



**Registration of a Charge**

Company name: **MANCHESTER CITY FOOTBALL CLUB LIMITED**

Company number: **00040946**



X89A4OQW

Received for Electronic Filing: **08/07/2019**

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**Details of Charge**

Date of creation: **04/07/2019**

Charge code: **0004 0946 0041**

Persons entitled: **HSBC UK BANK PLC (AS SECURITY TRUSTEE FOR THE SECURED PARTIES (AS DEFINED IN THE INSTRUMENT))**

Brief description: **N/A**

**Contains fixed charge(s).**

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

**Contains negative pledge.**

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**Authentication of Form**

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

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**Authentication of Instrument**

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S. 859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION**

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL  
INSTRUMENT.**

Certified by:

**JOE RICHES, ASSOCIATE, DLA PIPER UK LLP, LONDON**



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

Company number: 40946

Charge code: 0004 0946 0041

The Registrar of Companies for England and Wales hereby certifies that a charge dated 4th July 2019 and created by MANCHESTER CITY FOOTBALL CLUB LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 8th July 2019 .

Given at Companies House, Cardiff on 9th July 2019

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



**Companies House**



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

EXECUTION VERSION

DATED

4 July

2019

(1) MANCHESTER CITY FOOTBALL CLUB LIMITED  
as Chargor

- and -

(2) HSBC UK BANK PLC  
as Security Agent

SECURITY AGREEMENT



DLA PIPER

I CERTIFY THAT, SAVE FOR MATERIAL REDACTED  
PURSUANT TO s859G OF THE COMPANIES ACT 2006,  
THIS IS A TRUE, COMPLETE AND CORRECT COPY  
OF THE ORIGINAL INSTRUMENT

DATE

05/07/2019

SIGNED

DLA PIPER UK LLP

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ICR/GEPS/404487/75/UKM/96368311.8

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THIS SECURITY AGREEMENT is made on

4 July

2019

BETWEEN:

- (1) **MANCHESTER CITY FOOTBALL CLUB LIMITED** registered in England and Wales (registered number 00040946) (the "**Chargor**"); and
- (2) **HSBC UK BANK PLC** as security trustee for the Secured Parties (as defined below) (in such capacity, the "**Security Agent**").

IT IS AGREED:

## 1. DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

In this Deed:

- (a) terms defined in, or construed for the purposes of, the Facility Agreement (as defined below) have the same meanings when used in this Deed (unless the same are otherwise defined in this Deed); and

- (b) at all times the following terms have the following meanings:

**"Account Bank"** means:

- (a) in respect of each Ticket Revenue Account, Barclays Bank PLC; and
- (b) in respect of the Media Revenue Account, HSBC UK Bank plc;

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

**"Assigned Assets"** means the Security Assets expressed to be assigned pursuant to clause 4.2 (*Security assignments*);

**"Central Funds"** means any amount of UK Broadcast Revenue, International Broadcast Revenue, Commercial Contract Revenue or Radio Contract Revenue received or receivable by the Chargor (or which the Chargor is otherwise entitled to receive) in each case in accordance with the Rules (Rule E.26.1);

**"Charged Accounts"** means each:

- (a) Media Revenue Account; and
- (b) Ticket Revenue Account;

**"Commercial Contract"** means any contract entered into by the League relating to sponsorship or like transactions or other matters materially affecting the commercial interests of League Clubs other than an International Broadcast Contract, a UK Broadcast Contract or a Radio Contract (Rule A.1.33);

**"Commercial Contract Revenue"** means revenue received by the League under any Commercial Contract (Rule A.1.34);

**"Default Rate"** means the rate of interest determined in accordance with clause 11.3 (*Default Interest*) of the Facility Agreement;

**"Delegate"** means any delegate, sub-delegate, agent, attorney or co-trustee appointed by the Security Agent or by a Receiver;

**"Event of Default"** means each Event of Default as defined in the Facility Agreement;

**"Facility Agreement"** means the term and revolving facility agreement dated on or about the date of this Deed and made between (1) City Football Group Limited as company, (2) the entities listed in part 1 of schedule 1 to it as original guarantors, (3) HSBC UK Bank plc as arranger, (4) the financial institution listed in part 2 of schedule 1 to it as original lender, (5) HSBC UK Bank plc as agent and (6) HSBC UK Bank plc as security agent;

**"International Broadcast Contract"** means any contract entered into by the League for the Transmission of League Matches outside the United Kingdom, the Republic of Ireland, the Isle of Man and the Channel Islands (Rule A.1.87);

**"International Broadcast Revenue"** means revenue received by the League under any International Broadcast Contract (Rule A.1.88);

**"League"** means the Football Association Premier League Limited, a company incorporated in England and Wales with registered number 02719699 or, where appropriate, any replacement or successor thereof by whatever name;

**"League Club"** has the meaning given to the term "Club" in Rule A.1.28 of the Rules;

**"League Match"** means a first team match played under the jurisdiction of the League (Rule A.1.95);

**"Party"** means a party to this Deed;

**"Radio Contract"** means any contract entered into by the League other than an International Broadcast Contract or a UK Broadcast Contract for the Radio Transmission of League Matches (Rule A.1.137);

**"Radio Contract Revenue"** means revenue received by the League under any Radio Contract (Rule A.1.138);

**"Radio Transmission"** means any terrestrial or satellite broadcast or transmission by cable of sounds of and/or commentary upon any League Match or inclusion thereof in a cable programme service and/or on the Internet and/or any relay of sound of and/or commentary upon any League Match whether to an open or closed user group by any means now existing or hereafter invented not consisting solely of storage and distribution of recorded sounds in tangible form whether such radio transmission is on a live or recorded basis in whole or as excerpts (Rule A.1.140);

**"Receivables"** means all Media Revenue and Ticket Revenue together with:

- (a) the benefit of all rights, guarantees, Security and remedies relating to any of the foregoing (including, without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights); and
- (b) all proceeds of any of the foregoing;



**"Receiver"** means a receiver or receiver and manager or administrative receiver of the whole or any part of the Security Assets appointed by the Security Agent under this Deed;

**"Rules"** means the rules and regulations governing the operation of the League from time to time, set out in the Premier League Handbook for the 2018/19 Season (as amended, supplemented, restated, revised or replaced from time to time including for subsequent Seasons) and a letter and a number following a reference to a rule identifies the section in which it is comprised and its number within that Section;

**"Season"** means the period commencing on the date of the first League Match on the fixture list of the League's first team competition and ending on the date of the last (Rule A.1.150);

**"Section"** means a section of the Rules;

**"Secured Obligations"** means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of each Obligor to the Security Agent and/or the other Secured Parties (or any of them) under or pursuant to any Finance Document (including all monies covenanted to be paid under this Deed);

**"Security Agreement Security"** means the Security created by or evidenced by or pursuant to this Deed;

**"Security Assets"** means all property and assets from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to this Deed;

**"Security Period"** means the period beginning on the date of this Deed and ending on the date on which:

- (a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full; and
- (b) no Secured Party has any further commitment, obligation or liability under or pursuant to the Finance Documents;

**"Ticket Revenue"** means the net proceeds (after deducting any debit, credit, bank or other transaction or agency fee) received by any member of the Group from matchday sales and more particularly defined in the Facility Agreement;

**"Transmission"** means any terrestrial or satellite broadcast of television or other moving pictures with or without sound or transmission by cable of moving pictures with or without sound or inclusion of moving pictures with or without sound in a cable programme service and/or on the Internet and/or relay of moving pictures with or without sound whether to an open or closed user group by any means now existing or hereafter invented not consisting solely of the storage and distribution of recorded pictures with or without sound in tangible form whether the said transmission is on a live or recorded basis in whole or as excerpts (Rule A.1.175). "Transmitted" shall be construed accordingly;

