

MR01

Particulars of a charge



Companies House

101138/46



Go online to file this information
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A fee is payable with this form
Please see 'How to pay' on the last page.

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument.

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument. Use

For further information, please
refer to our guidance at:
www.gov.uk/companieshouse

This form must be delivered to the Registrar for registration
21 days beginning with the day after the date of creation.
If delivered outside of the 21 days it will be rejected unless
a court order extending the time for delivery.



You **must** enclose a certified copy of the instrument with
this form, scanned and placed on the public record. **Do not send**

MONDAY



L731IAFN

LD4

09/04/2018

#43

COMPANIES HOUSE

1 Company details

Company number 02989602
Company name in full ENTERTAINMENT ONE UK LIMITED

3 2 For official use

→ Filling in this form
Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 3 0 0 3 2 0 1 8

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge.

Name CLOVER FILM HOLDINGS III, LLC

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below.

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge.

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Particulars of a charge

4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument.

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument".

Brief description

None as at the date of creating of the charge

Please limit the description to the available space.

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box.

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box.

☒ Yes Continue

☐ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box.

☒ Yes

☐ No

8

Trustee statement¹

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge.

☐

¹This statement may be filed after the registration of the charge (use form MR06).

9

Signature

Please sign the form here.

Signature

Signature

X *Lothian & Wathams* X

This form must be signed by a person with an interest in the charge.

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **CLAUDIA SOUSA**

Company name **LATHAM & WATKINS LLP**

Address **99 BISHOPSGATE**

Post town **LONDON**

County/Region **LONDON**

Postcode **E C 2 M 3 X F**

Country **UNITED KINGDOM**

DX

Telephone **0207 710 1850**



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have included a certified copy of the instrument with this form.
- ☐ You have entered the date on which the charge was created.
- ☐ You have shown the names of persons entitled to the charge.
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8.
- ☐ You have given a description in Section 4, if appropriate.
- ☐ You have signed the form.
- ☐ You have enclosed the correct fee.
- ☐ Please do not send the original instrument; it must be a certified copy.



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House.'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales:
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

For companies registered in Northern Ireland:
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2989602

Charge code: 0298 9602 0032

The Registrar of Companies for England and Wales hereby certifies that a charge dated 30th March 2018 and created by ENTERTAINMENT ONE UK LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th April 2018.

Given at Companies House, Cardiff on 16th April 2018

P



Companies House



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

I certify that, save for material redacted pursuant to section 859G of the Companies Act 2006, the enclosed copy of the security instrument delivered as part of this application for registration under section 859A of the Companies Act 2006 is a correct copy of the original security instrument.

Signature: 

Date: 6 April 2018

Execution Version

March 30, 2018

ENTERTAINMENT ONE UK LIMITED

and

CLOVER FILM HOLDINGS III, LLC

**DEED OF SECURITY ASSIGNMENT AND
CHARGE**

LATHAM & WATKINS

99 Bishopsgate
London EC2M 3XF
United Kingdom
Tel: +44.20.7710.1000
www.lw.com

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THIS DEED is made on _____ March 30, _____ 2018

BETWEEN:

- (1) **ENTERTAINMENT ONE UK LIMITED**, a company incorporated in England and Wales with registered number 02989602 (the “**Chargor**”); and
- (2) **CLOVER FILM HOLDINGS III, LLC**, a limited liability company formed under the laws of the State of Delaware, U.S.A. (the “**Secured Party**”).

IT IS AGREED AS FOLLOWS:

1. INTERPRETATION

1.1 Definitions

In this Deed:

“**Assignment Agreement**” means the California law governed agreement dated on or about the date of this Deed and made between, among others, the Secured Party and the Chargor, pursuant to which the Chargor assigned the benefit of the Economic Interests;

“**Business Day**” means a day other than a Saturday or Sunday or public holiday in London or Los Angeles;

“**Charged Property**” means all the assets and undertakings of the Chargor which from time to time are subject of the security created or expressed to be created in favour of the Secured Party by or pursuant to this Deed;

“**Counterparty Notice**” means a notice substantially in the form set out in Schedule 2 hereof;

“**Direct Distribution Territories**” has the meaning given to such term in the Assignment Agreement;

“**Distribution Agreements**” has the meaning given to the term “Underlying Agreements” in the Assignment Agreement;

“**eOne**” has the meaning given to such term in the Assignment Agreement;

“**Economic Interests**” has the meaning given to such term in the Assignment Agreement;

“**Event of Default**” has the meaning given to such term in Clause 10.1 below;

“**Excluded Economic Interests**” has the meaning given to such term in the Assignment Agreement;

“**Exploitation Agreements**” has the meaning given to such term in the Assignment Agreement;

“**Exploitation Rights**” means all of eOne’s rights to distribute, exhibit and license the distribution and exhibition of the Series in the Territory pursuant to the Distribution Agreements PROVIDED THAT in relation to the Direct Distribution Territories, the Exploitation Rights shall be limited to such rights in relation to the Included Media;

“**Exploitation Rights Obligors**” means all distributors or licensees of the UK Exploitation Rights in connection with the Series pursuant to the UK Exploitation Agreements;

“**Gross Receipts**” has the meaning given to such term in the Assignment Agreement;

[Signature page to English law Deed of Security Assignment and Charge]

“Included Media” has the meaning given to such term in the Assignment Agreement;

“Notice Request” has the meaning given to such term in the Assignment Agreement;

“Obligors” means the Chargor, Entertainment One Television International Limited, Seville Productions (Dallaire) Inc. and Seville Pictures Inc.

