

2019657

DATED 6 December 2006

SBME HOLDINGS B.V.

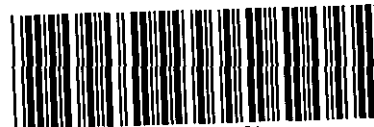
and

SONY BMG MUSIC ENTERTAINMENT (INTERNATIONAL) LIMITED

---

SHARE CONTRIBUTION AGREEMENT

---



\*ERZOA002\*  
EDX 8/2/07 112  
COMPANIES HOUSE

Baker & McKenzie LLP

London  
Ref: KHW/ERC/YC

## CONTENTS

Clause		Page
1.	Definitions and Interpretation .....	1
2.	Contribution of the Contribution Shares .....	2
3.	Consideration .....	2
4.	Completion .....	2
5.	Transfer of Ownership and Further Assurances .....	2
6.	Tax.....	3
7.	Conditions Precedent.....	3
8.	General .....	4

**DATE:** 6 DECEMBER 2006

**PARTIES:**

- (1) **SBME Holdings B.V.**, a company incorporated in the Netherlands with registration number 30196034 and whose registered office is at Heuvellaan 50, 1217 JN Hilversum, The Netherlands (the "**Transferor**");
- (2) **SONY BMG MUSIC ENTERTAINMENT (International) Limited**, a company incorporated in England and Wales with registration number 02019657 and whose registered office is at Bedford House, 69-79 Fulham High Street, London, SW6 3JW, United Kingdom (the "**Transferee**").

**RECITALS:**

- (A) The Transferor is the legal and beneficial owner of the majority of the equity interests in the international subsidiaries of the SONY BMG MUSIC ENTERTAINMENT business.
- (B) As part of an international business restructuring the Transferor has agreed with the Transferee to contribute to the Transferee all of the equity interests that the Transferor owns in certain European subsidiaries in exchange for the issuance of shares.
- (C) SONY BMG MUSIC ENTERTAINMENT B.V. is the ultimate parent company of the parties.

**TERMS AGREED:**

**1. DEFINITIONS AND INTERPRETATION**

- 1.1 In this Agreement where the context so admits the following words and expressions shall have the following meanings:

"**Conditional Shares**" shall mean the ENS Shares, the Duzy Dom Shares and the SBME Portugal shares;

"**Consideration Shares**" shall mean the 22,505,366 ordinary shares of £1 each in the Transferee to be issued fully paid at a premium, as appropriate, for consideration equal to or exceeding the nominal value of the shares and to be allocated in accordance with Schedule 1;

"**Contribution Shares**" shall mean the equity interests in the European Subsidiaries as set out in more detail at column 5 of Schedule 1 of this Agreement;

"**Contribution Value**" shall mean the fair market value of the Contribution Shares at the date of the Agreement as set out in clause 3.1 and as calculated in accordance with the Valuation Report;

"**Duzy Dom**" shall mean Duzy Dom Dystrybucyjng Sp.Zoo.;

"**Duzy Dom Shares**" shall mean the participation in Duzy Dom Dystrybucyjng Sp.Zoo. as set out in more detail at Schedule 1 of this Agreement;

"**Effective Date**" shall mean 6 December 2006;

"**European Subsidiaries**" shall mean the subsidiaries of the Transferor listed in column 1 of Schedule 1 to this Agreement;

"**ENS**" shall mean ENS Entertainment Network Scandinavia AB;

"ENS Shares" shall mean the participation in ENS Entertainment Network Scandinavia AB as set out in more detail at Schedule 1 of this Agreement;

"SBME Austria" shall mean SONY BMG MUSIC ENTERTAINMENT (Austria) GmbH;

"SBME Austria Shares" shall mean the shares in SONY BMG MUSIC ENTERTAINMENT (Austria) GmbH as set out in more detail at Schedule 1 of this Agreement;

"SBME Italy" shall mean SONY BMG MUSIC ENTERTAINMENT (Italy) SPA;

"SBME Portugal" shall mean SONY BMG MUSIC ENTERTAINMENT (Portugal), Sociedade Unipessoal L.D.A.;

"SBME Portugal Shares" shall mean the participation in SONY BMG MUSIC ENTERTAINMENT (Portugal), Sociedade Unipessoal L.D.A. as set out in more detail at Schedule 1 of this Agreement;

"Valuation Report" shall mean the valuation report prepared by SONY BMG MUSIC ENTERTAINMENT and dated 6 December 2006; and

"Zomba Italy" shall mean Zomba Records Italia Srl.

