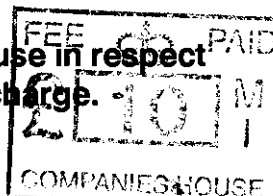


# M

## COMPANIES FORM No. 395

### Particulars of a mortgage or charge

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge.



# 395

CHFP025

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies  
(Address overleaf - Note 6)

For official use

Company number

1213301

Name of company

\* TROJAN RECORDINGS LIMITED

Date of creation of the charge

3 AUGUST 2001

Description of the instrument (if any) creating or evidencing the charge (note 2)

DEED OF MORTGAGE

Amount secured by the mortgage or charge

Any and all moneys obligations and liabilities now or in the future due owing or incurred to Colin Newman and/or Mette Newman (the "Lender") by The Sanctuary Group plc under or in connection with the £8,250,000 Secured/Guaranteed Loan Notes constituted by the Loan Note Instrument between (1) The Sanctuary Group plc and (2) the Lender dated 3 August 2001 or by the Company under or in connection with this Mortgage whether as principal or surety or otherwise including without limitation any and all sums which are or may become payable to the Lender in respect of principal interest fees costs or otherwise however by The Sanctuary Group plc under or in connection with the Loan Notes and/or the Loan Note Instrument or by the Company under or in connection with this Mortgage.

Names and addresses of the mortgagees or persons entitled to the charge

Colin Maurice Newman and Mette Newman, both of 13 Burgess Hill, London

Postcode NW2 2DD

Presentor's name address and reference (if any):

Mishcon de Reya  
21 Southampton Row  
London  
WC1B 5HS

For official Use  
Mortgage Section

Post room



LD7  
COMPANIES HOUSE

0290  
21/08/01

Time critical reference

As security for the payment to the Lender of the Secured Sums and the performance of the obligations and the observance of the warranties agreements and undertakings of the Company under or pursuant to this Mortgage and The Sanctuary Group plc under or pursuant to the Loan Notes and the Loan Note Instrument the Company:

(1) assigns by way of assignment of present and future copyright absolutely to the Lender all of the Company's right title and interest in and to the Intellectual Property Rights throughout the world including the Third Party Rights (to the extent that such rights are capable of assignment without consent) but subject to and with the benefit of the Existing Exploitation Agreements TO HOLD the same to the Lender its successors and assigns absolutely for the entire period during which such rights subsist including all extensions reversions and revivals throughout the world subject to the Company's right of redemption; *(all terms as defined) + 95*

(2) to the extent that such rights cannot be assigned without consent, licenses to the Lender all the Company's right title and interest throughout the world in and to all those Third Party Rights which are capable of being sub-licensed by the Company subject to and with the benefit of the Existing Exploitation Agreements;

[see continuation sheet]

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

Text (10)

Particulars as to commission allowance or discount (note 3)

None

Signed



Date

21st August 2001

On behalf of ~~[company]~~ [mortgagee/chargee] †

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

† delete as appropriate

## Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
  - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
  - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF14 3UZ

Please do not  
write in this  
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## Particulars of a mortgage or charge (continued)

Continuation sheet No 1  
to Form No 395 and 410 (Scot)

CHA 116

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

Company Number

1213301

Name of Company

TROJAN RECORDINGS LIMITED

~~limited~~\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Not applicable

Not applicable

**Please complete  
legibly, preferably  
in black type, or  
bold block lettering**

Please do not  
write in this  
binding margin

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

Not applicable

(3) undertakes to hold upon trust for the Lender absolutely the entire interest of the Company in and to all those Intellectual Property Rights and/or Third Party Rights which cannot be assigned or sub-licensed by the Company together with the entire benefit of such rights including without limitation all proceeds money and other rights and benefits to which the Company is beneficially entitled in respect of the exercise of such Intellectual Property Rights and/or Third Party Rights.