“Parties” means each of the parties to this Deed from time to time;

“Quasi-Security” means a transaction in which the Chargor:

- (a) sells, transfers or otherwise disposes of any of its assets on terms whereby they are or may be leased to or re-acquired by the Chargor or any other member of the Chargor’s group;
- (b) sells, transfers or otherwise disposes of any of its receivables on recourse terms;
- (c) enters into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
- (d) enters into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising financial indebtedness or of financing the acquisition of an asset;

“Receiver” means an administrator, a receiver and manager or (if the Secured Party so specifies in the relevant appointment) receiver in each case appointed under this Deed;

“Relevant Agreements” means the Exploitation Agreements, the Transaction Documents and the Distribution Agreements;

“Secured Obligations” means all money, obligations or liabilities due, owing or incurred to the Secured Party by the Chargor under any Transaction Document at present or in the future, whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing thereon and all losses incurred by the Secured Party in connection therewith except for any money, obligation or liability which, if it were so included, would cause the infringement of section 678 of the Companies Act 2006;

“Secured Party Account” means the account designated by the Secured Party in the name of the Secured Party for the purpose (among others) of collecting 100% of the Gross Receipts with respect to the exploitation of the Series in the Territory;

“Security” means a mortgage, charge, pledge or lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

“Security Documents” means this Deed, the Short Form US Security Agreement, the Deed of Trust, any intercreditor and interparty agreements with respect to the Charged Property, any notices of assignment issued in accordance with section 7(b) of the Assignment Agreement, the Canadian Security Agreement, any UCC financing statements, the Assignment Agreement, any other forms or filings reasonably necessary to perfect any security interests created or evidence by any of the foregoing, and any other ancillary documentation which is required to be or is otherwise executed by the Obligors and is delivered to the Secured Party in connection with the foregoing documents;

“**Series**” means the two (2) episodic series currently referred to as (a) *Into the Badlands*, and (b) *Hap and Leonard*; provided, that the Series shall include only seasons expressly identified on Exhibit A of the Assignment Agreement;

“**Territory**” has the meaning given to such term in the Assignment Agreement;

“**Transaction Documents**” has the meaning given to such term in the Assignment Agreement;

“**UK Distribution Agreements**” means the Distribution Agreements set out in Schedule 1 hereof;

“**UK Exploitation Agreements**” means all agreements relating to the distribution (including sub-distribution) and exploitation of the Series that are entered into by the Chargor or any affiliate of the Chargor, including but not limited to those set forth in Schedule 4 to the Assignment Agreement PROVIDED THAT in relation to the Direct Distribution Territories, the UK Exploitation Agreements shall be limited to such rights in relation to the Included Media;

“**UK Exploitation Rights**” means all of the Chargor’s (or its affiliates’) rights to distribute, exhibit and licence the distribution and exhibition of the Series pursuant to the Distribution Agreements PROVIDED THAT in relation to the Direct Distribution Territories, the UK Exploitation Rights shall be limited to such rights in relation to the Included Media;

1.2 Construction

In this Deed, unless a contrary intention appears, a reference to:

- (a) an “**agreement**” includes any legally binding arrangement, concession, contract, deed or franchise (in each case whether oral or written);
- (b) an “**amendment**” includes any amendment, supplement, variation, novation, modification, replacement or restatement and “**amend**”, “**amending**” and “**amended**” shall be construed accordingly;
- (c) “**assets**” includes present and future properties, revenues and rights of every description;
- (d) “**including**” means including without limitation and “**includes**” and “**included**” shall be construed accordingly;
- (e) “**losses**” includes losses, actions, damages, claims, proceedings, costs, demands, expenses (including fees) and liabilities and “**loss**” shall be construed accordingly;
- (f) a “**person**” includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or any two or more of the foregoing;
- (g) a “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation; and
- (h) 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.

1.3 Other References

- (a) In this Deed, unless a contrary intention appears, a reference to:
 - (i) the Secured Party and the Chargor or any other person is, where relevant, deemed to be a reference to or to include, as appropriate, that person's successors in title, permitted assignees and transferees;
 - (ii) any Transaction Document or other agreement or instrument is to be construed as a reference to that agreement or instrument as amended or novated, including by way of increase of the facilities or other obligations or addition of new facilities or other obligations made available under them or accession or retirement of the parties to these agreements but excluding any amendment or novation made contrary to any provision of any Transaction Document;
 - (iii) any clause or schedule is a reference to, respectively, a clause of and schedule to this Deed and any reference to this Deed includes its schedules; and
 - (iv) a provision of law is a reference to that provision as amended or re-enacted.
- (b) The index to and the headings in this Deed are inserted for convenience only and are to be ignored in construing this Deed.
- (c) Words importing the plural shall include the singular and vice versa.

1.4 Incorporation by reference

Unless the context otherwise requires or unless otherwise defined in this Deed, words and expressions defined in the Assignment Agreement have the same meanings when used in this Deed.

1.5 Miscellaneous

- (a) The terms of the documents under which the Secured Obligations arise and of any side letters between the Chargor and the Secured Party relating to the Secured Obligations are incorporated in this Deed to the extent required for any purported disposition of the Charged Property contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (b) Notwithstanding any other provision of this Deed, the obtaining of a moratorium under section 1A of the Insolvency Act 1986, or anything done with a view to obtaining such a moratorium (including any preliminary decision or investigation), shall not be an event causing any floating charge created by this Deed to crystallise or causing restrictions which would not otherwise apply to be imposed on the disposal of property by the Chargor or a ground for the appointment of a Receiver.
- (c) The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Deed and no rights or benefits expressly or impliedly conferred by this Deed shall be enforceable under that Act against the Parties by any other person.
- (d) The parties hereto intend that this document shall take effect as a deed notwithstanding that any party may only execute this document under hand.

2. COVENANT TO PAY

The Chargor as primary obligor covenants with the Secured Party that it will on demand pay the Secured Obligations when they fall due.

3. CHARGING PROVISIONS

3.1 Specific Security

The Chargor, as continuing security for the payment of the Secured Obligations, charges in favour of the Secured Party with full title guarantee the following assets (but in each case excluding the Excluded Economic Interests), both present and future, from time to time owned by it or in which it has an interest by way of first fixed charge:

- (a) if not effectively assigned by Clause 3.2 (*Security Assignment*), all its rights, title and interest in (and claims under or in connection to):
 - (i) solely to the extent relating to the Series, the UK Distribution Agreements;
 - (ii) the Series, including all UK Exploitation Rights thereto and all proceeds thereof, including, without limitation, all amounts payable by Exploitation Rights Obligors pursuant to the UK Exploitation Agreements;
- (b) without limiting the express intent of the parties to the Assignment Agreement that the Economic Interests be assigned from eOne to the Secured Party pursuant to the Assignment Agreement, and solely to the extent that such assignment of the Economic Interests is found to be invalid for any reason, the Economic Interests relating to the Series; and
- (c) the benefit of all licences, consents and agreements held by it in connection with the use of the Series and the UK Exploitation Rights in relation thereto.

3.2 Security Assignment

As further continuing security for the payment of the Secured Obligations, the Chargor assigns absolutely with full title guarantee to the Secured Party all its rights title and interest, both present and future, from time to time in (in each case excluding the Excluded Economic Interests):

- (a) all its rights, title and interest in (and claims under or in connection to):
 - (i) solely to the extent relating to the Series, the UK Distribution Agreements;
 - (ii) the Series, including all UK Exploitation Rights thereto and all proceeds thereof, including, without limitation, all amounts payable by Exploitation Rights Obligors pursuant to the UK Exploitation Agreements;
- (b) without limiting the express intent of the parties to the Assignment Agreement that the Economic Interests be assigned from eOne to the Secured Party pursuant to the Assignment Agreement, and solely to the extent that such assignment of the Economic Interests is found to be invalid for any reason, the Economic Interests relating to the Series; and
- (c) the benefit of all licences, consents and agreements held by it in connection with the use of the Series and the UK Exploitation Rights in relation thereto,

subject in each case to reassignment by the Secured Party to the Chargor of all such rights, title and interest upon payment or discharge in full of the Secured Obligations.

3.3 Floating Charge

As further continuing security for the payment of the Secured Obligations, the Chargor charges with full title guarantee in favour of the Secured Party by way of first floating charge the Charged Property.

3.4 Conversion of Floating Charge

- (a) The Secured Party may, by notice to the Chargor, convert the floating charge created under this Deed into a fixed charge with immediate effect as regards those assets specified in the notice, if:
 - (i) an Event of Default has occurred; or
 - (ii) the Secured Party is of the view that any asset charged under the floating charge created under this Deed is in danger of being seized or sold under any form of distress, attachment, execution or other legal process or is otherwise in jeopardy; or
 - (iii) the Secured Party reasonably considers that it is necessary in order to protect the priority, value or enforceability of the Security created under this Deed.
- (b) The floating charge created under this Deed will automatically (without notice) and immediately be converted into a fixed charge over all the assets of the Chargor which are subject to the floating charge created under this Deed, if:
 - (i) the members of the Chargor convene a meeting for the purposes of considering any resolution for its winding-up, dissolution, or a compromise, assignment or arrangement with any creditor;
 - (ii) the Chargor creates, or purports to create, Security (except as permitted by the Transaction Documents or with the prior consent of the Secured Party) on or over any asset which is subject to the floating charge created under this Deed;
 - (iii) any third party takes any step with a view to levying distress, attachment, execution or other legal process against any such asset;
 - (iv) any person (entitled to do so) gives notice of its intention to appoint an administrator to the Chargor or files such a notice with the court; or
 - (v) if any other floating charge created by the Chargor crystallises for any reason.

Upon the conversion of any floating charge pursuant to this Clause 3.4, the Chargor shall, at its own expense, immediately upon request by the Secured Party execute a fixed charge or legal assignment in such form as the Secured Party may require

4. FURTHER ASSURANCE

- (a) The covenants set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in sub-clause 4 (b) and (c) below.

- (b) The Chargor shall promptly (and at its own expense) do all such acts (including payment of all stamp duties or fees) or execute or re-execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions on terms equivalent or similar to those set out in this Deed) as the Secured Party may reasonably specify (and in such form as the Secured Party may reasonably require):
 - (i) to perfect the Security created or intended to be created under or evidenced by this Deed (which may include the execution or re-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 this Deed) or for the exercise of any rights, powers and remedies of the Secured Party or any Receiver provided by or pursuant to this Deed or by law;
 - (ii) to confer on the Secured Party, 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 this Deed; and/or
 - (iii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created under this Deed.
- (c) 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 Secured Party by or pursuant to this Deed.

5. NEGATIVE PLEDGE

The Chargor shall not:

- (a) create or agree to create or permit to subsist any Security or Quasi-Security over all or any part of the Charged Property;
- (b) sell, transfer, lease out, lend or otherwise dispose of all or any part of the Charged Property or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so; or
- (c) dispose of the equity of redemption in respect of all or any part of the Charged Property, except with the prior written consent of the Secured Party.

6. PROTECTION OF SECURITY

6.1 Representations and warranties

The Chargor represents and warrants to the Secured Party that it has full powers to enter into and deliver and to create the Security constituted by this Deed.

6.2 Title Documents

- (a) Following an Event of Default the Chargor will promptly deposit with the Secured Party (or as it shall direct) all documents relating to the Charged Property which the Secured Party may from time to time reasonably require.
- (b) The Secured Party may retain any document delivered to it under this Clause 6.2 or otherwise until the security created under this Deed is released and, if for any reason it ceases to hold any such document before that time, it may by notice to the Chargor

require that the document be redelivered to it and the Chargor shall promptly comply (or procure compliance) with that notice.