- 1.2 The headings in this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

## 2. CONTRIBUTION OF THE CONTRIBUTION SHARES

With effect from the Effective Date the Transferor shall contribute and the Transferee shall receive the Contribution Shares, together with all rights now or hereafter attaching to them.

## 3. CONSIDERATION

- 3.1 The Contribution Value is £225,145,888 (two hundred and twenty-five million, one hundred and fifty-five thousand, eight hundred and eighty-eight pounds sterling).
- 3.2 The consideration for the Contribution Shares shall be the issue and allotment by the Transferee to the Transferor of the Consideration Shares credited as fully paid.

## 4. COMPLETION

Completion shall take place immediately following the execution of this Agreement after which all of the following shall take place:

- 4.1 subject to clause 7, the Transferor shall procure the transfer of the Contribution Shares to the Transferee; and
- 4.2 the Transferee shall allot the Consideration Shares to the Transferor credited as fully paid, and deliver to the Transferor a duly executed share certificate in the name of the Transferor in respect of the Consideration Shares.

## 5. TRANSFER OF OWNERSHIP AND FURTHER ASSURANCES

- 5.1 With effect from the Effective Date, the Transferee shall be the beneficial and economic owner of the Contribution Shares and in relation to any Contribution Shares the legal title to which has not been transferred at Completion, the Transferor shall hold all such Contribution Shares as nominee for the benefit of the Transferee until legal title has been formally transferred.

- 5.2 The Transferor agrees (at its own cost) to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by law or as the Transferee may reasonably require, whether on or after the Effective Date, to implement and/or give effect to this Agreement and the transaction contemplated by this Agreement and for the purpose of vesting in the Transferee the full legal and beneficial ownership of the Contribution Shares.
- 5.3 The transfer of the SBME Austria Shares in accordance with this Agreement requires the signing of an Austrian notarial deed for the effectiveness of the share transfer. Therefore the Transferor and the Transferee herewith acknowledge and agree that they will deliver a notarial deed concerning the transfer of the SBME Austria Shares as duly executed by the Transferor's and Transferee's authorized representatives in accordance with Section 76 of the Austrian Act on Companies with Limited Liability (*Gesetz über Gesellschaft mit beschränkter Haftung - GmbH - Gesetz*) and in compliance with the Austrian rules for the effectiveness of the transfer of shares. For this purpose the Transferor and the Transferee hereby appoint each advocate of Baker & McKenzie Vienna (*Kerres & Diwok Rechtsanwälte GmbH*) severally by means of an individual Special Power of Attorney to be its attorney ("the Attorney") to take all such steps including, without limitation, the recording of the transfer of the SBME Austria Shares in the share register (*Firmenbuch*) on behalf of the Transferor and the Transferee and furthermore to perform any other legal acts and to do anything which its Attorney deems necessary in connection with the aforementioned. In the Austrian notarial deed regulating the share transfer, the applicable Austrian tax issues relating to the effective date of the share transfer will be addressed.
- 5.4 The transfer of the SBME Portugal Shares in accordance with this Agreement shall be carried out through the signing of a Portuguese notarial deed subject to a condition precedent in the terms set forth under clause 7. Therefore the Transferor and the Transferee herewith acknowledge and agree that they will deliver a notarial deed concerning the transfer of the SBME Portugal Shares as duly executed by the authorised representatives of the Transferee and the Transferor. For the purposes hereof, Transferor and Transferee shall issue any powers of attorney in the name of said authorised representatives, in the terms required to execute such notarial deed.

## 6. TAX

No stamp duty tax is due in Italy pursuant to section 1, paragraph 3, of R.D. n. 3278, dated 30 December 1923, as the transfer of the shares of SBME Italy and Zomba Italia occurs within companies belonging to the same group and the exemption provided for intra-group transactions apply.

## 7. CONDITIONS PRECEDENT

- 7.1 Completion of the transfer of the SBME Portugal Shares from the Transferor to the Transferee is conditional upon SBME Portugal having obtained a tax ruling from the Ministry of Finance in Portugal which allows the use of the tax losses currently held by SBME Portugal after the transfer of its capital.
- 7.2 Completion of the transfer of the Duzy Dom Shares from the Transferor to the Transferee is conditional upon securing the consent of the other shareholders in Duzy Dom to the transfer of the Duzy Dom Shares by the Transferor, including the consent of the other shareholders in Duzy Dom that they will not exercise any pre-emption rights over the Duzy Dom Shares.
- 7.3 Completion of the transfer of the ENS Shares from the Transferor to the Transferee is conditional upon securing the consent of the other shareholders in ENS to the transfer of shares by the Transferor including the consent of the other shareholders in ENS that they will not exercise any pre-emption rights over the ENS Shares.

- 7.4 On the Effective Date, the Conditional Shares will not be transferred as part of the Contribution Shares under Clause 4 of this Agreement in the event that the conditions precedent to the transfer of the Conditional Shares at clauses 7.1 to 7.3 have not yet been satisfied.
- 7.5 The Conditional Shares shall be included within the Contribution Shares for the purposes of calculating the value of the Consideration Shares to be issued and allotted by the Transferee to the Transferor notwithstanding that the condition to the transfer of the Conditional Shares at clauses 7.1 to 7.3 have not yet been satisfied.
- 7.6 Once the condition at clause 7.1 has been satisfied, the SBME Portugal Shares shall be transferred to the Transferee by the Transferor in accordance with this Agreement.
- 7.7 Once the condition at clause 7.2 has been satisfied, the Duzy Dom Shares shall be transferred to the Transferee by the Transferor in accordance with this Agreement.
- 7.8 Once the condition at clause 7.3 has been satisfied, the ENS Shares shall be transferred to the Transferee by the Transferor in accordance with this Agreement.
- 7.9 In the event that the parties agree that any condition contained within clause 7 is not and will not be satisfied, the shares to which the condition applies will not be transferred from the Transferor to the Transferee and clause 5.1 shall cease to apply in respect thereof and any benefits accrued to the Transferor thereunder shall be returned to the Transferee. Consequently, the Transferor should pay to the Transferee a sum equivalent to the fair market value of the shares as at the Effective Date to which the condition applies as at the date of this Agreement in respect of the difference between the value of the Consideration Shares issued and allotted to the Transferor and the value of the Contribution Shares as at the date of this Agreement.
- 8. GENERAL**
- 8.1 Neither party shall assign or transfer its rights or obligations under this Agreement without the prior written consent of the other party. This Agreement shall be binding upon and enure for the benefit of any successors and assignees of the parties.
- 8.2 Save as expressly provided in clause 8.1, a person who is not a party to this Agreement shall not have or acquire any right to enforce any term of this Agreement (including but not limited to any right to enforce or have the benefit of any exclusion or limitation of liability contained in this Agreement). This clause shall override any other clause in this Agreement which is or may be inconsistent with it.
- 8.3 The parties hereto shall each perform such acts, execute and deliver such instruments and documents, and do all such other things as may be reasonably necessary to accomplish the transactions completed in this Agreement.
- 8.4 This Agreement (together with any documents referred to herein) constitutes the whole agreement between the parties to this Agreement.
- 8.5 The Transferee acknowledges that it has not relied in relation to the contribution of the Contribution Shares on, or been induced to enter into this Agreement by, any information (written or oral), statements or warranties or representations of any description made, supplied or given by the Transferor or any other person in relation to the European subsidiaries or otherwise. Without prejudice to the foregoing, the Transferee irrevocably and unconditionally waives any right it might have to claim damages, or rescind this Agreement, for misrepresentation. This clause 8.5 does not exclude liability for any fraudulent, dishonest or criminal act or omission.

- 8.6 All of the provisions of this Agreement shall remain in full force and effect notwithstanding Completion (except insofar as they set out obligations which have been fully performed at Completion).
- 8.7 This Agreement may be executed in one or more counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart and each such counterpart shall constitute an original of this Agreement but all the counterparts shall together constitute one and the same instrument.
- 8.8 This Agreement shall be governed by and construed in accordance with English law.

SIGNED by  
for and on behalf of  
**SBME HOLDINGS B.V.**

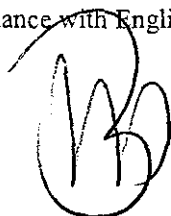
)  
)  
) \_\_\_\_\_

SIGNED by  
for and on behalf of  
**SONY BMG MUSIC ENTERTAINMENT  
(INTERNATIONAL) LIMITED**

)  
)  
)  \_\_\_\_\_

- 8.6 All of the provisions of this Agreement shall remain in full force and effect notwithstanding Completion (except insofar as they set out obligations which have been fully performed at Completion).
- 8.7 This Agreement may be executed in one or more counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart and each such counterpart shall constitute an original of this Agreement but all the counterparts shall together constitute one and the same instrument.
- 8.8 This Agreement shall be governed by and construed in accordance with English law.

SIGNED by  
for and on behalf of  
**SBME HOLDINGS B.V.**

)  
)  
)   
\_\_\_\_\_

SIGNED by  
for and on behalf of  
**SONY BMG MUSIC ENTERTAINMENT  
(INTERNATIONAL) LIMITED**

)  
)  
)  
) \_\_\_\_\_

# SCHEDULE 1

## Contribution Shares

Company Name	Country of Incorporation	Registered Company Number	Registered Office	Number of Shares	Nominal Share Value	Percentage of the issued equity in shares	Contribution Value of Company in £	Indicative number of shares
SONY BMG MUSIC ENTERTAINMENT (Austria) GmbH	Austria	FN 71007y	Erlachgasse 134-140, 1101 Wien Postfach	NA	€45,000	100%	31,906,000	3,190,600
SONY BMG MUSIC ENTERTAINMENT (Belgium) N.V.	Belgium	0415.736.357	Henri Evenepoelstraat 9, 1030 Schaarbeek, Belgium	700	N/A	99.99%	12,729,000	1,272,900
SONY BMG MUSIC ENTERTAINMENT (CZECH REPUBLIC) Sro.	Czech Republic	41994031	Praha 1, Palackého 740/1, 11000, Czech Republic	NA	CZK80,000	80%	1,253,600	125,360
SONY BMG MUSIC ENTERTAINMENT (Denmark) A.S.	Denmark	12259484	Vognmagergade 7, 6., 1120 Copenhagen K	914	1,000	100%	5,895,000	589,500
SONY BMG MUSIC ENTERTAINMENT (FINLAND) OY	Finland	0776124-0	pl 285 (Itsehallintotie 3), 02601 Espoo, Finland	50	€8,409.40	100%	11,338,000	1,133,800
SONY BMG MUSIC ENTERTAINMENT (Greece) S.A.	Greece	94050979	311 Mesogeion Avenue, Chalandri Attikis, Greece	600,283	€3	99.99%	1000	1
SONY BMG MUSIC ENTERTAINMENT	Hungary	01-09-074293	1023 Budapest, Levél u.	1	HUF	99.9%	595,000	59,500

Company Name	Country of Incorporation	Registered Company Number	Registered Office	Number of Shares	Nominal Share Value	Percentage of the issued equity in shares	Contribution Value of Company in £	Indicative number of shares
(Magyarország) KFT.			4., Hungary		99,900,000			
SONY BMG MUSIC ITALY ENTERTAINMENT (Italy) Spa.	Italy	08072811006	Via Amedei 9, 20123 Milano, Italy	5,955,000	€1	100%	101,725,000	10,172,500
Zomba Records Italia Srl.	Italy	13132950158	Via Olona 2, 20123 Milano, Italy	1	€78,000	100%	1	1
SONY BMG MUSIC NORWAY ENTERTAINMENT (Norway) A.S.	Norway	850147582	Sandakerveien 24c, Bygg D5, 0412 Oslo, Norway	201	NOK 1,000	100%	4,064,000	406,400
SONY BMG MUSIC POLAND ENTERTAINMENT (Poland) Sp.Zoo.	Poland	KRS 0000008269	Choralna 14, 02-879 Warsaw, Poland	21,053	PLN 500	100%	1000	1
Duzy Dom Dystrybucyjng Sp.Zoo.	Poland	KRS 0000084432	Osmańska 9, 02-823 Warsaw, Poland	40	PLN 500	33.3%	12,520	1
SONY BMG MUSIC PORTUGAL ENTERTAINMENT (Portugal), Sociedade Unipessoal L.D.A.	Portugal	501994963	Rua Professor Jorge da Silva Horta, No. 1-2, Benfica, Portugal	3	EUR2,150,000	99.7%	5,239,000	523,900
SONY BMG MUSIC SWEDEN ENTERTAINMENT (Sweden) AB	Sweden	556333-6857	PO Box 3187, SE-103 63 Stockholm, Sweden	1,000	N/A	100%	25,324,000	2,532,400
ENS Entertainment Network Scandinavia AB	Sweden	556577-5003	Via redsvägen 34, SE-504 94 Borås,	1,000,000	N/A	33%	76,766	1

Company Name	Country of Incorporation	Registered Company Number	Registered Office	Number of Shares	Nominal Share Value	Percentage of the issued equity in shares	Contribution Value of Company in £	Indicative number of shares
Sweden								
SONY BMG MUSIC ENTERTAINMENT (Switzerland) GmbH.	Switzerland	CH-170.4.004.97 7-4	Letzigraben 89, 8003 Zurich, Switzerland	1 quota	CHF 1,250,000	100% of quota capital	24,985,000	2,498,500
SONY BMG MUSIC ENTERTAINMENT Turkiye Ticaret A.S.	Turkey		Meşrutiyet No.163/5-6, Beyoğlu Istanbul, Turkey	Cad. 412,521, 703	1YTL	99.9917%	1,000	1