As further security for the payment to the Lender of the Secured Sums and the performance of the obligations and the observance of the warranties agreements and undertakings of the Company under or pursuant to this Mortgage and The Sanctuary Group plc under or pursuant to the Loan Notes and the Loan Note Instrument the Company:

(1) charges such part of the Physical Materials now in existence and owned by the Company or in which it has any interest in favour of the Lender by way of first fixed charge;

(2) charges such part of the Physical Materials not yet in existence but created or acquired by the Company or in which it has any interest after the date of this Mortgage in favour of the Lender by way of first equitable charge;

(3) charges all book debts and other debts now and from time to time due or owing to the Company (save for those due or owing from The Sanctuary Group plc and any of its subsidiaries) which debts relate to the Intellectual Property Rights or the Physical Materials or the Derived Materials in favour of the Lender by way of first fixed charge;

(4) charges in favour of the Lender by way of first floating charge every part of the undertaking and assets and business of the Company to the extent that these relate directly to the Trojan Catalogue and all rights assets and property of the Company now owned or at any time acquired by the Company directly relating to the Trojan Catalogue during the continuance of this security including without limitation all Derivative Materials whether the foregoing are now in existence or are created in future. The parties agree that the assets secured by this floating charge will constitute the whole or substantially the whole of the Company's assets for the purposes of S.29(2) of the Insolvency Act 1986

In addition to and without prejudice to the Lender's other rights under this Mortgage, the Company undertakes to hold after the date of this Mortgage its entire interest in all Physical Materials and original copies of all documents required or necessary or advisable to exploit or use or maintain the Intellectual Property Rights or the Physical Materials and/or to manufacture and/or to exploit the Derivative Materials on trust for the Lender absolutely (subject to the Company's right of redemption) and to store all Physical Materials and all such documents separately from other materials or goods in its possession and to mark them in such a way that they are clearly identified as being held on trust for the Lender.

As further security for the payment to the Lender of the Secured Sums and the performance of the obligations and the observance of the warranties agreements and undertakings of the Company under or pursuant to this Mortgage and The Sanctuary Group plc under or pursuant to the Loan Notes and the Loan Note Instrument the Company:-

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## Particulars of a mortgage or charge (continued)

Continuation sheet No 2  
to Form No 395 and 410 (Scot)

CHA 116

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

Company Number

1213301

Name of Company

TROJAN RECORDINGS LIMITED

~~limited~~\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Not applicable

Please do not  
write in this  
binding margin

Not applicable

Please complete  
legibly, preferably  
in black type, or  
bold block lettering



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binding margin

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

Not applicable

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

(1) assigns to the Lender all the Company's rights of action in respect of the Intellectual Property Rights and the Materials which have not been assigned to the Lender pursuant to the earlier provisions of this Mortgage including without limitation the right to commence proceedings and/or receive and recover damages in respect of any infringement of the Intellectual Property Rights in any part of the world whether such infringement occurred before or after the date of this Mortgage and whether or not the Company or any Intellectual Property User has commenced proceedings in respect of such infringement TO HOLD all such rights to the Lender absolutely subject to the Company's right of redemption.

(2) assigns to the Lender all Applications and all the Company's right title and interest in and to such assigned Applications and all rights powers privileges and immunities arising or accruing from such assigned Applications together with all corresponding rights relating to the Trojan Catalogue obtainable in any part of the world and the benefit of any priority dates attaching to the assigned Applications all of which are assigned to the Lender and with the intention that the grant of any rights pursuant to the assigned Applications shall be made in the name of the Lender subject to the Company's right of redemption.