- (c) Any document required to be delivered to the Secured Party under Clause 6.2(a) which is for any reason not so delivered or which is released by the Secured Party to the Chargor shall be held on trust by the Chargor for the Secured Party.

6.3 Gross Receipts and Secured Party Account

- (a) The Chargor shall:
 - (i) as agent for the Secured Party, collect all Gross Receipts charged to the Secured Party under this Deed, pay such Gross Receipts into the Secured Party Account promptly upon receipt (and in any event within two (2) Business Days of their receipt) and, pending such payment, hold those proceeds on trust for the Secured Party; and
 - (ii) not charge, factor, discount or assign any of the Gross Receipts charged to the Secured Party under this Deed in favour of any person, or purport to do so unless permitted by the Assignment Agreement or with the prior consent of the Secured Party.

6.4 Distribution Agreements and UK Exploitation Agreements

- (a) The Chargor will:
 - (i) promptly upon receipt of a Notice Request from the Secured Party in accordance with the provisions of the Assignment Agreement give notice to the other party to each Distribution Agreement and UK Exploitation Agreement that it has assigned and/or charged its right under the relevant agreement to the Secured Party under this Deed and pursuant to the Assignment Agreement. Such notice will be a Counterparty Notice; and
 - (ii) perform all its obligations under the Distribution Agreements and the UK Exploitation Agreements in a diligent and timely manner; and
 - (iii) not make or agree to make any material amendments to the Distribution Agreements or the UK Exploitation Agreements, waive any of its material rights under such policies or agreements or exercise any right to terminate any Distribution Agreement or UK Exploitation Agreement, except with the prior consent of the Secured Party.
- (b) The Secured Party shall be entitled to give notice referred to in paragraph 2 of the Counterparty Notice if either the Chargor fails to do so upon receipt of a Notice Request or if an Event of Default has occurred.

7. UNDERTAKINGS

The Chargor undertakes to the Secured Party from the date of this Deed and for so long as any of the Secured Obligations are outstanding that the Chargor will observe and perform

- (a) all covenants and stipulations from time to time affecting the Charged Property, make all payments, carry out all registrations or renewals and generally take all steps which are necessary to preserve, maintain and renew when necessary or desirable all of the Charged Property; and

- (b) all covenants in the Assignment Agreement.

8. SECURED PARTY'S POWER TO REMEDY

8.1 Power to Remedy

If the Chargor fails to comply with any obligation set out in Clause 6 (*Protection of Security*) or Clause 7 (*Undertakings*) and that failure is not remedied to the satisfaction of the Secured Party within fourteen (14) days of the Secured Party giving notice to the Chargor or the Chargor becoming aware of the failure to comply, it will allow (and irrevocably authorises) the Secured Party or any person which the Secured Party nominates to take any action on behalf of the Chargor which is necessary to ensure that those obligations are complied with.

8.2 Indemnity

The Chargor will indemnify the Secured Party against all losses incurred by the Secured Party as a result of a breach by the Chargor of its obligations under Clause 6 (*Protection of Security*) or Clause 7 (*Undertakings*) and in connection with the exercise by the Secured Party of its rights contained in Clause 8.1 above save for any losses incurred as a result of the Secured Party's gross negligence or wilful misconduct. All sums the subject of this indemnity will be payable by the Chargor to the Secured Party within 5 Business Days of demand.

9. CONTINUING SECURITY

9.1 Continuing Security

The Security constituted by this Deed shall be a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Secured Obligations or any other act, matter or thing.

9.2 Other Security

The Security constituted by this Deed is to be in addition to and shall neither be merged in nor in any way exclude or prejudice or be affected by any other Security or other right which the Secured Party may now or after the date of this Deed hold for any of the Secured Obligations, and this Security may be enforced against the Chargor without first having recourse to any other rights of the Secured Party.

10. ENFORCEMENT OF SECURITY

10.1 Events of Default

Each of the below events and/or circumstances together with each of the events and/or circumstances described in Section 13(xvi) of the Assignment Agreement shall each individually constitute an "**Event of Default**" and together constitute "**Events of Default**".

- (a) **Breach of obligations:** any Obligor for any reason fails duly and promptly to perform or observe any other obligation (other than a payment obligation) or undertaking expressed to be binding on or undertaken by it in or under any Relevant Agreement and, in the case of a failure which is, in the opinion of the Secured Party, capable of being remedied, the Secured Party does not determine, within five (5) Business Days after the failure, that it has been remedied to the Secured Party's satisfaction; or
- (b) **Cross-default:** any liabilities, indebtedness, guarantee, indemnity or similar obligation of any Obligor in excess of £7,500,000 or its equivalent in other currencies is not paid or repaid on the due date or, if payable or repayable on call or demand, is not paid or

repaid when called or demanded or becomes due or capable of being declared due before the stated date of maturity (otherwise than at the election of any Obligor), or if any facility or commitment made available to any Obligor relating to such liabilities is withdrawn, suspended or cancelled by reason of any default (however described) of the person concerned, or if any Obligor is in default under or commits a breach of any agreement relating to any such liabilities.

- (c) **Unlawfulness; invalidity:** it becomes or proves to be unlawful or impossible in any material respect for any Obligor duly and promptly to perform or observe any of the obligations or undertakings expressed to be binding on or undertaken by it in or under the Relevant Agreements or for the Secured Party to exercise any rights vested in it under the Relevant Agreements, or if any of the Relevant Agreements for any other reason (other than due and complete performance in accordance with their respective terms) becomes invalid or unenforceable or ceases to be in full force and effect, or if any Obligor does or causes or permits to be done any act or thing evidencing an intention to contest or repudiate any of the Relevant Agreements in whole or in part; or
- (d) **Revocation of consents:** any consent, authorisation, approval, licence, exemption, filing, registration, notarisation or other requirement of any governmental, judicial or public body or authority required or advisable in connection with the execution, delivery, performance, validity, admissibility in evidence or enforceability of the Relevant Agreements or the performance by any Obligor of its obligations under the Relevant Agreements is modified in a manner unacceptable to the Secured Company or is not granted or is revoked or terminated or expires; or
- (e) **Repudiation and rescission of agreements:** an Obligor (or any other relevant party) rescinds or purports to rescind or repudiates or purports to repudiate a Relevant Agreement or evidences an intention to rescind or repudiate a Relevant Agreement, in each case where to do so has or is, in the opinion of the Secured Party, likely to have a material adverse effect; or
- (f) **Litigation:** any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened in relation to the Relevant Agreements or the transactions contemplated in the Relevant Agreements or against any Obligor or its assets which have or are reasonably likely to have a material adverse effect; or
- (g) **Composition; winding up:** any Obligor convenes a meeting of its creditors or proposes or makes any arrangement or composition with, or any assignment for the benefit of, its creditors or negotiations are commenced with a view to the general readjustment or re-scheduling of all or any part of its liabilities, or a petition is presented or a meeting is convened for the purpose of considering a resolution, or other steps are taken for making an administration order against or for the winding up or dissolution of any Obligor (other than for the purposes of and followed by a reconstruction previously approved in writing by the Secured Party, unless during or following that reconstruction any Obligor becomes or is declared to be insolvent); or
- (h) **Receivership; distress:** any person takes any action or any legal procedure is commenced or other steps taken (including the presentation of a petition or the filing or service of a notice) with a view to:
 - (i) an Obligor being adjudicated or found insolvent; or
 - (ii) the winding up or dissolution of a Obligor; or

- (iii) the appointment of a trustee, supervisor, receiver, administrator, administrative receiver or similar officer in respect of an Obligor or any of its assets; or
 - (iv) an encumbrancer taking possession of, or any distress, execution or other process being levied or enforced of, the whole or any part of the assets of an Obligor; or
 - (v) an Obligor obtaining a moratorium or other protection from creditors.
- (i) **Insolvency:** any Obligor is deemed unable or becomes unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986 or becomes unable to pay its debts as they fall due or suspends or threatens to suspend making payments with respect to all or any class of its debts; or
 - (j) **Analogous proceedings:** anything which is, in the opinion of the Secured Party , analogous to any of the events referred to in Sub-clauses (g), (h) and (i) above, and which occurs under the laws of any jurisdiction; or
 - (k) **Security enforceable:** any Security which may affect any of the assets of the Chargor becomes enforceable; or
 - (l) **Ranking of Encumbrances:** any Security which may for the time being affect any of the assets of the Chargor and which is created or evidenced by any of the Security Documents, ceases to be in full force and effect or ceases to rank in the manner expressed in the Security Documents or as otherwise agreed in writing by the Secured Party; or
 - (m) **Crystallisation:** any event occurs which would result in the crystallisation of any floating charge over the whole or any part of the assets of the Chargor other than pursuant to Clause 3.4 above for the purpose of converting the floating charge created under this Deed to a fixed charge unless the Secured Party shall be entitled (but not bound) to take possession of or appoint a Receiver of such assets following the occurrence of an Event of Default ; or
 - (n) **Security in jeopardy:** for any reason the Secured Party certifies that in its opinion the security constituted by any of the Security Documents is or may be in jeopardy in any respect considered by it to be material; or
 - (o) **Adverse circumstances:** any event or circumstance occurs (including but not limited to any event or circumstance of a national or international financial, political, military, social or economic nature) which, in the opinion of the Secured Party may have a material adverse effect on the business, the assets or the financial condition of any Obligor or may imperil, delay or prevent fulfilment by any Obligor of its obligations under the Relevant Agreements; or
 - (p) **Cessation of business:** any Obligor changes or threatens to change the nature or scope of its business, or suspends or threatens to suspend all or a substantial part of its business operations, and the Secured Party determines that the result is materially and adversely to affect its financial condition or its ability to observe or perform its obligations under the Relevant Agreements;
 - (q) **Non-performance:** the Chargor fails to confirm in writing, upon request by the Secured Party, to the Secured Party that it shall, perform or observe any material covenant or agreement contained in the Relevant Agreements to which the Chargor is a party;

SAVE THAT it being acknowledged that, solely if Secured Party elects in its sole discretion to exercise its right under Section 10(d) of the Assignment Agreement to require payment of a Special Reimbursement Amount, so long as such Special Reimbursement Amount is timely paid, the applicable triggering event under any of Paragraphs 10(d)(a), 10(d)(b) or 10(d)(c) of the Assignment Agreement shall not constitute an Event of Default under this Deed.

10.2 Enforcement Powers

For the purpose of all rights and powers implied or granted by statute, the Secured Obligations are deemed to have fallen due on the date of this Deed. The power of sale and other powers conferred by section 101 of the Law of Property Act 1925 and all other enforcement powers conferred by this Deed shall be immediately exercisable at any time after an Event of Default has occurred.

10.3 Statutory Powers

The powers conferred on mortgagees, receivers or administrative receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (as the case may be) shall apply to the Security created under this Deed, unless they are expressly or impliedly excluded. If there is ambiguity or conflict between the powers contained in those Acts and those contained in this Deed, those contained in this Deed shall prevail.

10.4 Exercise of Powers

All or any of the powers conferred upon mortgagees by the Law of Property Act 1925 as varied or extended by this Deed, and all or any of the rights and powers conferred by this Deed on a Receiver (whether expressly or impliedly), may be exercised by the Secured Party without further notice to the Chargor at any time after an Event of Default has occurred, irrespective of whether the Secured Party has taken possession or appointed a Receiver of the Charged Property.

10.5 Disapplication of Statutory Restrictions

The restriction on the consolidation of mortgages and on power of sale imposed by sections 93 and 103 respectively of the Law of Property Act 1925 shall not apply to the security constituted by this Deed.

10.6 Appropriation under the Financial Collateral Regulations

- (a) To the extent that any of the Charged Property constitutes “financial collateral” and this Deed and the obligations of the Chargor hereunder constitute “security financial collateral arrangement” (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended) (the “**Regulations**”)), the Secured Party shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations and may exercise that right to appropriate by giving notice to the Chargor at any time after an Event of Default has occurred.
- (b) The Parties agree that the value of any such appropriated financial collateral shall be: (x) in the case of securities, the price at which such securities can be disposed of by the Secured Party; and (y) in the case of any other asset, the market value of such financial collateral as determined by the Secured Party, in each case, in a commercially reasonable manner (including by way of an independent valuation). The Parties agree that the methods of valuation provided for in this paragraph shall constitute commercially reasonable methods of valuation for the purposes of the Regulations.

11. RECEIVERS

11.1 Appointment of Receiver

- (a) Subject to paragraph (c) below, at any time after notice demanding payment of any sum which is then due but unpaid in respect of the Secured Obligations has been given by the Secured Party to the Chargor, or if so requested by the Chargor, the Secured Party may by writing under hand signed by any officer or manager of the Secured Party, appoint any person (or persons) to be a Receiver of all or any part of the Charged Property.
- (b) Section 109(1) of the Law of Property Act 1925 shall not apply to this Deed.
- (c) The Secured Party shall be entitled to appoint a Receiver save to the extent prohibited by section 72A Insolvency Act 1986.

11.2 Powers of Receiver

Each Receiver appointed under this Deed shall have (subject to any limitations or restrictions which the Secured Party may incorporate in the deed or instrument appointing it) all the powers conferred from time to time on receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (each of which is deemed incorporated in this Deed), so that the powers set out in schedule 1 to the Insolvency Act 1986 shall extend to every Receiver, whether or not an administrative receiver. In addition, notwithstanding any liquidation of the Chargor, each Receiver shall have power to:

- (a) manage, develop, reconstruct, amalgamate or diversify any part of the business of the Chargor;
- (b) enter into or cancel any contracts on any terms or conditions;
- (c) incur any liability on any terms, whether secured or unsecured, and whether to rank for payment in priority to this security or not;
- (d) let or lease or concur in letting or leasing, and vary the terms of, determine, surrender leases or tenancies of, or grant options and licences over, or otherwise deal with, all or any of the Charged Property, without being responsible for loss or damage;
- (e) establish subsidiaries to acquire interests in any of the Charged Property and/or arrange for those subsidiaries to trade or cease to trade and acquire any of the Charged Property on any terms and conditions;
- (f) make and effect all repairs, renewals and improvements to any of the Charged Property and maintain, renew, take out or increase insurances;
- (g) redeem any prior Security on or relating to the Charged Property and settle and pass the accounts of the person entitled to that prior Security, so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver;
- (h) appoint and discharge officers and others for any of the purposes of this Deed and/or to guard or protect the Charged Property upon terms as to remuneration or otherwise as he may think fit;

- (i) settle any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor or relating to any of the Charged Property; and
- (j) do all other acts and things (including signing and executing all documents and deeds) as the Receiver considers to be incidental or conducive to any of the matters or powers in this Clause 11.2, or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property, and use the name of the Chargor for all such purposes,

and in each case may use the name of the Chargor and exercise the relevant power in any manner which he may think fit.

11.3 Receiver as Agent

Each Receiver shall be the agent of the Chargor, which shall be solely responsible for his acts or defaults, and for his remuneration and expenses, and be liable on any agreements or engagements made or entered into by him. The Secured Party will not be responsible for any misconduct, negligence or default of a Receiver.

11.4 Removal of Receiver

The Secured Party may by notice remove from time to time any Receiver appointed by it (subject to the provisions of section 45 of the Insolvency Act 1986 in the case of an administrative receivership) and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated, for whatever reason.

11.5 Remuneration of Receiver

The Secured Party may from time to time fix the remuneration of any Receiver appointed by it.

11.6 Several Receivers

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this Deed (unless the document appointing such Receiver states otherwise).

12. APPLICATION OF PROCEEDS

12.1 Order of Application

All moneys received or recovered by the Secured Party or any Receiver pursuant to this Deed shall (subject to the claims of any person having prior rights thereto) be applied in the order and manner specified by the Assignment Agreement notwithstanding any purported appropriation by the Chargor.

12.2 Section 109 Law of Property Act 1925

Sections 109(6) and (8) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this Deed.

12.3 Application against Secured Obligations

Subject to Clause 12.1 above, any moneys or other value received or realised by the Secured Party from the Chargor or a Receiver under this Deed may be applied by the Secured Party to

any item of account or liability or transaction forming part of the Secured Obligations to which they may be applicable in any order or manner which the Secured Party may determine.

12.4 Suspense Account

Until the Secured Obligations are paid in full, the Secured Party or the Receiver (as applicable) may place and keep (for such time as it shall determine) any money received, recovered or realized pursuant to this Deed or on account of the Chargor's liability in respect of the Secured Obligations in an interest bearing separate suspense account (to the credit of either the Chargor or the Secured Party or the Receiver as the Secured Party or the Receiver shall think fit) and the Secured Party or the Receiver may retain the same for the period which it considers expedient without having any obligation to apply all or any part of that money in or towards discharge of the Secured Obligations.

13. PROTECTION OF SECURED PARTY AND RECEIVER

13.1 No Liability

Neither the Secured Party nor any Receiver shall be liable in respect of any of the Charged Property or 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, their respective powers, unless caused by its or his gross negligence, wilful default under the Transaction Documents.

