assigned or otherwise encumbered any rights in the Assigned IPR to any third party in any part of the world; and

4.1.3 so far as the Assignor is aware:

4.1.3.1 the Assigned IPR does not infringe the statutory or common law rights of any third party; and

4.1.3.2 no third party is infringing the statutory or common law rights in the Assigned IPR.

5. FURTHER ASSURANCE

The Assignor shall at the cost and expense of the Assignee do or procure to be done all such further acts and things, and execute or procure the execution of all such other documents, as the Assignee may from time to time reasonably require in order to give the Assignee the full benefit of this agreement, whether in connection with any registration of title or other similar right or otherwise.

6. WAIVER OF MORAL RIGHTS

The Assignor, being the sole author of the Assigned IPR, waives absolutely his moral rights arising under Chapter 4 of the Copyright, Designs and Patents Act 1988 and, so far as is legally possible, any broadly equivalent rights he may have in any territory of the world.

7. GOVERNING LAW AND JURISDICTION

7.1 This agreement 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.

7.2 The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).

AS WITNESS the hands of the parties hereto or their duly authorised agents the day and year first above written.

SIGNED as a **DEED** and **DELIVERED** by **NEIL MURRAY** in the presence of:

)
) /s/ Neil Murray
)

witness signature _____

witness name _____

witness address _____

witness occupation _____

EXECUTED and **DELIVERED** as a **DEED** By **MIMECAST LIMITED**

) /s/ Christopher Fitzgerald
) *Director*
)
) /s/ Peter Campbell
) *Director/Secretary*

DATED: June 12, 2015

MIMECAST LIMITED

and

NEIL MURRAY

DEED OF AMENDMENT

5 New Street Square | London EC4A 3TW
Tel +44 (0)20 7300 7000
Fax +44 (0)20 7300 7100
DX 41 London
www.taylorwessing.com

TaylorWessing

[10.2.4] [Murray - Deed of Amendment.pdf] [Page 1 of 3]

THIS AGREEMENT is made on June 12, 2015

BETWEEN

- (1) **MIMECAST LIMITED** whose registered office is at 2-8 Balfe Street, London N1 9EG (company registration number 04698693) (the “Company”);
and
- (2) **NEIL MURRAY** (the “Executive”).

INTRODUCTION

The service agreement between the Executive and the Company dated 22 December 2009 (the “**Agreement**”) contains the terms and conditions relevant to the Executive’s employment by the Company and it is agreed by the parties that the Agreement be amended as set out in clause 1 of this deed.

1. Operative Provisions

- 1.1 Clause 5.1 (a) of the Agreement is amended so that the Executive shall be paid a basic salary of £170,000 per annum for the proper performance of his duties, which shall be subject to deduction of tax and National Insurance contributions.
- 1.2 Clause 5.1 (c) of the Agreement is amended so that the bonus payable to the Executive under the current plan will be up to £85,000 per annum and will be subject to prior deductions as required by law.
- 1.3 All other provisions of the Agreement remain unaffected by this deed.
- 1.4 This deed is governed by and shall be construed in accordance with the laws of England and Wales.

IN WITNESS whereof this Agreement has been executed the day and year first above written.

EXECUTED as a deed
by the Company by:

)
)
)
/s/ Peter Campbell
Director

In the presence of:

Witness: /s/ Illegible

Name: Illegible

Address: Illegible

EXECUTED as a deed by the Executive

)
)
)
)
/s/ Neil Murray
The Executive

in the presence of:

Witness: /s/ Illegible

Name:

Address:

EMPLOYMENT AGREEMENT

This Agreement is made and entered into by and between Mimecast North America, Inc. (the "Company"), a Delaware corporation with its principal place of business at Waltham, Massachusetts, and Peter Campbell (the "Executive") as of June 12, 2015 (the "Effective Date").

WHEREAS, the Executive has served as the Chief Financial Officer of the Company's parent, Mimecast Limited, a company organized under the laws of England and Wales (the "Parent"), and of the subsidiaries of the Parent (collectively with the Parent and the Company, the "Group," and each of them a "Group Member") pursuant to a Service Agreement between the Parent and the Executive dated as of December 22, 2009 (the "Service Agreement"); and

WHEREAS, the Executive and the Company wish to memorialize their agreement that the Executive shall continue to serve as the Chief Financial Officer of the Group but shall be employed by the Company.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, terms, provisions and conditions set forth in this Agreement, the Executive and the Company hereby agree:

1. Employment. Subject to the terms and conditions set forth in this Agreement, the Company hereby offers, and the Executive hereby accepts, employment.

2. Term. Subject to earlier termination as hereinafter provided, the Executive's employment shall commence on the Effective Date on an "at will" employment basis, and shall continue until terminated pursuant to Section 5 hereof (the "Term").

3. Capacity and Performance.

(a) During the Term, the Executive shall serve as the Chief Financial Officer of the Group. The Executive shall report to the Board of Directors of the Parent (the "Board"). In addition, and without further compensation, the Executive shall serve as a director and/or officer of one or more of the Group Members if so elected or appointed from time to time.

(b) During the Term, the Executive shall be employed by the Company on a full-time basis, shall work primarily from the Company's offices in Massachusetts and shall perform the duties and responsibilities of his position and such other duties and responsibilities on behalf of the Group as reasonably may be designated from time to time by the Board. During the Term, the Executive shall undertake such business, travel, both domestic and international, as is necessary for the proper performance of his duties to the Group.

(c) During the Term, the Executive shall devote his full business time and his best efforts, business judgment, skill and knowledge exclusively to the advancement of the business and interests of the Company and the Group and to the discharge of his duties and responsibilities hereunder. The Executive shall not engage in any other business activity or serve in any industry, trade, professional, governmental or academic position during the Term of this Agreement, except as may be expressly approved in advance by the Board in writing.

(d) During the Term, the Executive shall:

(i) Not take any action that would harm the reputation of any Group Member;

(ii) Report to the Board his own material wrongdoing and any material wrongdoing or proposed material wrongdoing of any employee or director of any Group Member (whether alone or in concert with any other employee);

(iii) Report to the Board:

(A) the plans of any other senior employee of any Group Member to leave his or her employment;

(B) the plans of any other senior employee of any other Group Member to compete with the business of the Group or of any Group Member; or

(C) the misuse by any employee of any Group Member of any Confidential Information or any Intellectual Property;

(iv) Ensure that he meets the requirements of any regulatory body or any other entity whose consent or approval is required to enable him to undertake any of his duties hereunder; and

(v) When requested to do so, fully and promptly give the Board such explanations, information and assistance as it may require relating to the transactions and affairs of any Group Member of which the Executive shall have knowledge or of which the Executive ought to have knowledge.

4. Compensation and Benefits. As compensation for all services performed by the Executive during the Term and subject to the Executive's performance of his duties and obligations to the Company and the Group, pursuant to this Agreement or otherwise, the Company shall provide the Executive with the following compensation and benefits:

(a) Base Salary. The Company shall pay the Executive a base salary at the rate of Two Hundred and Eighty -Five Thousand Dollars (\$285,000.00) per annum, payable in accordance with the payroll practices of the Company for its executives (such base salary, as from time to time adjusted, the "Base Salary"). The Base Salary shall be reviewed not less than once in each calendar year and shall be subject to adjustment by the Board, acting in its sole discretion.

(b) Incentive and Bonus Compensation. The Executive shall be eligible to be considered for a bonus annually during the Term. The amount of the bonus shall be fifty percent (50%) of Base Salary, based on its assessment, in its discretion, of the Executive's performance and that of the Company against appropriate and reasonably obtainable goals established annually by the Compensation Committee of the Board after consultation with the Executive (the "Bonus"). Any Bonus paid to the Executive shall be in addition to the Base Salary. Any Bonus due to the Executive hereunder will be payable not later than two and one-half months following the close of the fiscal year for which the Bonus was earned or as soon as administratively practicable in accordance with Section 7 of the Agreement.

(c) Vacations. During the Term, the Executive shall be entitled to earn vacation at the rate of twenty-five (25) days per year. The vacation year shall be from April 1 to March 31. Up to fifteen (15) days' earned but unused vacation may be carried forward from one vacation year to the following vacation year, provided that such carried forward vacation must be used by September 30 of such following vacation year. The Executive may take vacation at the discretion of the Board, and not more than two weeks may be taken at any one time without the prior written consent of the Board, which shall not be unreasonably withheld. Upon termination of employment, the Executive shall be entitled to receive payment for the number of days of vacation earned but not used (including any days carried over from the prior vacation year). Vacation shall otherwise be governed by the policies of the Company, as in effect from time to time.

(d) Other Benefits. During the Term hereof, the Executive shall be entitled to participate in any and all Employee Benefit Plans from time to time in effect for employees of the Company generally, except to the extent any such Employee Benefit Plan is in a category of benefit otherwise provided to the Executive (e.g., a severance pay plan). Such participation shall be subject to the terms of the applicable plan documents and generally applicable Company policies. The Company may alter, modify, add to or delete its Employee Benefit Plans at any time as it, in its sole judgment, determines to be appropriate, without recourse by the Executive. For purposes of this Agreement, "Employee Benefit Plan" shall have the meaning ascribed to such term in Section 3(3) of ERISA, as amended from time to time.

(e) Business Expenses. The Company shall pay or reimburse the Executive for all reasonable business expenses incurred or paid by the Executive in the performance of his duties and responsibilities hereunder, subject to any maximum annual limit and other restrictions on such expenses set by the Company and to such reasonable substantiation and documentation as may be specified by the Company from time to time. Reimbursement to the Executive for expenses eligible for reimbursement shall be paid to the Executive not later than thirty (30) days following the presentation of the required substantiation and documentation.

5. Termination of Employment and Severance Benefits. The Executive's employment hereunder shall terminate prior to the expiration of the Term under the following circumstances:

(a) Death. In the event of the Executive's death during the Term hereof, the Executive's employment hereunder shall immediately and automatically terminate. In such event, the Company shall pay to the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive in writing, to his estate, (i) any Base Salary earned but not paid during the final payroll period of the Executive's employment through the date of termination, (ii) any pro-rata Bonus earned but not paid during the final payroll period of the Executive's employment through the date of termination; (iii) pay for any vacation time earned but not used through the date of termination, and (iv) any business expenses incurred by the Executive but unreimbursed on the date of termination, provided that such expenses and required substantiation and documentation are submitted within sixty (60) days of termination, that such expenses are reimbursable under Company policy and that any such expenses subject to the last sentence of Section 4(e) shall be paid not later than the deadline specified therein (all of the foregoing, "Final Compensation"). Any Base Salary, pro-rata Bonus and accrued vacation payable to the Executive shall be payable on the next regular Company payroll date following the Executive's death. The Company shall have no further obligation to the Executive hereunder.

(b) Disability.

(i) The Company may terminate the Executive's employment hereunder, upon one hundred twenty (120) days' notice to the Executive, in the event that the Executive becomes disabled during his employment hereunder through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of his duties and responsibilities hereunder, notwithstanding the provision of any reasonable accommodation, for ninety (90) days during any period of three hundred and sixty-five (365) consecutive calendar days. Upon the termination of the Executive's employment as a result of disability, the Company shall have no further obligation to the Executive, other than for Final Compensation, which shall be paid to the Executive in accordance with Section 5(a).

(ii) The Board may designate another employee to act in the Executive's place during any period of the Executive's disability or during the notice period provided in Section 5(b)(i). Notwithstanding any such designation, the Executive shall continue to receive the Base Salary in accordance with Section 4(a) and benefits in accordance with Section 4(d), to the extent permitted by the then-current terms of the applicable benefit plans, until the Executive becomes eligible for disability income benefits under any disability income plan of the Company or until the termination of his employment, whichever shall first occur.

(iii) While receiving disability income payments under any disability income plan of the Company, the Executive shall not be entitled to receive any Base Salary under Section 4(a) hereof, but shall continue to participate in Company benefit plans in accordance with Section 4(d) and the terms of such plans, until the termination of his employment.

(iv) If any question shall arise as to whether during any period the Executive is disabled through any illness, injury, accident or condition of either a physical or psychological nature so as to be unable to perform substantially all of his duties and responsibilities hereunder, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company to whom the Executive or his duly appointed guardian, if any, has no reasonable objection to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. If such question shall arise and the Executive shall fail to submit to such medical examination, the Company's determination of the issue shall be binding on the Executive.

(c) By the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause at any time upon four (4) months written notice to the Executive setting forth in reasonable detail the nature of such Cause. The following, as determined by the Board in its reasonable judgment, shall constitute Cause for termination:

(i) The Executive's significant failure to perform (other than by reason of disability), or material negligence in the performance of, his duties and responsibilities to any Group Member that, if susceptible of cure, is not cured within thirty (30) days following notice of such failure from the Board;

(ii) Material breach by the Executive of any provision of this Agreement or any other agreement with any Group Member that, if susceptible of cure, is not cured within ten (10) days following notice of such breach from the Board;

(iii) Other conduct by the Executive that could reasonably be expected to be harmful to the business, interests or reputation of any Group Member;

(iv) The Executive's commission of any criminal offense or any act of dishonesty or any serious misconduct of any nature, in each case whether during the performance of his duties or otherwise, that in the opinion of the Board renders the Executive unfit to continue as an executive of the Group;

(v) The Executive's being disqualified to take part in the management of any Group Member pursuant to applicable law;

(vi) The Executive's due to his failure to meet the requirements of, or his breach of the rules of, any regulatory body whose consent or approval is required to enable the Executive to undertake all or any of his duties; or

(vii) The Executive's repeated failure to perform his duties to a standard satisfactory to the Board after being provided a written warning from the Board setting forth in reasonable detail the nature of such failure that, if susceptible of cure, is not cured within ten (10) days following notice of such failure from the Board.

The Executive's employment shall terminate hereunder upon the expiration of four (4) months from the delivery of the notice of termination for Cause described in this Section 5(c) and the expiration of any applicable cure period without cure by the Executive. In the event of termination of the Executive pursuant to this Section 5(c), the Board may elect to waive the period of notice, or any portion thereof, and, if the Board so elects, the Company will pay the Executive his Base Salary, pro-rata Bonus and Company-paid medical and dental benefits for the period so waived as part of his Final Compensation. Upon the termination of the Executive's employment for Cause, Final Compensation shall be paid to the Executive in accordance with Section 5(a). In addition to Final Compensation and provided that no benefits are payable to the Executive under a separate severance agreement as a result of such termination, the Company shall continue to pay the Executive the Base Salary, pro-rata Bonus and Company-paid medical and dental benefits until the expiration of six (6) months following the date of termination (the "Severance"). Any such Severance payout shall be inclusive of any payment in lieu of notice due to Executive as provided above. Any obligation of the Company to provide the Severance is conditioned, however, on the execution and delivery to the Company by the Executive of a timely and effective release of claims in the form provided by the Company by the deadline specified therein, all of which (including the lapse of any period for revoking the Release of Claims as specified in the Release of Claims) shall have occurred no later than thirty (30) calendar day following the date of termination (any such release submitted by such deadline, the "Release of Claims"). Subject to Section 7 below, any Severance to which the Executive is entitled hereunder shall be payable in accordance with the normal payroll practices of the Company for its executives, with the first payment, which shall be retroactive to the day immediately following the date the Executive's employment terminated, being due and payable on the Company's next regular payday for executives that follows the expiration of thirty (30) calendar days from the date the Executive's employment terminates.

(d) By the Company Other than for Cause or Disability. The Company may terminate the Executive's employment hereunder other than for Cause or disability at any time upon four (4) months written notice to the Executive. Upon the termination of the Executive's employment other than for Cause or disability, the Company shall provide the Executive with his Final Compensation, which shall be paid to the Executive in accordance with Section 5(a). In the event of termination of the Executive pursuant to this Section 5(d), the Board may elect to waive the period of notice, or any portion thereof, and, if the Board so elects, the Company will pay the Executive his Base Salary, pro-rata Bonus and Company-paid medical and dental benefits for the period so waived as part of his Final Compensation. In addition to Final Compensation and provided that no benefits are payable to the Executive under a separate severance agreement as a result of such termination, the Company shall continue to pay the Executive the Severance (as defined in Section 5(c) above). Any such Severance payout shall be inclusive of any payment in lieu of notice due to Executive as provided above. Any obligation of the Company to provide the Severance is conditioned, however, on the execution and delivery to the Company by the Executive of a timely and effective release of claims in the form provided by the Company by the deadline specified therein, all of which (including the lapse of any period for revoking the Release of Claims as specified in the Release of Claims) shall have occurred no later than thirty (30) calendar day following the date of termination (any such release submitted by such deadline, the "Release of Claims"). Subject to Section 7 below, any Severance to which the Executive is entitled hereunder shall be payable in accordance with the normal payroll practices of the Company for its executives, with the first payment, which shall be retroactive to the day immediately following the date the Executive's employment terminated, being due and payable on the Company's next regular payday for executives that follows the expiration of thirty (30) calendar days from the date the Executive's employment terminates.

(e) By the Executive. The Executive may terminate his employment hereunder at any time upon one hundred twenty (120) days' notice to the Company, unless such termination would violate any obligation of the Executive to the Company under a separate severance agreement. In the event of termination of the Executive pursuant to this Section 5(e), the Board may elect to waive the period of notice, or any portion thereof, and, if the Board so elects, the Company will pay the Executive his Base Salary for the period so waived as part of his Final Compensation. Upon the termination of the Executive's employment by the Executive, the Company shall have no further obligation to the Executive, other than for Final Compensation, which shall be paid to the Executive in accordance with Section 5(a).

(f) In the event the Executive's employment with the Company is terminated for any reason, the Executive agrees to tender his resignation from the Board of Directors and any other board or officer positions held with the Company or its affiliates, effective no later than the date of termination, or at such other mutually agreeable time. Nothing in this paragraph shall limit or otherwise change the at-will nature of the Executive's employment by the Company.

6. Effect of Termination. The provisions of this Section 6 shall apply to any termination of the Executive's employment hereunder:

(a) Payment by the Company of Final Compensation and any Severance that may be due under Section 5 shall constitute the entire obligation of the Company to the Executive hereunder.

(b) Except for any right of the Executive to continue medical and dental plan participation in accordance with applicable law, benefits shall terminate pursuant to the terms of the applicable benefit plans based on the date of termination of the Executive's employment without regard to any payment of Severance or other payment to the Executive following such date of termination.

(c) Provisions of this Agreement shall survive any termination if so provided herein or if necessary or desirable to accomplish the purposes of other surviving provisions, including without limitation the obligations of the Executive under Sections 8, 9 and 10 hereof. The obligation of the Company to make payments to or on behalf of the Executive under Section 5(d) hereof is expressly conditioned upon the Executive's continued full performance of obligations under Sections 8, 9 and 10 hereof. The Executive recognizes that, except as expressly provided in Section 5(d), no compensation is earned after termination of employment.

7. Timing of Payments and Section 409A Compliance. Notwithstanding any provision to the contrary in this Agreement, if Executive is deemed by the Employer at the time of Executive's termination to be a "specified employee" for purposes of Code Section 409A(a)(2)(B)(i), and if any of the payments upon termination set forth herein and/or under any other agreement with the Employer are deemed to be "deferred compensation", then to the extent delayed commencement of any portion of such payments is required in order to avoid a prohibited distribution under Code Section 409A(a)(2)(B)(i) and the related adverse taxation under Section 409A, such payments shall not be provided to Executive prior to the earlier of (i) the expiration of the six-month period measured from the Date of Termination or (ii) such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this paragraph shall be paid in a lump sum to Executive, and any remaining payments due shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so deferred.

8. Confidential Information.

(a) The Executive acknowledges that the Group Members continually develop Confidential Information, that the Executive has and will continue to develop Confidential Information for the Company and other Group Members and that the Executive has and will continue to learn of Confidential Information during the course of employment. The Executive will comply with the policies and procedures of the Company and other Group Members for protecting Confidential Information and shall not

disclose to any Person or use, other than as required by applicable law or for the proper performance of his duties and responsibilities to the Group Members, any Confidential Information obtained by the Executive incident to his employment or other association with the Group Members. The Executive understands that this restriction shall continue to apply after his employment terminates, regardless of the reason for such termination. The confidentiality obligation under this Section 8 shall not apply to information which is generally known or readily available to the public at the time of disclosure or becomes generally known through no wrongful act on the part of the Executive or any other Person having an obligation of confidentiality to the Group Members.

(b) All documents, records, tapes and other media of every kind and description relating to the business, present or otherwise, of the Group Members and any copies, in whole or in part, thereof (the "Documents"), whether or not prepared by the Executive, shall be the sole and exclusive property of the Group Members. The Executive shall safeguard all Documents and shall surrender to the Company at the time his employment terminates, or at such earlier time or times as the Board or its designee may specify, all Documents then in the Executive's possession or control.

(c) Upon the termination of the Executive's employment for any reason, or upon the request of the Board, the Executive shall permanently delete any Confidential Information or Document stored on any medium under the Executive's control and disclose any and all passwords necessary or desirable to access information of any kind stored on the information systems of the Company or any other Group Member.

9. Assignment of Rights to Intellectual Property. The Executive shall promptly and fully disclose all Intellectual Property to the Company. The Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Executive's full right, title and interest in and to all Intellectual Property. The Executive agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. The Executive will not charge the Company for time spent in complying with these obligations. All copyrightable works that the Executive creates shall be considered "work made for hire" and shall, upon creation, be owned exclusively by the Company.

10. Restricted Activities.

(a) The Executive acknowledges that he is bound by certain obligations to the Parent and the other Group Members pursuant to Article 17 of the Service Agreement and that such obligations shall remain in full force and effect in accordance with their terms during his employment by the Company hereunder (the "Existing Obligations").

(b) In addition to the Existing Obligations, the Executive agrees that the following restrictions on his activities during and after his employment hereunder are necessary to protect the good will, Confidential Information, trade secrets and other legitimate interests of the Group Members:

(i) During the Term, the Executive will not undertake any outside activity, whether or not competitive with the business of any Group Member that could reasonably give rise to a conflict of interest or otherwise interfere with his duties and obligations to the Group Members.

(ii) During the Term and for six (6) months after his employment terminates (the "Restricted Period"), the Executive shall not, directly or indirectly, whether as owner, partner, investor, consultant, agent, employee, co-venturer or otherwise, compete with any Group Member within any geographic area in which such Group Member does business or undertake any planning for any business competitive with any Group Member. Specifically, but without limiting the foregoing, the Executive agrees not to engage in any manner in any activity that is directly or indirectly competitive or potentially competitive with the business of any Group Member as conducted or under consideration at any time during the Executive's employment and further agrees not to work or provide services, in any capacity, whether as an employee, independent contractor or otherwise, whether with or without compensation, to any Person who is engaged in any business that is competitive with the business of any Group Member for which the Executive has provided services, as conducted or in planning during his employment. Restricted activity includes without limitation accepting employment or a consulting position with any Person who is, or at any time within twelve (12) months prior to termination of the Executive's employment has been, a customer of any Group Member. For the purposes of this Section 10, the business of any Group Member shall include all Products and the Executive's undertaking shall encompass all items, products and services that may be used in substitution for Products. The foregoing, however, shall not prevent the Executive's passive ownership of two percent (2%) or less of the equity securities of any publicly traded company.

(iii) During the Restricted Period, the Executive will not directly or indirectly (a) solicit or encourage any customer of any Group Member to terminate or diminish its relationship with them; or (b) seek to persuade any such customer or prospective customer of any Group Member to conduct with anyone else any business or activity which such customer or prospective customer conducts or could conduct with the Company or any Group Member; provided that these restrictions shall apply (1) only with respect to those Persons who are or have been a customer of such Group Member at any time within the immediately preceding twelve (12) month period or whose business has been solicited on behalf of the Company or any Group Member by any of their officers, employees or agents within said twelve (12) month period, other than by form letter, blanket mailing or published advertisement, and (2) only if the Executive has performed work for such Person, or been introduced to, or otherwise had contact with, such Person as a result of his employment or other associations with any Group Member, or has had access to Confidential Information which would assist in the Executive's solicitation of such Person.

(iv) During the Restricted Period, the Executive will not, and will not assist any other Person to, (a) hire or solicit for hiring any employee of any Group Member or seek to persuade any employee of any Group Member to discontinue employment or (b) solicit or encourage any independent contractor providing services to any Group Member to terminate or diminish its relationship with them. For the purposes of this Agreement, an “employee” of any Group Member is any person who was such at any time within the preceding twelve (12) months.

11. Enforcement of Covenants. The Executive acknowledges that he has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed upon him pursuant to Sections 8, 9 and 10 hereof. The Executive agrees without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the good will, Confidential Information, trade secrets and other legitimate interests of the Group Members; that each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area; and that these restraints, individually or in the aggregate, will not prevent him from obtaining other suitable employment during the period in which the Executive is bound by these restraints. The Executive further agrees that he will never assert, or permit to be asserted on his behalf, in any forum, any position contrary to the foregoing. The Executive further acknowledges that, were he to breach any of the covenants contained in Sections 8, 9 or 10 hereof, the damage to each affected Group Member would be irreparable. The Executive therefore agrees that each Group Member, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by the Executive of any of said covenants, without having to post bond and to recover its reasonable attorneys’ fees and costs incurred in securing such relief. The Executive understands that his position and/or responsibilities within the Company may change during the course of his employment. Notwithstanding those possible changes, the Executive understands and agrees that the provisions of and, in particular, Section 8, 9 and 10 hereof, shall remain in full force and effect. The Executive agrees that the Restricted Period shall be tolled, and shall not run, during any period of time in which he is in violation of the terms thereof, in order that the Group Members shall have all of the agreed-upon temporal protection recited herein. The parties further agree that, in the event that any provision of Section 8, 9 or 10 hereof shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

12. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or similar covenants or any court order or other legal obligation that would affect the performance of his obligations hereunder. The Executive will not disclose to or use on behalf of the Company any proprietary information of a third party without such party’s consent.

13. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

(a) “Confidential Information” means any and all information of any Group Members that is not generally known by those with whom such Group Member competes or does business, or with whom such Group Member plans to compete or do business and any and all information, publicly known in whole or in part or not, which, if disclosed by any Group Members would assist in competition against them. Confidential Information includes without limitation such information relating to (i) the development, research, testing, manufacturing, marketing and financial activities of the Group Members, (ii) the Products, (iii) the costs, sources of supply, financial performance and strategic plans of the Group Members, (iv) the identity and special needs of the customers of the Group Members and (v) the people and organizations with whom the Group Members have business relationships and the nature and substance of those relationships. Confidential Information also includes any information that the any Group Member has received, or may receive hereafter, belonging to customers or others with any understanding, express or implied, that the information would not be disclosed.

(b) “Intellectual Property” means inventions, discoveries, developments, methods, processes, compositions, works, concepts and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by the Executive (whether alone or with others, whether or not during normal business hours or on or off Company premises) during the Executive’s employment that relate to either the Products or any prospective activity of any Group Member or that make use of Confidential Information or any of the equipment or facilities of any Group Member.

(c) “Person” means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust and any other entity or organization, other than the Group Members.

(d) “Products” mean all products planned, researched, developed, tested, manufactured, sold, licensed, leased or otherwise distributed or put into use by any Group Member, together with all services provided or planned by any Group Member, during the Executive’s employment.

14. Withholding. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

15. Assignment. Neither the Company nor the Executive may make any assignment of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other; provided, however, that the Company may assign its rights and obligations under this Agreement without the consent of the Executive in the event that the Executive is transferred to a position with any of the Group Members or in the event that the Parent or the Company shall hereafter effect a reorganization, consolidate with, or merge into, any Person or transfer all or substantially all of its properties or assets to any Person. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.

16. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

17. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

18. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person, consigned to a reputable national or international courier service or deposited in the United States mail, postage prepaid, registered or certified, and addressed to the Executive at his last known address on the books of the Company or, in the case of the Company, at its principal place of business, attention of the Chair of the Board, or to such other address as either party may specify by notice to the other actually received.

19. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment except only the Existing Obligations, any provisions of the Service Agreement necessary or desirable to enforcement of the Existing Obligations, and the Executive's rights and obligations with respect to the securities of the Parent, all of which shall remain in full force and effect in accordance with their terms.

20. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by an expressly authorized representative of the Company.

21. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

22. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

23. Governing Law. This Agreement is made pursuant to and shall be governed by the laws of the State of Delaware, without regard to its rules regarding conflict of laws. The parties each irrevocably waive any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed as a sealed instrument by the Company, by its duly authorized representative, and by the Executive, as of the Effective Date first above written.

THE EXECUTIVE:

/s/ Peter Campbell

THE COMPANY

By: /s/ Illegible

Title: General Counsel



July 9, 2015

Mr. Edward Jennings

Dear Ed,

Mimecast (the “Company”) is pleased to offer you the full-time position of Chief Operating Officer, reporting to me. You will work from the Watertown, MA office beginning on 1 August 2015.

Your offer of employment is as follows:

- i. Your base annual salary will be **\$300,000.00** to be paid on a semi-monthly basis;
- ii. You will be eligible to participate in a discretionary bonus plan through which you will be eligible to receive a bonus of up to \$240,000.00 pro-rated as applicable based on your start date, provided you remain employed with the Company through the date upon which the bonuses are awarded; this bonus will be paid quarterly based on financial results per the Executive Variable Compensation Plan, which may be subject to change;
- iii. You will be granted an option to purchase **4,248,531** (equal to 1.35% of fully diluted shares as at 9 July 2015) shares of the Company’s Common Stock (“Option Shares”) with a strike price of \$1.63 per share, subject to approval by the board. These Option Shares will be subject to the terms and conditions of the Mimecast 2010 US STD EMI Option Rules, (amended May 2014) that you will sign in connection with receiving the Option Shares. Vesting for this award will commence on your first day of employment with the Company. Unless otherwise specified in the schedule in the Option Agreement, the Vesting Schedule shall be as follows: 25% of the Options shall be vested on the first anniversary of your employment and thereafter 6.25% of the Option Shares shall vest quarterly until the Option Shares are fully vested on the fourth anniversary of your employment;
- iv. In addition, we will pay you a one-time sign on bonus of **\$545,000.00**, to be paid to you after the first payroll of your hire date. If you were to leave the company voluntarily within the first 24 months of your hire date, you will be responsible to pay this bonus back in its entirety.

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- v. If your employment is terminated for reasons other than cause, such as a reduction-in-force or a material change in job requirements, and upon signing a customary release of claims, the Company will pay you 6 months of base salary, excluding bonus, as severance and continue your medical benefits throughout this period.
- vi. If there is a Change In Control, defined as another company purchasing more than 50% of the issued and outstanding equity in the Company, excluding an Initial Public Offering (IPO), Mimecast will allow fifty percent (50%) of any of your then unvested outstanding options will immediately become vested and exercisable. In addition, if within one (1) year after a Change of Control you are required to assume a position with materially different job duties or responsibilities, your base salary or total on target compensation is reduced by more than 5%, or your employment is terminated without "Cause" or a change in the location of your employment of more than 50 miles from the then-current location, unless such relocation is within 50 miles of your principal residence, then the remainder of your unvested options will become immediately vested and exercisable. For the avoidance of doubt, "Change of Control" means the sale of all or substantially all the assets of Company through a merger, consolidation or acquisition of the Company with, by or into another corporation, entity or person; or any change in the ownership of more than fifty percent (50%) of the voting capital stock of Company in one or more related transactions. A merger or consolidation of the company means that the shareholders of the Company hold less than 50% of the shares in the resulting entity on completion of the transaction.
- vii. You will be eligible for 4 weeks of accrued vacation annually in addition to other benefits available to employees for sick time and holidays which will be prorated for the remainder of the fiscal year.

Your employment relationship with Mimecast will be 'at-will', meaning that you are free to resign from, and Mimecast is free to terminate, your employment at any time for any reason, with or without notice. Nothing in this offer letter shall be construed to alter this 'at-will' employment relationship.

This offer is conditioned on your representation that you are not subject to any confidentiality, non-competition agreement or any other similar type of restriction that may affect your ability to devote full time and attention to your work at the Company. If you have entered into any agreement that may restrict your activities on behalf of the Company, please provide me with a copy of the agreement as soon as possible.

Your acceptance of this offer is subject to your signature on our Acknowledgement of Obligations Agreement (the "Agreement"), which will be provided to you under separate cover. No prior promises, discussions, representations, or other understandings relative to terms or conditions of your employment are to be considered part of this agreement unless expressed in writing in this Offer letter and the Agreement.

Your employment is contingent upon satisfactory results of a background check and reference check. Upon acceptance, we will provide you with new hire paperwork and an I-9 form, which is required by the government to verify employment eligibility. Noted on the back of the I-9 are lists of acceptable documents for this purpose. The appropriate documents must be presented when you report to work, since we will be unable to process your employment paperwork without them.

Ed, we are very excited to have you join our growing team. If you have any questions please do not hesitate to call me at 617.285.4483. Otherwise, please confirm your acceptance of this offer of employment and start date by email to me at pbauer@mimecast.com.

We are confident that with your background and skills, you will have an immediate positive impact on our organization.

Sincerely yours,

/s/ Peter Bauer

Peter Bauer
CEO, Mimecast

Accepted by: /s/ Ed Jennings

Date: 7/10/2015

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July 22, 2016
Revised

Robert P. Nault

Dear Bob,

Mimecast is pleased to offer you the position of Senior Vice President and General Counsel with a start date of September 12, 2016 contingent on successful background and reference check. You will work from the Watertown office and report to me.

Our offer of employment is as follows:

- i. Your semi-monthly salary will be \$13, 541.67 (\$325,000.08 annualized), to be paid on a semi-monthly basis;
- ii. You will be eligible to participate in a discretionary bonus plan through which you will be eligible to receive a bonus of up to 50% of your annual salary, pro-rated as applicable based on your start date, provided you remain employed with the Company through the date upon which the bonuses are awarded; this bonus will be paid quarterly based on financial results per the Executive Variable Compensation Plan, which may be subject to change;
- iii. Subject to approval by the Company's Board of Directors, you will be awarded 150,000 options which will be issued on the first trading day in October 2016 and priced as of the close of that day. Vesting for this award will commence on the vesting commencement date stated in the Option Agreement. Unless otherwise specified in the schedule in the Option Agreement, the vesting schedule shall be as follows: 25% of the Options shall be vested on the first anniversary of the vesting commencement date and thereafter 6.25% of the Option Shares shall vest quarterly until the Option Shares are fully vested on the fourth anniversary of the vesting commencement date; however, if the stock price is above \$12.50 on the first trading day of October, you will receive an additional 10,000 options.
- iv. If your employment is terminated by the Company or any successor company without cause (as defined below) or you terminate your employment for good reason (as defined below), then you will continue to receive your base salary, target bonus and health and dental insurance benefits for a period of time after the date of termination equal to 9 months, in each such case subject to your execution and delivery of a release drafted by and satisfactory to counsel for the Company. "Cause" shall mean, for purposes of this letter, willful misconduct by you relating to your duties to the Company, or willful failure by you to perform your responsibilities to the Company as determined by the Company in good faith. No act or failure to act by you shall be considered willful unless it is done, or omitted to be done, in bad faith or without a reasonable belief by you that your actions or omissions were in the best interests of the Company. "Good Reason" shall mean, for purposes of this letter, the occurrence of any of the following events without your prior written consent: (i) a reduction in your base salary or total target compensation of more than 5%; (ii) a material diminution in your duties, authority or responsibilities; (iii) a material relocation; or (iv) a material breach of this letter, including the Agreement (as defined below);

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- v. If there is a Change In Control (as defined below) in the company, fifty percent (50%) of any of your then unvested outstanding options (or other equity) will immediately become vested and exercisable. In addition, if within one (1) year after a Change of Control your employment is terminated by the Company or any successor company without “cause” (as defined above) or you terminate your employment for “good reason” (as defined above), then the remainder of your unvested options (or other equity) will become immediately vested and exercisable. For the avoidance of doubt, “Change of Control” means the sale of all or substantially all the stock or assets of Company through a merger, consolidation or acquisition of the Company with, by or into another corporation, entity or person; or any change in the ownership of more than fifty percent (50%) of the voting capital stock of Company in one or more related transactions. A merger or consolidation of the company means that the shareholders of the Company hold less than 50% of the shares in the resulting entity on completion of the transaction.
- vi. You will be eligible for four weeks of vacation annually in addition to other benefits available to employees for sick and holiday time which will be pro-rated for the remainder of the fiscal year.

Your employment relationship with Mimecast will be ‘at-will’, meaning that you are free to resign from, and Mimecast is free to terminate, your employment at any time for any reason, with or without notice. Nothing in this offer letter shall be construed to alter this ‘at-will’ employment relationship.

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Your acceptance of this offer ('Offer Letter') is subject to your signature on a 'Confidentiality and Non-Disclosure (Agreement), which will be provided to you under separate cover. No prior promises, discussions, representations, or other understandings relative to terms or conditions of your employment are to be considered part of this agreement unless expressed in writing in this Offer Letter and the Agreement.

Mimecast reserves the right to conduct background and reference checks and your employment is contingent on satisfactory results of those checks. Upon acceptance, we will provide you with the new hire paperwork and an I-9 form, which is required by the government to verify employment eligibility. Noted on the back of the I-9 are lists of acceptable documents for this purpose. The appropriate documents must be presented when you report to work, since we will be unable to process your employment paperwork without them.

Bob, we are very excited to have you join our growing team. If you have any questions please do not hesitate to call me at 617-285-4483. Otherwise, please confirm your acceptance of this offer of employment and start date by email to me at pbauer@mimecast.com.

We are confident that with your background and skills, you will have an immediate positive impact on our organization.

Sincerely,

/s/ Peter Bauer

Peter Bauer
Chief Executive Officer

Accepted by: /s/ RP Nault

Date: 07/25/16

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October 12, 2017

Janet B. Levesque

Dear Janet,

Mimecast is pleased to offer you the position of Senior Vice President Systems, Risk and Security contingent on successful background and reference check. You will work from the Watertown office and report to me.

Our offer of employment is as follows:

- i. Your semi-monthly salary will be \$11,458.34 (\$275,000.16 annualized), to be paid on a semi-monthly basis;
- ii. You will be eligible to participate in a discretionary bonus plan through which you will be eligible to receive a bonus of up to 50% of your annual salary, pro-rated as applicable based on your start date, provided you remain employed with the Company through the date upon which the bonuses are awarded; this bonus will be paid quarterly based on financial results per the Executive Variable Compensation Plan, which may be subject to change;
- iii. Subject to approval by the Company's Board of Directors, you will be awarded 80,000 options which will be issued on the first trading day of the month following your hire date and priced as of the close of that day. Vesting for this award will commence on the vesting commencement date stated in the Option Agreement. Unless otherwise specified in the schedule in the Option Agreement, the vesting schedule shall be as follows: 25% of the Options shall be vested on the first anniversary of the vesting commencement date and thereafter 6.25% of the Option Shares shall vest quarterly until the Option Shares are fully vested on the fourth anniversary of the vesting commencement date.
- iv. If your employment is terminated by the Company or any successor company without cause (as defined below) or you terminate your employment for good reason (as defined below), then you will continue to receive your base salary, target bonus and health and dental insurance benefits for a period of time after the date of termination equal to 6 months, in each such case subject to your execution and delivery of a release drafted by and satisfactory to counsel for the Company. "Cause" shall mean, for purposes of this letter, willful misconduct by you relating to your duties to the Company, or willful failure by you to perform your responsibilities to the Company as determined by the Company in good faith. No act or failure to act by you shall be considered willful unless it is done, or omitted to be done, in bad faith or without a reasonable belief by you that your actions or omissions were in the best interests of the Company. "Good Reason" shall mean, for purposes of this letter, the occurrence of any of the following events without your prior written consent: (i) a reduction in your base salary or total target compensation of more than 5%; (ii) a material diminution in your duties, authority or responsibilities; (iii) a material relocation; or (iv) a material breach of this letter, including the Agreement (as defined below);
- v. If there is a Change In Control (as defined below) in the company, fifty percent (50%) of any of your then unvested outstanding options (or other equity) will immediately become vested and exercisable. In addition, if within one (1) year after a Change of Control your employment is terminated by the Company or any successor company without "cause" (as defined above) or you terminate your employment for "good reason" (as defined above), then the remainder of your unvested options (or other equity) will become immediately vested and exercisable. For the avoidance of doubt, "Change of Control" means the sale of all or substantially all the stock or assets of Company through a merger, consolidation or acquisition of the Company with, by or into another corporation, entity or person; or any change in the ownership of more than fifty percent (50%) of the voting capital stock of Company in one or more related transactions. A merger or consolidation of the company means that the shareholders of the Company hold less than 50% of the shares in the resulting entity on completion of the transaction.

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- vi. You will be eligible for Three weeks of vacation annually in addition to other benefits available to employees for sick and holiday time which will be pro-rated for the remainder of the fiscal year.

Your employment relationship with Mimecast will be 'at-will', meaning that you are free to resign from, and Mimecast is free to terminate, your employment at any time for any reason, with or without notice. Nothing in this offer letter shall be construed to alter this 'at-will' employment relationship.

Your acceptance of this offer ('Offer Letter') is subject to your signature on a 'Confidentiality and Non-Disclosure (Agreement)', which will be provided to you under separate cover. No prior promises, discussions, representations, or other understandings relative to terms or conditions of your employment are to be considered part of this agreement unless expressed in writing in this Offer Letter and the Agreement.

Mimecast reserves the right to conduct background and reference checks and your employment is contingent on satisfactory results of those checks. Upon acceptance, we will provide you with the new hire paperwork and an I-9 form, which is required by the government to verify employment eligibility. Noted on the back of the I-9 are lists of acceptable documents for this purpose. The appropriate documents must be presented when you report to work, since we will be unable to process your employment paperwork without them.

Janet, we are very excited to have you join our growing team. If you have any questions please do not hesitate to call me at 617-285-4483. Otherwise, please confirm your acceptance of this offer of employment and start date by email to me at pbauer@mimecast.com.

We are confident that with your background and skills, you will have an immediate positive impact on our organization.

Sincerely,

/s/ Peter Bauer

Chief Executive Officer

Accepted by: /s/ Janet Bishop-Levesque

Date: 10/31/17

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Mimecast Limited - FY19 ExCo Incentive Plan Design

- Metrics & Weighting **80% Revenue / 20% Adjusted EBITDA**
- Awards are interpolated between achievement percents (e.g., 100.2% achievement results in award of 102%).
- Each metric is capped at 200% of award quarterly; overall quarterly award payments are capped at 100% with any overachievement earned to be reconciled at year end.
- If the full year metric target is achieved, then any quarters that were paid at less than 100% will be paid out at target for that missed quarter and included in the Q4 award.

Maintain FY18 payout scale with updated FY19 financial objectives

Revenue - 80% of Incentive		
Revenue (\$M)	Achievement	Award
X	96%	20%
X	97%	85%
X	98%	95%
X	99%	97.5%
FY19 Target	X	100%
X	101%	110%
X	102%	125%
X	103%	150%
X	104%	175%
X	105%	200%

Adjusted EBITDA - 20% of Incentive		
EBITDA (\$M)	Achievement	Award
X	80%	20%
X	85%	85%
X	90%	90%
X	95%	95%
FY19 Target	X	100%
X	105%	110%
X	110%	120%
X	115%	145%
X	120%	160%
X	125%	175%
X	130%	190%
X	135%	200%

Subsidiaries of the Registrant

Name of Subsidiary	Jurisdiction of Incorporation or Organization
Mimecast UK Limited	England & Wales
Mimecast Services Limited	England & Wales
Mimecast North America, Inc.	Delaware
Mimecast South Africa Pty Ltd.	South Africa
Mimecast Australia Pty Ltd.	Australia
Mimecast Offshore Ltd.	Jersey, Channel Islands
Mimecast USD Ltd.	England & Wales
Mimecast Development Ltd.	England & Wales
Mimecast Germany GmbH	Germany

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-208384) pertaining to the Mimecast Limited 2007 Key Employee Share Option Plan, the Mimecast Limited 2010 EMI Share Option Scheme, the Mimecast Limited Approved Share Option Plan, the Mimecast Limited 2015 Share Option and Incentive Plan, and the Mimecast Limited 2015 Employee Share Purchase Plan,
- (2) Registration Statement (Form F-3 No. 333-215642), and
- (3) Registration Statement (Form S-8 No. 333-218286) pertaining to the Mimecast Limited 2015 Share Option and Incentive Plan;

of our reports dated May 29, 2018, with respect to the consolidated financial statements of Mimecast Limited and the effectiveness of internal control over financial reporting of Mimecast Limited included in this Annual Report (Form 10-K) of Mimecast Limited for the year ended March 31, 2018.

/s/ Ernst & Young LLP

Boston, Massachusetts
May 29, 2018

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Peter Bauer, certify that:

1. I have reviewed this Annual Report on Form 10-K of Mimecast Limited;
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 registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant 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 registrant, 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant'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
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant'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 registrant's internal control over financial reporting.

Date: May 29, 2018

By: _____
/s/ Peter Bauer
Peter Bauer
Chief Executive Officer

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Peter Campbell, certify that:

1. I have reviewed this Annual Report on Form 10-K of Mimecast Limited;
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 registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant 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 registrant, 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant'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
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant'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 registrant's internal control over financial reporting.

Date: May 29, 2018

By: _____ /s/ Peter Campbell
Peter Campbell
Chief Financial Officer

**CERTIFICATION 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 on Form 10-K of Mimecast Limited (the "Company") for the year ended March 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter Bauer, Chief Executive Officer of the Company, certify to the best of my knowledge on the date hereof, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (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 result of operations of the Company.

Date: May 29, 2018

By: _____ /s/ Peter Bauer
Peter Bauer
Chief Executive Officer

**CERTIFICATION 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 on Form 10-K of Mimecast Limited (the "Company") for the year ended March 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter Campbell, Chief Financial Officer of the Company, certify to the best of my knowledge on the date hereof, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (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 result of operations of the Company.

Date: May 29, 2018

By: _____ /s/ Peter Campbell
Peter Campbell
Chief Financial Officer