(3) assigns absolutely to the Lender the entire interest of the Company in and to all proceeds of any Insurance Policies together with the entire benefit of any rights devolving upon the Company under or pursuant to any such insurance policy all of which shall accrue to the Lender save in relation to Insurance Policies taken out by The Sanctuary Group plc in respect of which the Company will procure that the Lender's interest is noted thereon by the relevant insurer as first and exclusive beneficiary (with a claim ranking ahead of all other parties including without limitation The Sanctuary Group plc) in relation to any and all proceeds relating to the Trojan Catalogue subject to the Company's right of redemption provided that, unless there has been an event of default in which case the rest of this sub-clause will not apply, (i) in the event that the proceeds of any Insurance Policies amount to a sum equal to 25% or more of the Secured Sums then the Company will pay all such proceeds into a separate bank account in the name of the Company but with Mishcon de Reya and Rosenblatt alone as joint co-signatories and the Company hereby charges such proceeds and all interest earned thereon in favour of the Lender by way of first fixed charge free from all other liens charges and encumbrances until the Secured Sums are repaid in full or, with the prior written approval of the Lender (to be given or refused within 28 days of any request by Company), the Company will be entitled to use such proceeds to acquire further intellectual property rights the benefit of which will then be assigned, sub-licensed or held on trust for the Lender (in accordance with clause 2 of this Mortgage) as part of the Secured Property until the Secured Sums are repaid in full or (ii) in the event that the proceeds of any Insurance Policies amount to a sum less than 25% of the Secured Sums then the Company will be entitled to use such proceeds to acquire further intellectual property rights the benefit of which will then be assigned, sub-licensed or held on trust for the Lender (in accordance with clause 2 of this Mortgage) as part of the Secured Property until the Secured Sums are repaid in full. Provided the intellectual property rights referred to in (i) and (ii) of the proviso in the previous sentence are then licensed to the Company in accordance with clause 8 hereof the Company agrees to execute any documents necessary to effect any such assignment, sub-licence or trust.

The following definitions apply in this Mortgage:

'Applications' Any and all applications for the registration of Intellectual Property Rights which have been made as at the date of this Mortgage or are made at any time during the subsistence of this security by or on behalf of the Company in any registry or office in any part of the world.

"Contracts" Any agreement or commitment whether conditional or unconditional and whether by deed, under hand, oral or otherwise, and any arrangement or understanding whether legally binding or not.

Please do not  
write in this  
binding margin

## Particulars of a mortgage or charge (continued)

Continuation sheet No 3  
to Form No 395 and 410 (Scot)

CHA 116

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

Company Number

1213301

Name of Company

TROJAN RECORDINGS LIMITED

Limited\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Not applicable

Not applicable

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

Please do not  
write in this  
binding margin

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

Not applicable

'Derivative Materials' Any and all materials of any description directly or indirectly derived from the Physical Materials whether the same are manufactured or created by or on behalf of the Company or any Intellectual Property User or any other third party including without limitation all stocks of records, videos and books provided the same relates to the Trojan Catalogue.

"Effective Date" shall mean the date of this Mortgage.

'Existing Intellectual Property Users' The persons firms companies and collecting societies who are existing distributors or licensees or users in respect of the Intellectual Property Rights and/or the Materials.

'Existing Exploitation Agreements' The agreements between the Company and the Existing Intellectual Property Users existing as at the date of this Mortgage.

'Exploitation Agreements' The Existing Exploitation Agreements and/or the Future Exploitation Agreements.

'Future Intellectual Property Users' Any persons firms companies and collecting societies who may on or after the date of this Mortgage enter into any agreement or arrangement with the Company in respect of the distribution and/or licence and/or use of the Intellectual Property Rights and/or the Materials.

'Future Exploitation Agreements' Any arrangement or agreement between the Company and any Future Intellectual Property Users in respect of the licensing or distribution or use or other exploitation of the Intellectual Property Rights or the Materials or any part of them.

'Insurance Policies' Any insurance policy relating to the Intellectual Property Rights and/or the Materials now or in future effected by or on behalf of The Sanctuary Group plc, or the Company or any other Sanctuary Group company.

'Intellectual Property Rights' Any and all rights of copyright design right know-how patent registered design right service mark trade mark performers property rights rental and lending rights the benefits of waivers of moral rights and any other intellectual property rights of any description relating to the Trojan Catalogue including all goodwill associated with such Intellectual Property Rights and for the avoidance of doubt if any licence of Intellectual Property Rights which is in force at the Effective Date terminates for any reason and such Intellectual Property Rights are then relicensed to the Company for a further term and/or if the Company acquires any other rights in Intellectual Property Rights in the Trojan Catalogue from time to time then such Intellectual Property Rights will still be regarded as "Intellectual Property Rights" and as part of the "Trojan Catalogue" for the purposes of this Agreement.