13.2 Possession of Charged Property

Without prejudice to Clause 13.1 above, if the Secured Party or the Receiver enters into possession of the Charged Property, it will not be liable to account as mortgagee in possession and may at any time at its discretion go out of such possession.

13.3 Primary liability of Chargor

The Chargor shall be deemed to be a principal debtor and the sole, original and independent obligor for the Secured Obligations and the Charged Property shall be deemed to be a principal security for the Secured Obligations. The liability of the Chargor under this Deed and the charges contained in this Deed shall not be impaired by any forbearance, neglect, indulgence, abandonment, extension of time, release, surrender or loss of securities, dealing, variation or arrangement by the Secured Party, or by any other act, event or matter whatsoever whereby the liability of the Chargor (as a surety only) or the charges contained in this Deed (as secondary or collateral charges only) would, but for this provision, have been discharged.

13.4 Waiver of defences

The obligations of the Chargor under this Deed will not be affected by an act, omission, matter or thing which, but for this Deed, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to it or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Chargor's group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other

requirement in respect of any instrument or any failure to realise the full value of any security;

- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment, novation, supplement, extension restatement (however fundamental and whether or not more onerous) or replacement of a Transaction Document or any other document or security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Transaction Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Transaction Document or any other document or security; or
- (g) any insolvency or similar proceedings.

13.5 Delegation

The Secured Party may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by it under this Deed to any person or persons upon such terms and conditions (including the power to sub-delegate) as it may think fit. The Secured Party will not be liable or responsible to the Chargor or any other person for any losses arising from any act, default, omission or misconduct on the part of any delegate.

13.6 Cumulative Powers

The powers which this Deed confers on the Secured Party and any Receiver appointed under this Deed are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate. The Secured Party or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The respective powers of the Secured Party and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

14. POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints the Secured Party, each Receiver and any person nominated for the purpose by the Secured Party or any Receiver (in writing and signed by an officer of the Secured Party or Receiver) as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, seal and deliver (using the company seal where appropriate) and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which it is required to execute and do under the terms of this Deed and which it has not done following written request to do so, or which may be required or deemed proper in the exercise of any rights or powers conferred on the Secured Party or any Receiver under this Deed or otherwise for any of the purposes of this Deed, and the Chargor covenants with the Secured Party and each Receiver to ratify and confirm all such acts or things made, done or executed by that attorney.

15. PROTECTION FOR THIRD PARTIES

15.1 No Obligation to Enquire

No purchaser from, or other person dealing with, the Secured Party or any Receiver (or their agents) shall be obliged or concerned to enquire whether:

- (a) the right of the Secured Party or any Receiver to exercise any of the powers conferred by this Deed has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power; or
- (b) any of the Secured Obligations remain outstanding and/or are due and payable or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters.

15.2 Receipt Conclusive

The receipt of the Secured Party or any Receiver shall be an absolute and a conclusive discharge to a purchaser, and shall relieve him of any obligation to see to the application of any moneys paid to or by the direction of the Secured Party or any Receiver.

16. COSTS AND EXPENSES

16.1 Initial Expenses

The Chargor shall within 3 Business Days of demand pay to the Secured Party and any Receiver the amount of all costs and expenses (including legal fees) reasonably incurred by any of them in connection with:

- (a) the negotiation, preparation, execution, completion and perfection of this Deed and any other documents or notices referred to in, or related or incidental to, this Deed; and
- (b) any amendment, waiver or consent relating to this Deed (and documents, matters or things referred to in this Deed).

16.2 Enforcement Expenses

The Chargor shall, within three (3) Business Days of demand, pay to the Secured Party, any Receiver the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under (and any documents referred to in) this Deed and any proceedings instituted by or against the Secured Party as a consequence of taking or holding the Security created under this Deed or enforcing these rights.

16.3 Stamp Duties, etc

The Chargor shall pay and, within three (3) Business Days of demand, indemnify the Secured Party against any cost, loss or liability the Secured Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of this Deed.

17. REINSTATEMENT AND RELEASE

17.1 Amounts Avoided

If any amount paid by the Chargor in respect of the Secured Obligations is capable of being avoided or set aside on the liquidation or administration of the Chargor or otherwise, then for the purposes of this Deed that amount shall not be considered to have been paid.

17.2 Discharge Conditional

Any settlement or discharge between the Chargor and the Secured Party shall be conditional upon no security or payment to the Secured Party by the Chargor or any other person being avoided, set aside, ordered to be refunded or reduced by virtue of any provision or enactment relating to insolvency and accordingly (but without limiting the other rights of the Secured Party

under this Deed) the Secured Party shall be entitled to recover from the Chargor the value which the Secured Party has placed on that security or the amount of any such payment as if that settlement or discharge had not occurred.

17.3 Covenant To Release

Once all the Secured Obligations have been irrevocably paid in full and the Secured Party no longer has any actual or contingent liability to advance further monies to, or incur liability on behalf of, the Chargor, the Secured Party shall, at the request and cost of the Chargor, execute any documents (or procure that its nominees execute any documents) or take any action which may be necessary to release the Charged Property from the Security constituted by this Deed.

18. CURRENCY CLAUSES

18.1 Conversion

All monies received or held by the Secured Party or any Receiver under this Deed may be converted into any other currency which the Secured Party considers necessary to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Secured Party's spot rate of exchange then prevailing for purchasing that other currency with the existing currency.

18.2 No Discharge

No payment to the Secured Party (whether under any judgment or court order or otherwise) shall discharge the obligation or liability of the Chargor in respect of which it was made unless and until the Secured Party has received payment in full in the currency in which the obligation or liability is payable or, if the currency of payment is not specified, was incurred. To the extent that the amount of any such payment shall on actual conversion into that currency fall short of that obligation or liability expressed in that currency, the Secured Party shall have a further separate cause of action against the Chargor and shall be entitled to enforce the Security constituted by this Deed to recover the amount of the shortfall.

19. SET-OFF

19.1 Set-off rights

The Secured Party may set off any matured obligation due from the Chargor under the Transaction Documents (to the extent beneficially owned by the Secured Party) against any matured obligation owed by the Secured Party to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the 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.

19.2 Unliquidated Claims

If, at any time after notice demanding payment of any sum which is then due but unpaid in respect of the Secured Obligations has been given by the Secured Party to the Chargor, the relevant obligation or liability is unliquidated or unascertained, the Secured Party may set-off the amount which it estimates (in good faith) will be the final amount of that obligation or liability once it becomes liquidated or ascertained.

19.3 No Set-off

The Chargor will pay all amounts payable under this Deed without any set-off, counterclaim or deduction whatsoever unless required by law, in which event the Chargor will pay an additional

amount to ensure that the payment recipient receives the amount which would have been payable had no deduction been required to have been made.

20. RULING OFF

If the Secured Party receives notice of any subsequent Security or other interest affecting any of the Charged Property (except as permitted by Assignment Agreement) it may open a new account for the Chargor in its books. If it does not do so then (unless it gives express notice to the contrary to the Chargor), as from the time it receives that notice, all payments made by the Chargor to it (in the absence of any express appropriation to the contrary) shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations.

21. REDEMPTION OF PRIOR CHARGES

The Secured Party may, at any time after an Event of Default has occurred, redeem any prior Security on or relating to any of the Charged Property or procure the transfer of that Security to itself, and may settle and pass the accounts of any person entitled to that prior Security. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor. The Chargor will on demand pay to the Secured Party all principal monies and interest and all losses incidental to any such redemption or transfer.

22. NOTICES

The provisions of section 15 of the Assignment Agreement are incorporated herein mutatis mutandis.

23. CHANGES TO PARTIES

The Secured Party may at any time assign or otherwise transfer all or any part of its rights under this Deed in accordance with the Transaction Documents.

24. MISCELLANEOUS

24.1 Certificates Conclusive

A certificate or determination of the Secured Party as to any amount payable under this Deed will be conclusive and binding on the Chargor, except in the case of manifest error.

24.2 Counterparts

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

24.3 Invalidity of any Provision

If any provision of this Deed is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.

25. GOVERNING LAW AND JURISDICTION

- (a) This Deed and any non-contractual claims arising out of or in connection with it shall be governed by and construed in accordance with English law.
- (b) Subject to Clause (c) below, the Parties agree that the courts of England shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this

Deed, whether contractual or non-contractual (including a dispute regarding the existence, validity or termination of this Deed) (a “**Dispute**”). 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) The Parties agree that, for the benefit of the Secured Party only, nothing in this Deed shall limit the right of the Secured Party to bring any legal action against the Chargor in any other court of competent jurisdiction.

IN WITNESS whereof this Deed has been duly executed as a deed and is delivered on the date first above written.

THE SECURED PARTY

**EXECUTED as a DEED by
CLOVER FILM HOLDINGS III,
LLC acting by:**

Signature:  **REDACTED** —

[Signature page to English law Deed of Security Assignment and Charge (eOne)]

SCHEDULE 1

UK DISTRIBUTION AGREEMENTS

1. Distribution agreement dated 3 September 2013 between AMC Film Holdings LLC, Sundance Film Holdings LLC and Entertainment One Television International Ltd.
2. Distribution agreement dated 15 November 2015 between Entertainment One Television International Ltd and the Chargor.

SCHEDULE 2

FORM OF COUNTERPARTY NOTICE

To: [insert *name and address of counterparty*]

Dated: [●]

Dear Sirs

Re: [here identify the relevant Agreement] (the “Agreement”)

We notify you that, Entertainment One UK Limited (“**eOne UK**”) has assigned to Clover Film Holdings III, LLC (“**SCA**”) all eOne UK’s right, title and interest in the Agreement insofar as it relates to the Assigned Series (as set out in the Appendix hereto) only.

We further notify you that only insofar as it relates to the Assigned Series:

- (a) eOne UK may not agree to amend or terminate the Agreement without the prior written consent of SCA;
 - (b) you may not claim or exercise against eOne UK any right of set-off, counter-claim or other right relating to the Agreement only insofar as it relates to the Assigned Series;
2. you may continue to deal with eOne UK in relation to the Agreement until you receive written notice to the contrary from SCA. Thereafter, insofar as it relates to the Assigned Series, eOne UK will cease to have any right to deal with you in relation to the Agreement and therefore from that time you should deal only with SCA;
3. you are authorised to disclose information in relation to the Agreement, only insofar as it relates to the Assigned Series, to SCA on request;
4. after receipt of written notice in accordance with paragraph 2 above, you must pay all monies to which eOne UK is entitled under the Agreement, but only insofar as they relate to the Assigned Series, direct to SCA (and not to eOne UK) unless SCA otherwise agrees in writing; and
5. the provisions of this notice may only be revoked with the written consent of SCA.

The provisions of this notice are governed by English law.

Yours faithfully

.....

for and on behalf of
Entertainment One UK Limited

Copy To: Shamrock Capital Advisors, LLC
1100 Glendon Ave, Suite 1600
Los Angeles, CA 90024

Attention: Patrick Russo and Jason Sklar

Appendix to Counterparty Notice

Assigned Series

Into the Badlands

Season 1: 7 episodes (full season)

Season 2: 10 episodes (full season)

Season 3A: 8 episodes (full season)

Season 3B: 8 episodes (full season) -- for clarity, Season 3A and Season 3B are collectively referred to herein as "Season 3" and treated as one single Season hereunder)

Hap and Leonard

Season 1: 6 episodes (full season)

Season 2: 6 episodes (full season)

Season 3: 6 episodes (full season)