**"UK Broadcast Contract"** means any contract entered into by the League for the Transmission of League Matches within the United Kingdom, the Republic of Ireland, the Isle of Man and the Channel Islands (Rule A.1.180);

**"UK Broadcast Revenue"** means revenue received by the League under any UK Broadcast Contract (Rule A.1.182);

## 1.2 Interpretation

- (a) Unless a contrary indication appears, in this Deed the provisions of clause 1.2 (*Construction*) of the Facility Agreement apply to this Deed as though they were set out in full in this Deed, except that references to "*this Agreement*" will be construed as references to this Deed.
- (b) Unless a contrary indication appears, any reference in this Deed to:
  - (i) the "**Chargor**", the "**Security Agent**" or any other "**Secured Party**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;
  - (ii) "**this Deed**", the "**Facility Agreement**", any other Finance Document or any other agreement or instrument is a reference to this Deed, the Facility Agreement, that other Finance Document or that other agreement or instrument as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the obligations of any member of the Group or provides for further advances);
  - (iii) "**Secured Obligations**" includes obligations and liabilities which would be treated as such but for the liquidation, administration or dissolution of or similar event affecting any member of the Group; and
  - (iv) the term "**this Security**" means any Security created or evidenced by or pursuant to this Deed.
- (c) Each undertaking of the Chargor (other than a payment obligation) contained in this Deed:
  - (i) must be complied with at all times during the Security Period; and
  - (ii) is given by the Chargor for the benefit of the Security Agent and each other Secured Party.
- (d) If the Security Agent or the Agent reasonably considers that an amount paid by any member of the Group to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of such member of the Group, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
- (e) The Parties intend that this document shall take effect as a deed notwithstanding the fact that a Party may only execute this document under hand.
- (f) It is acknowledged by the Chargor and the Security Agent that the references to specific rules in this Deed (including but not limited to the form of notice and acknowledgement) are to the Rules applicable to the 2018/2019 Season and that each such reference to a specific rule shall be deemed to be replaced by the corresponding rule in the Rules for the 2019/2020 Season and/or any following Season immediately from and after such time as the relevant Rules are issued by the League for a particular Season. Any reference in this Deed to terms used or defined in the Rules shall be read and interpreted to include any amendment, supplement or replacement

of such terms which may be included in any updated version of the Rules issued after the date of this Deed.

### **1.3 Trust**

All Security and dispositions made or created, and all obligations and undertakings contained, in this Deed to, in favour of or for the benefit of the Security Agent are made, created and entered into in favour of the Security Agent as trustee for the Secured Parties from time to time on the terms of the Facility Agreement.

### **1.4 Third party rights**

Save as expressly provided to the contrary in this Deed, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

## **2. COVENANT TO PAY**

### **2.1 Covenant to pay**

- (a) The Chargor, as principal obligor and not merely as surety, covenants in favour of the Security Agent that it will pay and discharge the Secured Obligations from time to time when they fall due.
- (b) Every payment by the Chargor of a Secured Obligation which is made to or for the benefit of a Secured Party to which that Secured Obligation is due and payable in accordance with the Finance Document under which such sum is payable to that Secured Party, shall operate in satisfaction to the same extent of the covenant contained in clause 2.1(a).

### **2.2 Default interest**

Any amount which is not paid under this Deed when due, without double-counting any amount payable under clause 11.3 (*Default Interest*) of the Facility Agreement, shall bear interest on a daily basis (both before and after judgment and payable on demand) at the Default Rate from the due date until the date on which such amount is unconditionally and irrevocably paid and discharged in full.

## **3. GRANT OF SECURITY**

### **3.1 Nature of security**

All Security and dispositions created or made by or pursuant to this Deed are created or made:

- (a) in favour of the Security Agent;
- (b) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994; and
- (c) as continuing security for payment of the Secured Obligations.

### **3.2 Qualifying floating charge**

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to this Deed (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986).

#### **4. FIXED SECURITY**

##### **4.1 Fixed charges**

The Chargor charges and agrees to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by it or in which it from time to time has an interest:

- (a) by way of first fixed charge:
  - (i) the Media Revenue Account and all monies at any time standing to the credit of the Media Revenue Account; and
  - (ii) each Ticket Revenue Account and all monies at any time standing to the credit of each Ticket Revenue Accounts;

in each case, together with all interest from time to time accrued or accruing on such monies or account and all rights to repayment of any of the foregoing; and
- (b) to the extent that any Assigned Asset is not effectively assigned under clause 4.2 (*Security assignments*), by way of first fixed charge such Assigned Asset;

##### **4.2 Security assignments**

- (a) The Chargor with full title guarantee hereby assigns to the Security Agent absolutely all of its right, title and interest (present or future) in and to, and all benefits accruing under or in connection with, all amounts (excluding VAT) due or owing to, or which may be due or owing to, or purchased, or otherwise acquired by, the Chargor in relation to, or in connection with, or deriving from the:
  - (i) Central Funds; and
  - (ii) Ticket Revenue,

as security for the payment and discharge of the Secured Obligations.
- (b) If or to the extent that for any reason the assignment or charging or any Security Assets is prohibited, the Chargor shall hold it on trust for the Security Agent.

##### **4.3 Notice of assignment and/or charge - notice**

- (a) As soon as reasonably practicable upon execution of this Deed the Chargor shall deliver a duly completed notice to the Account Bank in respect of each Ticket Revenue Account and shall procure that the relevant Account Bank executes and delivers to the Security Agent an acknowledgement, in each case in the respective forms set out in schedule 3 (*Form of Notice to and Acknowledgement from Account Bank*), or in such other form as the Security Agent shall agree.
- (b) As soon as reasonably practicable upon the opening of any other Charged Account after the date of this Deed the Chargor shall deliver a duly completed notice to the relevant Account Bank and shall use its reasonable endeavours to procure that the relevant Account Bank executes and delivers to the Security Agent an acknowledgement, in each case in the respective forms set out in schedule 3 (*Form of Notice to and Acknowledgement from Account Bank*), or in such other form as the Security Agent shall agree.

#### 4.4 Assigned Assets

The Security Agent is not obliged to take any steps necessary to preserve any Assigned Asset against any person or to make any enquiries as to the nature or sufficiency of any payment received by it pursuant to this Deed.

### 5. COLLECTION OF MEDIA REVENUE

#### 5.1 Collection of Media Revenue

The Chargor shall:

- (a) on or prior to the date of this Deed (and on or before the commencement of each Season) provide written notice in the form attached at schedule 1 (*Form of Notice to the Premier League*) (or in such other form as requested by the Security Agent) (the "**Central Funds Notice**") to the League to irrevocably authorise the League to pay all monies due to the Chargor in respect of or deriving from the Media Revenues to the Media Revenue Account or to such other account of the Bank as the Bank shall notify to the Assignor from time to time (the "**Central Funds Account**");
- (b) on the date of this Deed (and at any time hereafter if requested by the Security Agent (acting reasonably)) deliver to the Security Agent and the League full details of the Chargor's current and future liabilities to other League Clubs and other football clubs (as described in the Rules) and to other Football Creditors (as defined in Rule E.28 of the Rules and in Rule E.36 of the Rules, as appropriate) to the Security Agent in substantially the same form delivered to the Security Agent under the Facility Agreement (the "**Required Financial Information**");
- (c) use its best endeavours to procure:
  - (i) the execution of the acknowledgement in the form attached at schedule 2 (*Form of Premier League Acknowledgement*) (or in such other form as the Security Agent shall require) (the "**Acknowledgement**") by the Chargor and the League;
  - (ii) the prompt delivery of an original of the fully executed version of the Acknowledgement to the League together with copies of a fully executed copy of this Deed and the Required Financial Information; and
  - (iii) the provision of evidence of receipt of the documentation detailed in clauses 5.1(a) and 5.1(b) from the League,

in respect of each Central Funds Notice.

#### 5.2 Security Agent acknowledgement

The Security Agent agrees to sign the Acknowledgment to confirm that, in taking the benefit of this assignment, the Security Agent understands that the Chargor's entitlement to future distributions of any Media Revenue is subject to the provisions of the Rules and the articles of associate of the League.

## **6. FLOATING CHARGE**

The Chargor charges and agrees to charge by way of first floating charge all of its present and future:

- (a) assets and undertaking (wherever located) not otherwise effectively charged by way of charge or assigned pursuant to clause 4.1 (*Fixed charges*), clause 4.2 (*Security assignments*) or any other provision of this Deed; and
- (b) (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland.

## **7. CONVERSION OF FLOATING CHARGE**

### **7.1 Conversion by notice**

The Security Agent may, by written notice to the Chargor, convert the floating charge created under this Deed into a fixed charge as regards all or any of the assets of the Chargor specified in the notice if:

- (a) an Event of Default has occurred and is continuing; or
- (b) the Security Agent considers any Security Assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

### **7.2 Small companies**

The floating charge created under this Deed by the Chargor shall not convert into a fixed charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of the Chargor.

### **7.3 Automatic conversion**

The floating charge created under this Deed shall (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge:

- (a) in relation to any Security Asset which is subject to a floating charge if:
  - (i) the Chargor creates (or attempts or purports to create) any Security (other than a Permitted Security) on or over the relevant Security Asset without the prior written consent of the Security Agent; or
  - (ii) any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such Security Asset; and
- (b) over all Security Assets of the Chargor which are subject to a floating charge if an administrator is appointed in respect of the Chargor or the Security Agent receives notice of intention to appoint such an administrator (as contemplated by the Insolvency Act 1986).

### **7.4 Partial conversion**

The giving of a notice by the Security Agent pursuant to clause 7.1 (*Conversion by notice*) in relation to any asset or class of assets of the Chargor shall not be construed as a waiver or abandonment of the rights of the Security Agent to serve similar notices in respect of any

other asset or class of assets or of any other right of the Security Agent and/or the other Secured Parties.

## **8. CONTINUING SECURITY**

### **8.1 Continuing security**

The Security Agreement Security is continuing and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part. This Deed shall remain in full force and effect as a continuing security for the duration of the Security Period.

### **8.2 Additional and separate security**

This Deed is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security which the Security Agent and/or any other Secured Party may at any time hold for any Secured Obligation.

### **8.3 Right to enforce**

This Deed may be enforced against each or the Chargor without the Security Agent and/or any other Secured Party first having recourse to any other right, remedy, guarantee or Security held by or available to it or any of them.

## **9. LIABILITY OF CHARGOR RELATING TO SECURITY ASSETS**

Notwithstanding anything contained in this Deed or implied to the contrary, the Chargor remains liable to observe and perform all conditions and obligations assumed by it in relation to the Security Assets. The Security Agent is under no obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.

## **10. ACCOUNTS**

No monies at any time standing to the credit of any account (of any type and however designated) of the Chargor with the Security Agent and/or any other Secured Party (or any of them) shall be capable of being assigned to any person other than a Secured Party.

## **11. UNDERTAKINGS BY THE CHARGOR**

### **11.1 Negative pledge and Disposals**

The Chargor shall not do or agree to do any of the following without the prior written consent of the Security Agent:

- (a) create or permit to subsist any Security or Quasi-Security on any Security Asset other than as created by this Deed or as permitted under any Finance Document;
- (b) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not and whether voluntarily or involuntarily) the whole or any part of its interest in any Security Asset (except for as permitted under any Finance Document); or
- (c) take or omit to take any action, the taking or omission of which might result in any alteration or impairment of any of the rights created in respect of the Media Revenues

or this Deed, nor exercise any right or power conferred on it by the Rules in any manner adverse to the interest of the Security Agent.

## **11.2 Security Assets generally**

The Chargor shall (acting in its sole discretion but acting reasonably and in good faith in exercising such discretion):

- (a) notify the Security Agent within 14 days of receipt of every material notice, order, application, requirement or proposal given or made in relation to the Security Assets by any Relevant Football Authority, and (if requested by the Security Agent):
  - (i) promptly provide it with a copy of the same; and
  - (ii) either (A) comply with such notice, order, application, requirement or proposal or (B) make such objections to the same as the Security Agent may require or approve;
- (b) provide copies of any material correspondence or notification received by the Chargor from the League which relate to any distribution made or to be made of or in respect of the Media Revenues promptly upon receipt of the same together with any account provided by or on behalf of the League showing how such distributions has been calculated;
- (c) provide written notice to the Security Agent of the occurrence of an Event of Insolvency (as defined in the Rules) at the same time as written notice is given by the Chargor to the Board (as defined in the Rules) upon the happening of the same pursuant to the terms of the Rules (or otherwise provide notice promptly upon becoming aware of the occurrence of an Event of Insolvency) and, on becoming aware, shall promptly provide such details of any payments made to the Chargor's Football Creditors (as defined in the Rules) out of the Media Revenues together with all such other information as the Security Agent shall reasonably require;
- (d) not do, cause or permit to be done anything which may in any way materially and adversely depreciate, jeopardise or otherwise prejudice the value or marketability of any Security Asset (or make any omission which has such an effect).

## **11.3 Dealings with and realisation of Receivables**

- (a) The Chargor shall:
  - (i) following the occurrence of an Event of Default which is continuing collect all Receivables promptly in the ordinary course of trading as agent for the Security Agent; and
  - (ii) following the occurrence of an Event of Default which is continuing pending such payment, hold all monies so received upon trust for the Security Agent.
- (b) Following the occurrence of an Event of Default which is continuing the Chargor shall deal with the Receivables (both collected and uncollected) in accordance with any directions given in writing from time to time by the Security Agent and, in default of and subject to such directions, in accordance with this Deed.



#### **11.4 Operation of Charged Accounts**

- (a) After the occurrence of an Event of Default which is continuing, the Chargor shall not withdraw, attempt or be entitled to withdraw (or direct any transfer of) all or any part of the monies in any Charged Account without the prior written consent of the Security Agent and the Security Agent shall be entitled (in its absolute discretion) to refuse to permit any such withdrawal or transfer.
- (b) If the right of the Chargor to withdraw the proceeds of any Receivables standing to the credit of a Charged Account results in the charge over that Charged Account being characterised as a floating charge, that will not affect the nature of any other fixed security created by the Chargor under this Deed on any of its outstanding Receivables.

### **12. POWER TO REMEDY**

#### **12.1 Power to remedy**

Subject to clause 21 (*Power of Attorney*), if at any time the Chargor does not comply with any of its obligations under this Deed, the Security Agent (without prejudice to any other rights arising as a consequence of such non-compliance) shall be entitled (but not bound) to rectify that default. The relevant Chargor irrevocably authorises the Security Agent and its employees and agents by way of security to do all such things (including entering the property of the Chargor) which are necessary or desirable to rectify that default.

#### **12.2 Monies expended**

The Chargor shall pay to the Security Agent on demand any monies which are expended by the Security Agent in exercising its powers under this clause 12, together with interest at the Default Rate from the date on which those monies were expended by the Security Agent (both before and after judgment) and otherwise in accordance with clause 2.2 (*Default interest*).

### **13. WHEN SECURITY BECOMES ENFORCEABLE**

#### **13.1 When enforceable**

This Security Agreement Security shall become immediately enforceable upon the occurrence of an Event of Default and shall remain so for so long as such Event of Default is continuing.

#### **13.2 Statutory powers**

The power of sale and other powers conferred by section 101 of the Act (as amended or extended by this Deed) shall be immediately exercisable upon and at any time after the occurrence of any Event of Default and for so long as such Event of Default is continuing.

#### **13.3 Enforcement**

After this Security Agreement Security has become enforceable, the Security Agent may in its absolute discretion enforce all or any part of the Security Agreement Security in such manner as it sees fit.

## **14. ENFORCEMENT OF SECURITY**

### **14.1 General**

For the purposes of all rights and powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed. Sections 93 and 103 of the Act shall not apply to the Security Agreement Security.

### **14.2 Powers of leasing**

The statutory powers of leasing conferred on the Security Agent are extended so as to authorise the Security Agent to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Agent may think fit and without the need to comply with section 99 or 100 of the Act.

### **14.3 Powers of Security Agent**

- (a) At any time after the occurrence of an Event of Default which is continuing (or if so requested by the Chargor by written notice at any time), the Security Agent may without further notice (unless required by law):
  - (i) appoint any person (or persons) to be a receiver, receiver and manager or administrative receiver of all or any part of the Security Assets and/or of the income of the Security Assets; and/or
  - (ii) appoint or apply for the appointment of any person who is appropriately qualified as administrator of the Chargor; and/or
  - (iii) exercise all or any of the powers conferred on mortgagees by the Act (as amended or extended by this Deed) and/or all or any of the powers which are conferred by this Deed on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver.
- (b) The Security Agent is not entitled to appoint a Receiver in respect of any Security Assets of the Chargor which are subject to a charge which (as created) was a floating charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of the Chargor.

### **14.4 Redemption of prior mortgages**

At any time after the Security Agreement Security has become enforceable, the Security Agent may:

- (a) redeem any prior Security against any Security Asset; and/or
- (b) procure the transfer of that Security to itself; and/or
- (c) settle and pass the accounts of the holder of any prior Security and any accounts so settled and passed shall be conclusive and binding on the Chargor.

All principal, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the Chargor to the Security Agent on demand.

#### **14.5 Privileges**

- (a) Each Receiver and the Security Agent is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers when such receivers have been duly appointed under the Act, except that section 103 of the Act does not apply.
- (b) To the extent that the Security Assets constitute "*financial collateral*" and this Deed and the obligations of the Chargor under this Deed constitute a "*security financial collateral arrangement*" (in each case for the purpose of and as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226)) each Receiver and the Security Agent shall have the right after the Security Agreement Security has become enforceable to appropriate all or any part of that financial collateral in or towards the satisfaction of the Secured Obligations.
- (c) For the purpose of clause 14.5(b), the value of the financial collateral appropriated shall be such amount as the Receiver or Security Agent reasonably determines having taken into account advice obtained by it from an independent investment or accountancy firm of national standing selected by it.

#### **14.6 No liability**

- (a) Neither the Security Agent, any other Secured Party nor any Receiver or Delegate shall be liable (A) in respect of all or any part of the Security Assets or (B) for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, its or his respective powers (unless such loss or damage is caused by its or his gross negligence or wilful misconduct).
- (b) Without prejudice to the generality of clause 14.6(a), neither the Security Agent, any other Secured Party nor any Receiver or Delegate shall be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

#### **14.7 Protection of third parties**

No person (including a purchaser) dealing with the Security Agent or any Receiver or Delegate will be concerned to enquire:

- (a) whether the Secured Obligations have become payable;
- (b) whether any power which the Security Agent or the Receiver is purporting to exercise has become exercisable;
- (c) whether any money remains due under any Finance Document; or
- (d) how any money paid to the Security Agent or to the Receiver is to be applied.

### **15. RECEIVER**

#### **15.1 Removal and replacement**

Following the occurrence of an Event of Default which is continuing, the Security Agent may from time to time remove any Receiver appointed by it (subject, in the case of an administrative receivership, to section 45 of the Insolvency Act 1986) and, whenever it may

deem appropriate, may appoint a new Receiver in the place of any Receiver whose appointment has terminated.

## **15.2 Multiple Receivers**

If at any time there is more than one Receiver of all or any part of the Security Assets and/or the income of the Security Assets, each Receiver shall have power to act individually (unless otherwise stated in the appointment document).

## **15.3 Remuneration**

Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Security Agent (or, failing such agreement, to be fixed by the Security Agent).

## **15.4 Payment by Receiver**

Only monies actually paid by a Receiver to the Security Agent in relation to the Secured Obligations shall be capable of being applied by the Security Agent in discharge of the Secured Obligations.

## **15.5 Agent of Chargor**

Any Receiver shall be the agent of the Chargor in respect of which it is appointed. The Chargor shall (subject to the Companies Act 2006 and the Insolvency Act 1986) be solely responsible for his acts and defaults and for the payment of his remuneration. No Secured Party shall incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

# **16. POWERS OF RECEIVER**

## **16.1 General powers**

Any Receiver shall have:

- (a) all the powers which are conferred on the Security Agent by clause 14.3 (*Powers of Security Agent*);
- (b) all the powers which are conferred by the Act on mortgagees in possession and receivers appointed under the Act;
- (c) (whether or not he is an administrative receiver) all the powers which are listed in schedule 1 of the Insolvency Act 1986; and
- (d) all powers which are conferred by any other law conferring power on receivers.

## **16.2 Additional powers**

In addition to the powers referred to in clause 16.1 (*General powers*), a Receiver shall have the following powers:

- (a) to take possession of, collect and get in all or any part of the Security Assets and/or income in respect of which he was appointed;
- (b) to manage the Security Assets and the business of the Chargor as he thinks fit;

- (c) to redeem any Security and to borrow or raise any money and secure the payment of any money in priority to the Secured Obligations for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;
- (d) to sell or concur in selling, leasing or otherwise disposing of all or any part of the Security Assets in respect of which he was appointed without the need to observe the restrictions imposed by section 103 of the Act, and, without limitation;
  - (i) the consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration (and the amount of such consideration may be dependent upon profit or turnover or be determined by a third party); and
  - (ii) any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit;
- (e) to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which the Chargor was concerned or interested before his appointment (being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land);
- (f) to carry out any sale, lease or other disposal of all or any part of the Security Assets by conveying, transferring, assigning or leasing the same in the name of the Chargor and, for that purpose, to enter into covenants and other contractual obligations in the name of, and so as to bind, the Chargor;
- (g) to take any such proceedings (in the name of any of the Chargor or otherwise) as he shall think fit in respect of the Security Assets and/or income in respect of which he was appointed (including proceedings for recovery of rent or other monies in arrears at the date of his appointment);
- (h) to enter into or make any such agreement, arrangement or compromise as he shall think fit;
- (i) to insure, and to renew any insurances in respect of, the Security Assets as he shall think fit (or as the Security Agent shall direct);
- (j) to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit (including, without prejudice to the generality of the foregoing power, to employ his partners and firm);
- (k) to form one or more Subsidiaries of the Chargor and to transfer to any such Subsidiary all or any part of the Security Assets;
- (l) to:
  - (i) give valid receipts for all monies and to do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary for the realisation of any Security Asset;
  - (ii) exercise in relation to each Security Asset all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Assets; and

- (iii) use the name of the Chargor for any of the above purposes; and
- (m) to do all such other acts and things as he may in his discretion consider to be incidental or conducive to any of the matters or powers set out in this Deed or otherwise incidental or conducive to the preservation, improvement or realisation of the Security Assets.

## **17. APPLICATION OF PROCEEDS**

### **17.1 Application**

All monies received by the Security Agent or any Receiver after the Security Agreement Security has become enforceable shall (subject to the rights and claims of any person having a security ranking in priority to the Security Agreement Security ) be applied in the following order:

- (a) *first*, in satisfaction of, or provision for, all costs, charges and expenses incurred, and payments made, by the Security Agent, any other Secured Party or any Receiver or Delegate and of all remuneration due to the Receiver in connection with this Deed or the Security Assets;
- (b) *secondly*, in or towards satisfaction of the remaining Secured Obligations in accordance with clause 17.3 (*Appropriation and suspense account*); and
- (c) *thirdly*, in payment of any surplus to the Chargor or other person entitled to it.

### **17.2 Contingencies**

If the Security Agreement Security is enforced at a time when no amounts are due under the Finance Documents (but at a time when amounts may become so due), the Security Agent or a Receiver may pay the proceeds of any recoveries effected by it into a blocked suspense account (bearing interest at such rate (if any) as the Security Agent may determine.

### **17.3 Appropriation and suspense account**

- (a) Subject to clause 17.1 (*Application*), the Security Agent shall apply all payments received in respect of the Secured Obligations in reduction of any part of the Secured Obligations in any order or manner which it may determine.
- (b) Any such appropriation shall override any appropriation by the Chargor.
- (c) All monies received, recovered or realised by the Security Agent under or in connection with this Deed may at the discretion of the Security Agent be credited to a separate interest-bearing suspense account for so long as the Security Agent determines (with interest accruing thereon at such rate (if any) as the Security Agent may determine) without the Security Agent having any obligation to apply such monies and interest or any part of it in or towards the discharge of any of the Secured Obligations.

## **18. SET-OFF**

### **18.1 Set-off rights**

- (a) At any time after the Security Agreement Security has become enforceable, the Security Agent and each other Secured Party may (but shall not be obliged to) set off any obligation which is due and payable by the Chargor and unpaid (whether under

the Finance Documents or which has been assigned to the Security Agent or such other Secured Party by the Chargor) against any obligation (whether or not matured) owed by the Security Agent or such other Secured Party to the Chargor, regardless of the place of payment, booking branch or currency of either obligation.

- (b) At any time after the Security Agreement Security has become enforceable (and in addition to its rights under clause 18.1(a)), the Security Agent and each other Secured Party may (but shall not be obliged to) set-off any contingent liability owed by the Chargor under any Finance Document against any obligation (whether or not matured) owed by the Security Agent or such other Secured Party to the Chargor, regardless of the place of payment, booking branch or currency of either obligation.
- (c) If the obligations are in different currencies, the Security Agent or such other Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.
- (d) If either obligation is unliquidated or unascertained, the Security Agent or such other Secured Party may set off in an amount estimated by it in good faith to be the amount of that obligation.

## **18.2 Time deposits**

Without prejudice to clause 18.1 (*Set-off rights*), if any time deposit matures on any account which the Chargor has with the Security Agent or any other Secured Party at a time within the Security Period when:

- (a) this Security Agreement Security has become enforceable; and
- (b) no Secured Obligation is due and payable,

such time deposit shall automatically be renewed for such further maturity as the Security Agent or such other Secured Party in its absolute discretion considers appropriate unless the Security Agent or such other Secured Party otherwise agrees in writing.

## **19. DELEGATION**

Following the occurrence of an Event of Default which is continuing, each of the Security Agent and any Receiver may delegate, by power of attorney (or in any other manner) to any person, any right, power or discretion exercisable by them under this Deed upon any terms (including power to sub-delegate) which it may think fit. Neither the Security Agent nor any Receiver shall be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

## **20. FURTHER ASSURANCES**

- (a) The Chargor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):
  - (i) to perfect the Security created or intended to be created under or evidenced by this Agreement (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Security Agreement Security) or for the

exercise of any rights, powers and remedies of the Security Agent or the Finance Parties provided by or pursuant to this Agreement or by law;

- (ii) to confer on the Security Agent or confer on the Finance Parties Security over any property and assets of the Chargor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to the Security Agreement Security; and/or
  - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security Agreement Security.
- (b) The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Finance Parties by or pursuant to this Agreement.

## **21. POWER OF ATTORNEY**

- (a) The Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any Delegate to be its attorney to take any action which the Chargor is obliged to take under this Deed, including under clause 20 (*Further Assurances*). The Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.
- (b) The power of attorney granted under clause 21(a) may only be exercised:
- (i) following the occurrence of an Event of Default which is continuing; and
  - (ii) if the relevant obligation that the Chargor has failed to perform is a further assurance obligation under clause 20 (*Further Assurances*) or is a perfection requirement, if the Chargor has not remedied such failure within 5 Business Days of written notice by the Security Agent, Receiver or Delegate (as applicable) to the Chargor.

## **22. CURRENCY CONVERSION**

At any time after the Security Agreement Security has become enforceable, all monies received or held by the Security Agent or any Receiver under this Deed may be converted from their existing currency into such other currency as the Security Agent or the Receiver considers necessary to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Agent's Spot Rate of Exchange. The Chargor shall indemnify the Security Agent against all costs, charges and expenses incurred in relation to such conversion. Neither the Security Agent nor any Receiver shall have any liability to the Chargor in respect of any loss resulting from any fluctuation in exchange rates after any such conversion.

## **23. CHANGES TO THE PARTIES**

### **23.1 Chargor**

The Chargor may not assign any of its rights or obligations under this Deed.



### **23.2 Security Agent**

The Security Agent may assign or transfer all or any part of its rights under this Deed pursuant to the resignation or removal of the Security Agent in accordance with the Facility Agreement. The Chargor shall not, immediately upon being requested to do so by the Security Agent, enter into such documents as may be necessary to effect such assignment or transfer.

## **24. MISCELLANEOUS**

### **24.1 New accounts**

- (a) If the Security Agent or any other Secured Party receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent Security (other than a Permitted Security) affecting any Security Asset and/or the proceeds of sale of any Security Asset or any guarantee under the Finance Documents ceases to continue in force, it may open a new account or accounts for the Chargor. If it does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received such notice.
- (b) As from that time all payments made to the Security Agent or such other Secured Party will be credited or be treated as having been credited to the new account and will not operate to reduce any amount of the Secured Obligations.

### **24.2 Tacking**

- (a) Each Finance Party shall perform its obligations under the Facility Agreement (including any obligation to make available further advances).
- (b) This Deed secures advances already made and further advances to be made.

### **24.3 Protective clauses**

- (a) The Chargor is deemed to be a principal debtor in relation to this Deed. The obligations of the Chargor under, and the security intended to be created by, this Deed shall not be impaired by any forbearance, neglect, indulgence, extension or time, release, surrender or loss of securities, dealing, amendment or arrangement by any Secured Party which would otherwise have reduced, released or prejudiced this Security Agreement Security or any surety liability of the Chargor (whether or not known to it or to any Secured Party).
- (b) Clauses 20.4 (*Waiver of defences*), 20.5 (*Guarantor intent*), 20.6 (*Immediate recourse*), 20.7 (*Appropriations*) and 20.8 (*Deferral of Guarantors' rights*) of the Facility Agreement apply in relation to this Deed as if references to the obligations referred to in such clauses respectively were references to the obligations of the Chargor under this Deed.

## **25. NOTICES**

### **25.1 Facility Agreement**

Subject to clause 25.2 (*Notices through Company*):

- (a) clause 35 (*Notices*) of the Facility Agreement (other than clauses 35.3(c), 35.6 (*Electronic communication*) and 35.7 (*Use of websites*)) is incorporated into this Deed as if fully set out in this Deed; and
- (b) the address and fax numbers of each Party for all communications or documents given under or in connection with this Deed are those identified with its name in the execution pages to this Deed or subsequently notified from time to time by the relevant Party for the purposes of the Facility Agreement or this Deed.

### **25.2 Notices through Company**

- (a) All communications and documents from the Chargor shall be sent through the Company and all communications and documents to the Chargor may be sent through the Company.
- (b) Any communication or document made or delivered to the Company in accordance with this clause 25 will be deemed to have been made or delivered to the Chargor.

## **26. CALCULATIONS AND CERTIFICATES**

Any certificate of or determination by a Secured Party, the Security Agent or the Agent specifying the amount of any Secured Obligation due from the Chargor (including details of any relevant calculation thereof) is, in the absence of manifest error, conclusive evidence against the Chargor of the matters to which it relates.

## **27. PARTIAL INVALIDITY**

All the provisions of this Deed are severable and distinct from one another and if at any time any provision is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of any of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

## **28. REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of the Security Agent (or any other Secured Party), any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise, or the exercise of any other right or remedy. The rights and remedies provided are cumulative and not exclusive of any rights or remedies provided by law.

## **29. AMENDMENTS AND WAIVERS**

Any provision of this Deed may be amended in writing by the Security Agent and the Chargor or the Company acting on their behalf and the Chargor irrevocably appoints the Company as its agent for the purpose of agreeing and executing any amendment on its behalf. Any breach of this Deed may be waived before or after it occurs only if the Security Agent so agrees in writing. A waiver given or consent granted by the Security Agent under this Deed

will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

**30. COUNTERPARTS**

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures (and seals, if any) on the counterparts were on a single copy of this Deed.

**31. RELEASE**

**31.1 Release**

Upon the expiry of the Security Period (but not otherwise) the Security Agent shall, at the request and cost of the Chargor, take whatever action is necessary to release or re-assign (without recourse or warranty) the Security Assets from the Security Agreement Security.

**31.2 Reinstatement**

Where any discharge (whether in respect of the obligations of the Chargor or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise (without limitation), the liability of the Chargor under this Deed shall continue as if the discharge or arrangement had not occurred. The Security Agent may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

**32. GOVERNING LAW**

This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

**33. ENFORCEMENT AND JURISDICTION**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This clause 33 is for the benefit of the Finance Parties and Secured Parties only. As a result, no Finance Party or Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties and Secured Parties may take concurrent proceedings in any number of jurisdictions.

**IN WITNESS** of which this Deed has been duly executed by the Chargor as a deed and duly executed by the Security Agent and has been delivered on the first date specified on page 1 of this Deed by the Chargor.

## SCHEDULE 1: FORM OF NOTICE TO THE PREMIER LEAGUE

The Football Association Premier League Limited  
30 Gloucester Place  
London  
W1U 8PL

[Date]

Dear Sirs

### Proposed Assignment of Central Funds (the "Proposed Assignment")

In this Notice reference to "Premier League" means, as appropriate, The Football Association Premier League Limited or combination of association football clubs comprising the clubs known as the FA Premier League, or any replacement thereof by whatever name.

1. Pursuant to Rule D.29 of the rules of the Premier League (as from time to time in force) (the "**Rules**") we wish to assign to HSBC UK Bank PLC (the "**Security Agent**", all our right, title and interest in and to all amounts (excluding VAT) due or owing to or which may be due or owing to or purchased or otherwise acquired by us from the Premier League for the 2019/20 association football season in relation to the Central Funds (as defined in Rule E.26.1) (the "**Assigned Property**").
2. We confirm that attached to this Notice are copies of the full suite of proposed documentation which will give effect to the Proposed Assignment or other grant of security, a full index of which is included at annex 1 to this Notice (the "**Assignment Documents**") which we intend to enter into in respect of the Assigned Property. We further confirm that we will not execute the Assignment Documents in relation to the Assigned Property until we have received written confirmation from the Premier League pursuant to Rule D.29.2 that it is satisfied with the form and content of the Assignment Documents.
3. We undertake to sign and to procure that the Security Agent and HSBC UK Bank PLC in its capacity as the sole lender currently entitled to the beneficial interest of the Assigned Property (the "**Original Lender**") will sign an agreement with the Premier League in the form of the letter of acknowledgement (the "**Acknowledgment**") provided by the Premier League, which confirms (inter alia) that in taking the assignment of the Assigned Property:
  - (a) the Security Agent and the Original Lender understand that the Club's entitlement to future distributions of any Central Funds is subject to the provisions of the Articles of Association of the Premier League and the Rules;
  - (b) the Club, the Security Agent and the Original Lender acknowledge and agree that in the event of the Club suffering an Insolvency Event pursuant to Rules E.30.4; E.30.5; E.30.6 and/or E.30.7, and/or ceasing to be a member of the Premier League or the Football League (as defined in the Rules) the Club's entitlement to Central Funds shall immediately and irrevocably cease;
  - (c) in the event of non-payment of creditors as summarised in the Acknowledgment and more fully particularised in the Rules, the Premier League shall have the right to make any payments due to the relevant creditors before accounting to the Security Agent;

- (d) the Security Agent and the Original Lender irrevocably waive any and all rights to pursue any claim or action, of whatever nature, against the Premier League, arising out of or connected in any way with:
    - (i) the assignment as proposed in this Notice and the Assignment Documents; and/or
    - (ii) with the Premier League's application and/or enforcement of Rules E.26, E.35 and/or E.29; and
  - (e) the Security Agent and the Original Lender have received from us our current and future liabilities to other Clubs and clubs (as defined in the Rules) and to other Football Creditors (as defined in Rule E.28 and Rule E.36, as appropriate) to the Security Agent.
4. Subject to approval of the Assignment Documents, we hereby irrevocably authorise and instruct you to pay all monies whatsoever (excluding VAT) now or at any time hereafter due or owing to us under or by virtue of the Assigned Property to the following account of the Security Agent:
- Bank:
- Sort Code:
- Account Number:
- Account name:
- (whose receipt shall be a full and sufficient discharge of such payment) or to such other account of the Security Agent as the Security Agent may notify to you in writing from time to time.
5. We further hereby irrevocably instruct and authorise you to furnish, following the Proposed Assignment, to the Security Agent all information in relation to the monies due or owing to us under or by virtue of the Assigned Property as we would be entitled to receive ourselves.
6. This authority and instruction is declared to be irrevocable without the prior written consent of the Security Agent .
7. The Assignment Documents:
- (a) declare that we remain liable to you to perform all the obligations assumed by us in respect of the Assigned Property and the Security Agent is to be under no such obligations of any kind;
  - (b) contain a provision that the Security Agent shall not assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any or all of its rights and obligations under the relevant document without your prior written consent (such consent not to be unreasonably withheld) (subject always to the proviso detailed in paragraph [6] of the form of acknowledgement attached to this Notice); and
  - (c) contain a provision entitling you to enforce 7(a) and 7(b) above.

Please acknowledge receipt of this Notice and these instructions.

We look forward to receiving the written consent in respect of the Assignment Documents pursuant to Rule D.29.2.

Yours faithfully

for and on behalf of  
**Manchester City Football Club Limited**

### **Annex 1 - Full List of Assignment Documents**

1. Draft Acknowledgement of the Premier League
2. Draft Security Agreement (including assignment of Central Funds between Club and Security Agent)

## SCHEDULE 2: FORM OF PREMIER LEAGUE ACKNOWLEDGEMENT

HSBC UK Bank PLC

Attention: [◆ ]

and:

Manchester City Football Club Limited

Attention: Company Secretary

[Date]

Dear Sirs

### **Acknowledgement of Notice of Proposed Assignment (the "Notice") between Manchester City Football Club Limited (the "Club") and HSBC UK Bank PLC (the "Security Agent ")**

We refer to the Notice (a copy of which is attached to this letter) and the attached Assignment Documents (as defined in the Notice) and confirm that subject to the following, we consent to the assignment as proposed in the Notice. For the avoidance of doubt, unless otherwise expressly provided, all definitions in this Acknowledgment are as adopted in the Notice.

Our consent is subject to all parties executing and complying with this Acknowledgment and the Club returning the fully executed version, along with copies of the fully executed Assignment Documents to us and our providing written confirmation of receipt of the same.

We further confirm that it is our intention to account to the Security Agent instead of the Club for all sums referred to in numbered paragraph 1 of the Notice until such time as we subsequently receive written notice to the contrary from both the Club and the Security Agent.

Provided that the Club, the Security Agent and HSBC UK Bank PLC in its capacity as the sole lender currently entitled to the beneficial interest of the Proposed Assignment (the "**Original Lender**") acknowledge and agree that:

1. pursuant to Rule E.26, if the Club (which includes a Relegated Club as defined in the Rules) is in default in making any payment due to us or to any creditor of the description set out in Rule E.28, or pursuant to Rule E.29 if the Club is in default of payment of any Compensation Fee (as defined in the Rules) payment to any Transferor Club(s) (as defined in the Rules), we are first entitled to apply any sums which would otherwise be payable to the Club (including under the Rules referred to in the Notice) in discharge of any debt due and payable (and unpaid at such time) from the Club to us or such Premier League Club(s) or Transferor Club(s) before accounting to the Security Agent for the sums referred to in numbered paragraph 1 of the Notice provided that, for the purpose of determining whether any such debt is due and payable we shall not bring forward the payment date for any such debt or otherwise take into account any debt falling due after the date on which the Security Agent is to be paid. For the avoidance of doubt, if we are reasonably satisfied that the Club has failed to make any payment due to any creditor of the description set out in Rule E.28 pursuant to Rule E.26.2, we may also withhold distribution of any Central Funds (as defined in the Rules) due to the Club to the extent of any liabilities the Club may have to us or to any creditor of the description set out in Rule E.28 within the period of 60 days after the due date of the distribution of the Central Funds and pay the same to the aforementioned creditor/s;
2. pursuant to Rule E.35, in the case of a Club (as defined in the Rules) that is suspended under Rule E.30 or whose suspension is postponed under Rule E.32, notwithstanding completion of



the Proposed Assignment, the Board (as defined in the Rules) shall have power to make such payments as it may think fit to the Club's football creditors as defined by Rule E36;

3. pursuant to Rule E.39 any distribution to a Relegated Club may be deferred if on or before the date of the distribution the Relegated Club has been given notice by the Football League (as defined in the Rules) that its membership has been suspended and such notice has not been withdrawn. The Relegated Club may also lose its entitlement to any distribution if the club ceases to be a member of the Football League whereupon the club's entitlement shall revert back to the general distribution fund;
4. in taking the Proposed Assignment:
  - (a) the Security Agent and the Original Lender each acknowledge and agree that the Club's entitlement to future distributions of Central Funds is subject to the provisions of the Articles of Association of the Premier League and the Rules;
  - (b) the Club, the Security Agent and the Original Lender acknowledge and agree that in the event of the Club suffering an Insolvency Event pursuant to Rules E.30.4, E.30.5, E.30.6 and/or E.30.7, and/or ceasing to be a member of the Premier League or the Football League (as defined in the Rules) the Club's entitlement to Central Funds shall immediately and irrevocably cease;
  - (c) in the event of non-payment of creditors as summarised in paragraph 1 of this letter and more fully particularised in the Rules, the Premier League shall have the right to make any payments due to the relevant creditors before accounting to the Security Agent; and
  - (d) the Club has fully disclosed to the Security Agent and the Original Lender its current and future liabilities to other Clubs and clubs (as defined in the Rules) and to other Football Creditors (as defined in Rule E.28 and Rule E.36, as appropriate);
5. the limit of the Security Agent's entitlement is as assignee of the financial benefit accruing to the Club under the Rules referred to in the Notice and not otherwise and accordingly recourse against us is limited to the payments that would be due from us to the Club under the Rules, subject always to paragraphs 1 to 4 above;
6. neither the Original Lender nor the Security Agent shall assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any or all of its rights and obligations under the relevant document without the prior written consent of the Premier League (such consent not to be unreasonably withheld) provided that the Original Lender or the Security Agent may at any time assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any or all of its rights, benefits and/ or obligations under the relevant document without the prior written consent of the Premier League to any of the following parties:
  - (a) any company connected with it within the meaning of s1122 of the Corporation Tax Act 2010 ("CTA 2010"); or
  - (b) a Financial Institution, being any entity which is incorporated in, or formed under the law of any part of the United Kingdom and which has permission under Part 4 of the Financial Services and Markets Act 2000 to carry on the regulated activity of accepting deposits (within the meaning of section 22 of that Act, taken with Schedule 2 and any order under section 22) but such definition shall not include:

- (i) a building society (within the meaning of section 119 of the Building Societies Act 1986); or
  - (ii) a credit union (within the meaning of section 31 of the Credit Unions Act 1979);
- 7. the Assignment Documents do not contain any provision(s) which seek to prevent, or require the prior written consent for, any change of control or sale of shares in the capital of the Club;
- 8. the Assignment Documents contain express provisions that we can enforce the terms of them;
- 9. we reserve the right to re-charge the Club all and any costs charges and expenses (including, but not limited to legal and courier expenses) together with value added tax thereon, incurred by us in reviewing the Assignment Documents and processing the Proposed Assignment and in liaising with the Club and the Security Agent and in facilitating payments to the Security Agent, and the Club and the Security Agent hereby consent to us deducting such expenses from payments of distributions of Central Funds that would otherwise be payable to the Club or the Security Agent, as the case may be;
- 10. the Club will immediately pay to the Security Agent any monies paid to the Club by us in error and which the Security Agent is entitled to receive;
- 11. the Security Agent will immediately repay to us, any monies paid to the Security Agent by us, in excess of the Security Agent's entitlement to receive distributions of Central Funds, save that if any such excess monies paid to the Security Agent should have been paid by us to the Club, the Security Agent will immediately pay such monies to the Club;
- 12. nothing in either the Proposed Assignment or the Notice itself shall in any way prevent or restrict us from amending the Rules in accordance with our constitution in any manner;
- 13. nothing in either the Proposed Assignment or the Notice itself shall impose any obligation on us (other than the obligation to account to the Security Agent as set out above) or any obligations towards any third party (ie other than the Club or the Security Agent);
- 14. this letter is subject to Rules and rule numbering in force at the relevant time of making payment under the Notice;
- 15. neither this letter nor the consent provided under it shall constitute a relaxation or waiver of any power right or remedy arising under the Rules, nor shall it prevent or restrict the further exercise of that or any other power right or remedy;
- 16. the Security Agent and the Original Lender hereby releases and forever discharges all and/or any actions, claims, rights, demands and set offs, whether in this jurisdiction or any other, whether or not presently known to the Security Agent, the Original Lender or to us or to the law, whether in law or in equity, that the Security Agent, the Original Lender (or any of the Security Agent's or Original Lender's parent, subsidiaries, assigns, transferees, representatives, principals, agents, officers or directors) has, may have or hereafter can, shall or may have against the Premier League arising out of or connected in any way with:
  - (a) the assignment as proposed in the Notice and the Assignment Documents and any variations of the same; and/or
  - (b) the Premier League's application and/or enforcement of Rules E.26, E.35 and/or E.29; and

17. as between us, the Security Agent and the Original Lender this Acknowledgement is governed by the law of England and Wales and we, the Security Agent and the Original Lender irrevocably submit to the exclusive jurisdiction of the English courts to settle any dispute which may arise under or in connection with this Acknowledgement between us, the Security Agent and/or the Original Lender.

Yours faithfully

for and on behalf of  
**THE FOOTBALL ASSOCIATION PREMIER LEAGUE LIMITED**

Acknowledged and agreed by the Security  
Agent:

Acknowledged and agreed by the Club:

-----  
for and on behalf of  
**HSBC UK Bank PLC**

-----  
for and on behalf of  
**Manchester City Football Club Limited**

Acknowledged and agreed by the Original  
Lender

-----  
for and on behalf of  
**HSBC UK Bank PLC**

**SCHEDULE 3: FORM OF NOTICE TO AND ACKNOWLEDGEMENT FROM ACCOUNT BANK**

To: *[insert name and address of Account Bank]*

Dated: [◆] ] 20[◆]

Dear Sirs

**Re: Account holder: Manchester City Football Club Limited (the "Chargor")**

1. We give notice that, by a security agreement dated [◆] ] 2019 (the "**Security Agreement**"), we have charged to HSBC UK Bank PLC (the "**Security Agent**") as Security Agent for certain banks and others (as referred to in the Security Agreement) all our present and future right, title and interest in and to:

- (a) the Media Revenue Account (as defined in the schedule to this letter), all monies standing to the credit of the Media Revenue Account and all additions to or renewals or replacements thereof (in whatever currency);
- (b) the Ticket Revenue Account (as defined in the schedule to this letter), all monies standing to the credit of the Ticket Revenue Account and all additions to or renewals or replacements thereof (in whatever currency); and
- (c) all other accounts from time to time maintained with you by each Chargor and all monies at any time standing to the credit of such accounts,

(together the "**Charged Accounts**") and to all interest from time to time accrued or accruing on the Charged Accounts, any investment made out of any such monies or account and all rights to repayment of any of the foregoing by you.

For the purposes of this notice and the attached acknowledgement, the term "Event of Default" has the meaning given to that term in the Security Agreement.

2. We advise you that, under the terms of the Security Agreement, we are not entitled to withdraw any monies from:

- (a) the Media Revenue Account and the Ticket Revenue Account without first having obtained the prior written consent of the Security Agent except to the extent that such consent is given in this notice.
- (b) any other Charged Account without first having obtained the prior written consent of the Security Agent.

3. The Security Agent, by its countersignature of this notice, agrees that:

- (a) the Chargor may continue to withdraw monies from the Media Revenue Account and Ticket Revenue Account; and
- (b) subject to the Facility Agreement between us, you may debit to the Media Revenue Account and Ticket Revenue Account amounts due to you from the Chargor,

until you receive notice from the Security Agent that it or you may no longer do so. The Security Agent may by notice to you at any time amend or withdraw this consent.

4. We irrevocably authorise and instruct you from time to time:
- (a) unless the Security Agent so authorises you in writing, not to permit withdrawals from:
    - (i) the Media Revenue Account; or
    - (ii) the Ticket Revenue Account;or any other Charged Account except to the extent that any withdrawal is expressly permitted by this notice and such permission has not been withdrawn;
  - (b) to hold all monies from time to time standing to the credit of the Charged Accounts (other than the Media Revenue Account and Ticket Revenue Account until you receive written notice from the Security Agent to that effect) to the order of the Security Agent;
  - (c) to pay all or any part of the monies standing to the credit of the Charged Accounts to the Security Agent (or as it may direct) promptly following receipt of written instructions from the Security Agent to that effect; and
  - (d) to disclose to the Security Agent such information relating to the Chargor and the Charged Accounts as the Security Agent may from time to time request you to provide.

For the avoidance of doubt, the Security Agent shall not be entitled to exercise any of its rights pursuant to or in connection with paragraphs (b) and (c) above unless and until an Event of Default has occurred which is continuing (as notified to you in writing by the Security Agent).

5. We agree that you are not bound to enquire whether the right of the Security Agent to withdraw any monies from any Charged Account has arisen or be concerned with (a) the propriety or regularity of the exercise of that right or (b) notice to the contrary or (c) to be responsible for the application of any monies received by the Security Agent.
6. This notice may only be revoked or amended with the prior written consent of the Security Agent.
7. Please confirm by completing the enclosed copy of this notice and returning it to the Security Agent (with a copy to the Chargor) that you agree to the above and that:
- (a) you accept the authorisations and instructions contained in this notice and you undertake to comply with this notice;
  - (b) you have not, at the date this notice is returned to the Security Agent, received notice of any assignment or charge of or claim to the monies standing to the credit of any Charged Account or the grant of any security or other interest over those monies or any Charged Account in favour of any third party and you will notify the Security Agent promptly if you should do so in the future; and
  - (c) you do not at the date of this notice and will not except as expressly permitted by this notice, in the future exercise any right to combine accounts or any rights of set-off or lien or any similar rights in relation to the monies standing to the credit of the Charged Accounts.

8. This notice, and any acknowledgement in connection with it, and any non-contractual obligations arising out of or in connection with any of them, shall be governed by English law.

Yours faithfully

\_\_\_\_\_  
for and on behalf of  
**MANCHESTER CITY FOOTBALL CLUB LIMITED**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Countersigned by

\_\_\_\_\_  
for and on behalf of  
**HSBC UK BANK PLC**

## SCHEDULE

Media Revenue Account		
Account holder	Account number	Account Bank branch address and sort code
[◆ ]	[◆ ]	[◆ ]
Ticket Revenue Account		
Account holder	General Account number	Account Bank branch address and sort code
[◆ ]	[◆ ]	[◆ ]

[On copy]

To: [◆ ]  
as Security Agent  
[ADDRESS]

Copy to: **MANCHESTER CITY FOOTBALL CLUB LIMITED**

We acknowledge receipt of the above notice. We confirm and agree:

- (a) that the matters referred to in it do not conflict with the terms which apply to any Charged Account; and
- (b) the matters set out in paragraph [7] of the above notice.

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for and on behalf of  
[NAME OF ACCOUNT BANK]

Dated: [◆ ] 20[◆ ]



EXECUTION PAGE

THE ORIGINAL CHARGOR

Executed as a deed, but not delivered until the )  
first date specified on page 1, by )  
MANCHESTER CITY FOOTBALL CLUB )  
LIMITED acting by:

[REDACTED]

*Authorised Signatory* Director

*SIMON CLIFF*

Witness signature

[REDACTED]

Witness name:

*ARUN DANIEL SELVARATNAM*

Witness address:

[REDACTED]

THE SECURITY AGENT

Signed by \_\_\_\_\_ for )  
and on behalf of HSBC UK BANK PLC: )  
)

Signature \_\_\_\_\_