'Intellectual Property User' Any Existing Intellectual Property User and/or Future Intellectual Property User.

'Materials' The Physical Materials and/or the Derivative Materials.

'Physical Materials' Every item of physical material of any description or type whatever in or in respect of which Intellectual Property Rights may subsist and in respect of each such item the original copy or version or variant owned produced or delivered by or obtained by the Company and any rejected and/or surplus materials associated or connected with or forming part of the foregoing which shall include without limitation books and records in any medium films sound recordings in all media masters demos out-takes artwork advertising and promotional material and any other material of any description whatever in which Intellectual Property Rights may be incorporated.

'Purchaser' any purchaser of or any person acquiring for money or money's worth any of the Materials and/or the Intellectual Property Rights and/or any lease or security interest or right or any other interest of any nature whatever in any of them.

'Secured Property' All the property assets and rights of the Company charged held on trust assigned or licensed (or which may at any time become charged held on trust assigned or licensed) by or pursuant to this Mortgage and includes any part of or interest in any of the same.

Please do not  
write in this  
binding margin

## Particulars of a mortgage or charge (continued)

Continuation sheet No 4  
to Form No 395 and 410 (Scot)

CHA 116

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

Company Number

1213301

Name of Company

TROJAN RECORDINGS LIMITED

~~limited~~

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Not applicable

Please do not  
write in this  
binding margin .

Not applicable

**Please complete  
legibly, preferably  
in black type, or  
bold block lettering**



Please do not  
write in this  
binding margin

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

Not applicable

'Third Party Rights' (i) Any Intellectual Property Rights which are licensed to the Company (but excluding any rights which are assigned to the Company) at any time until the repayment to the Lender of the Secured Sums together with all other contractual rights under assignments and licenses of Intellectual Property Rights and (ii) any and all rights which the Company has from time to time under Contracts in force on the Effective Date with any persons for their recording services (or any entities for the recording services of any persons).

'Trade Marks' Any trade mark or service mark now owned by the Company irrespective of whether or not any such mark is registered which Trade Marks have been used by the Company in relation to the Trojan Catalogue on or prior to the Effective Date.

'Trojan Catalogue' all recordings (including without limitation audiovisual recordings) all intellectual property rights relating to or associated with any such recordings (for example album art work and sleeve notes), recording rights, audio and visual master rights and unreleased contracted recordings owned, exploited or controlled (by licence or otherwise) by the Company as at the Effective Date together with any recordings delivered to the Company after the Effective Date under Contracts between the Company and any persons for their recording services (or any entities for the recording services of any persons) which are in force at the Effective Date.

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

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## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 01213301

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF MORTGAGE DATED THE 3rd AUGUST 2001 AND CREATED BY TROJAN RECORDINGS LIMITED FOR SECURING ANY AND ALL MONEYS, OBLIGATIONS AND LIABILITIES DUE OR TO BECOME DUE TO COLIN MAURICE NEWMAN AND METTE NEWMAN BY THE SANCTUARY GROUP PLC UNDER OR IN CONNECTION WITH THE £8,250,000 SECURED/GUARANTEED LOAN NOTES OR BY THE COMPANY UNDER OR IN CONNECTION WITH THIS MORTGAGE IN RESPECT OF PRINCIPAL INTEREST FEES COSTS OR OTHERWISE HOWEVER BY THE SANCTUARY GROUP PLC UNDER OR IN CONNECTION WITH THE LOAN NOTES AND/OR THE LOAN NOTE INSTRUMENT OR BY THE COMPANY UNDER OR IN CONNECTION WITH THIS MORTGAGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 21st AUGUST 2001.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 24th AUGUST 2001.

*P. Lane*



*Companies House*

— for the record —



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES