

MG01

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LASERFORM

Particulars of a mortgage or charge

A fee is payable with this form.

We will not accept this form unless you send the correct fee
Please see 'How to pay' on the last page



What this form is for

You may use this form to register
particulars of a mortgage or charge
in England and Wales or Northern
Ireland



What this form is NOT for

You cannot use this form to reg
particulars of a charge for a Sco
company To do this, please us
form MG01s

FRIDAY



A1LAXHUE

A11

26/02/2010

117

COMPANIES HOUSE

1

Company details

Company number

0 4 7 3 8 9 3 1

Company name in full

Stage Three Music (Catalogues) Limited

2

For official use

Filing in this form

Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2

Date of creation of charge

Date of creation

2 4 0 2 2 0 1 0

3

Description

Please give a description of the instrument (if any) creating or evidencing the
charge, e.g. 'Trust Deed', 'Debenture', 'Mortgage', or 'Legal charge'

Description

Debenture

4

Amount secured

Please give us details of the amount secured by the mortgage or charge

Amount secured

See continuation page

Continuation page

Please use a continuation page if
you need to enter more details

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Particulars of a mortgage or charge

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Mortgagee(s) or person(s) entitled to the charge (if any)

Please give the name and address of the mortgagee(s) or person(s) entitled to the charge

Continuation page

Please use a continuation page if you need to enter more details

Name

The Governor and Company of the Bank of Ireland

Address

Bow Bells House, 1 Bread Street

London

Postcode

E C 4 M 9 B E

Name

Address

Postcode

6

Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Continuation page

Please use a continuation page if you need to enter more details

Short particulars

See continuation page

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7 Particulars as to commission, allowance or discount (if any)

Please insert the amount or rate percent of any commission, allowance or discount paid or made either directly or indirectly by the company to any person on consideration of his

- subscribing or agreeing to subscribe, whether absolutely or conditionally, or
- procuring or agreeing to procure subscriptions, whether absolute or conditional,

for any debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered

Commission allowance or discount

8 Delivery of instrument

You must deliver the original instrument (if any) creating or evidencing the charge and these prescribed particulars to the Registrar of Companies within 21 days after the date of creation of the charge (section 860). If the property is situated and the charge was created outside the United Kingdom (UK), you must deliver the information to the Registrar within 21 days after the date on which the instrument could have been received in the UK in the normal course of post and assuming you had posted it promptly (section 866)

We will accept a verified copy of the instrument creating the charge where the property charged is situated and the charge was created outside the UK (section 870). The company or the person who has delivered the copy to the Registrar must verify it to be a correct copy and sign it. Where a body corporate gives the verification, an officer of that body must sign it. We will also accept a verified copy where section 867(2) applies (property situated in another part of UK)

9 Signature

Please sign the form here

Signature

Signature

X Wiggan LLP X

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

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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 and will establish where we return the original documents. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

Wiggin LLP

Address 95 The Promenade

Post town Cheltenham

County/Region Glos

Postcode

G L 5 0 1 W G

Country

DX

Telephone



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 the original deed with this form
- ☐ You have entered the date the charge was created.
- ☐ You have supplied the description of the instrument
- ☐ You have given details of the amount secured by the mortgagee or chargee
- ☐ You have given details of the mortgagee(s) or person(s) entitled to the charge
- ☐ You have entered the short particulars of all the property mortgaged or charged
- ☐ You have signed the form
- ☐ You have enclosed the correct fee



Important information

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



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge.

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,
First Floor, Waterfront Plaza, 8 Laganbank Road,
Belfast, Northern Ireland, BT1 3BS
DX 481 N R Belfast 1



Further information

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

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

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Particulars of a mortgage or charge

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Amount secured

Please give us details of the amount secured by the mortgage or charge

Amount secured

Stage Three Music (Catalogues) Limited (the "**Company**") covenants that it shall on demand pay to the Governor and Company of the Bank of Ireland (the "**Security Trustee**") all monies and discharge all obligations and liabilities now or hereafter due, owing or incurred by it to any Finance Party under or pursuant to any Finance Document in each case when the same become due for payment or discharge whether by acceleration or otherwise, and whether such monies, obligations or liabilities are express or implied, present, future or contingent, joint or several, incurred as principal or surety, originally owing to a Finance Party or purchased (whether by assignment or otherwise) or acquired in any other way by it, denominated in sterling or any other currency, or incurred on any current or other banking account or in any other manner whatsoever

Definitions

See section 6 - particulars of property mortgaged or charged

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Particulars of a mortgage or charge

6	Short particulars of all the property mortgaged or charged
	Please give the short particulars of the property mortgaged or charged
Short particulars	<p>1. Assignments</p> <p>The Company, as continuing security for the performance of the Secured Liabilities, hereby assigns to the Security Trustee by way of security with full title guarantee (and in so far as necessary by way of present assignment of future copyright pursuant to Section 91 of the CDPA) subject to clause 4 3 2 and clause 5 1 below, all of its right, title and interest both present and future, vested and contingent, statutory and otherwise, in and to the following</p> <p>1.1 the <u>Proprietary Rights</u> in and to the Catalogues and all elements contained therein (to the extent that such rights are owned by the Company) and all rights to exploit the same absolutely throughout the universe for the full period of copyright and all renewals, extensions and revivals thereof and thereafter (insofar as is or may become possible) in perpetuity,</p> <p>1.2 the benefit of <u>all contracts and other arrangements</u> relating to the Catalogues including without limitation all licences in, assignments, grants and other documentation relating to the acquisition of or title to the Catalogues,</p> <p>1.3 the benefit of <u>all Income Rights and rights ancillary</u> to those Income Rights including the benefit of all contracts and other arrangements relating to the same including without limitation all licences, assignments, grants and letters of letters of direction,</p> <p>1.4 the benefit of the <u>Administration Agreement</u> and the Stage Three (US) Agreements,</p> <p>1.5 the benefit of the <u>Assignment Agreement</u> including, without limitation, any and all warranties and indemnities under those agreements and the benefit of any documents entered into pursuant to them,</p> <p>1.6 the benefit of the <u>New Assignment Agreements</u> including, without limitation, any and all warranties and indemnities under such agreement and the benefit of any documents entered into pursuant to them,</p> <p>1.7 the benefit of the <u>Acquisition Agreements</u> including, without limitation, any and all warranties and indemnities under such agreements and the benefit of any documentation entered into pursuant to them,</p> <p>1.8 all rights and interests in and claims under the Insurances and all related proceeds, claims of any kind, returns of premium and other benefits,</p> <p>1.9 the book debts of the Company and other monies owed to it,</p> <p>1.10 <u>all sums</u> from time to time standing to its credit in the Deposit Account and in any Receipts Account, and</p> <p>1.11 all Intellectual Property owned by the Company to the extent not already assigned pursuant to the foregoing provisions of this clause 1 1</p> <p>2. Fixed Charge</p> <p>The Company, as continuing security for the performance of the Secured Liabilities, hereby charges by way of security with full title guarantee by way of a first fixed charge in favour of the Security Trustee, its right, title and interest both present and future, vested and contingent, statutory and otherwise, in and to the following</p> <p>2.1 all rights and assets referred to in clause 1 1 above,</p> <p>2.2 all rights and properties in any physical property relating to any of the Catalogues, and</p> <p>2.3 all rights and other assets of the Company from time to time that are capable of being secured by way of fixed charge</p> <p>3 Floating Charge</p> <p>2.1 Creation</p> <p>The Company, with full title guarantee and as security for the payment of all Secured Liabilities, charges in favour of the Security Trustee by way of <u>a first floating charge its undertaking and all its assets</u>, both present and future (to the extent not effectively assigned by virtue of clause 1 1 above or charged under clause 1, above)</p> <p>3.2 Qualifying floating charge</p>

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Particulars of a mortgage or charge

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Short particulars of all the property mortgaged or charged

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Short particulars

- The floating charge created by the Company pursuant to clause 2 1 above is a "qualifying floating charge" for the purposes of paragraph 14 2 of Schedule B1 to the Insolvency Act
- Paragraph 14 of Schedule B1 to the Insolvency Act shall apply to the Debenture

3 3 Conversion by notice

The Security Trustee may convert any floating charge into a fixed charge (either generally or specifically) by notice in writing to the Company specifying the relevant Secured Assets at any time

3 4 Automatic conversion

If

- the Company takes any step to create any security in breach of clause 3 below, or
- any person takes any step to effect any expropriation, attachment, sequestration, distress or execution against any Secured Assets or appoints or gives notice of an intention to appoint an Administrator, or
- an Event of Default occurs,

the floating charge over the relevant Secured Assets shall automatically and immediately be converted into a fixed charge

4. Ranking, Restrictions and Further Assurance

4.1 Ranking

The security interests in favour of the Security Trustee created herein shall rank in priority to any other security (whether fixed, floating or otherwise but excluding any security created under the Original Security Deed) created in respect of the Secured Assets

4.2 Security

The Company shall not create or permit to subsist any Encumbrance over any Secured Asset except for the Security created pursuant to the Debenture and created pursuant to the Original Security Deed

4 3 Further assurance

4.3.1 The Company shall promptly upon request by the Security Trustee (whether before or after the Debenture shall have become enforceable) execute (in such form as the Security Trustee may reasonably require) such documents (including assignments, transfers, mortgages, charges, notices and instructions) in favour of the Security Trustee or its nominees and do all such assurances and things as the Security Trustee may reasonably require for

- perfecting and/or protecting (by registration or in any other way) the security created or intended to be created by the Debenture,
 - converting any floating charge granted by the Company and forming part of the Debenture into a fixed charge,
 - protecting the Security Trustee's interest in the Secured Assets,
 - effecting or facilitating the realisation of all or any part of the Secured Assets on or after the Enforcement Date, and/or
 - exercising all powers, authorities and discretions conferred on the Security Trustee or any Receiver pursuant to the Debenture or by law,
- including executing any transfer, conveyance, charge, assignment or assurance of the Secured Assets (whether to the Security Trustee or their nominees or otherwise), making any registration and giving any notice, order or direction, and shall from time to time when so required by the Security Trustee produce to or deposit with the Security Trustee all deeds and documents of title relating to the Secured Assets or any of them

4.3.2 If any of the property, assets, rights or interests of the Company to be assigned by way of security pursuant to clause 1 above, or charged pursuant to clause 2 or 3 above cannot be so assigned or charged in whole or in part without the consent of a third party or without giving rise to any termination or acceleration right or penalty (each a "Security Prohibition")

- the Company must so notify the Security Trustee promptly,
- the Security Trustee will secure all such property, assets, rights or interests of the Company and

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Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

all benefits deriving from them only to the extent that to do so does not breach the Security Prohibition, and

- unless the Security Trustee otherwise requires, the Company must use all reasonable endeavours to immediately obtain the consent or waiver of the relevant third party

4.3.3 The Company undertakes to hold upon trust for the Security Trustee absolutely, the entire interest and benefit of the Company in and to all the Secured Assets or any part thereof which cannot be charged or assigned by the Company together with, without limitation, all proceeds, money and other rights and benefits to which the Company is beneficially entitled in respect of such Secured Assets

5 Discharge of Security

5.1 Final redemption

Subject to clause 5 2, if the Security Trustee is satisfied that all the Secured Liabilities have been irrevocably paid in full and that all facilities which might give rise to Secured Liabilities have terminated, the Security Trustee shall notify the Company and at the Company's written request and expense discharge the Secured Assets from the Security and re-assign to the Company all rights assigned to the Security Trustee by way of security pursuant to clause 1

5.2 Retention of security

If the Security Trustee considers that any amount paid or credited to it under the Facility Agreement is capable of being avoided or otherwise set aside on the Winding-up of the Company or any other person, or otherwise, that amount shall not be considered to have been paid for the purposes of determining whether all the Secured Liabilities have been irrevocably paid

6. Power of Attorney

6.1 Appointment

The Company by way of security irrevocably appoints the Security Trustee, every Receiver and every Delegate severally as its attorney (with full power of substitution), on its behalf and in its name or otherwise, at such time and in such manner as the attorney thinks fit

- to do anything which the Company is obliged to do (but has not done) under the Security Documents and to which it is party (including to execute charges over, transfers, conveyances, assignments and assurances of, and other instruments, notices, orders and directions relating to, the Secured Assets), and
- to exercise any of the rights conferred on the Security Trustee, any Receiver or any Delegate in relation to the Secured Assets or under the Security Documents, the the Law of Property Act 1925 or the Insolvency Act

6 2 Ratification

The Company ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do in the exercise or purported exercise of the power of attorney granted by it in clause 6 1

Definitions

"Account Bank" means a bank agreed by the Security Trustee and with whom the Receipts Account is maintained as a Receipts Account,

"Acquisition Agreements" means any agreements entered into by the Company relating to New Acquisitions,

"Administration Agreement" means the sub-publishing agreement relating to the world excluding North America to be dated on or prior to the first Utilisation between Stage Three Music Limited ("**Stage Three**") and the Company as amended from time to time,

"Administrator" means an administrator appointed under Schedule B1 to the Insolvency Act,

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Particulars of a mortgage or charge

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Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

"Agent" means The Governor and Company of the Bank of Ireland,

"Agent's Spot Rate of Exchange" means the Agent's spot rate of exchange for the purchase of the relevant currency with the Base Currency in the London foreign exchange market at or about 11 00 a m on a particular day,

"Amendment Agreement" means the amendment agreement between the Company and the Agent amending the terms of the Facility Agreement dated 24 February 2010 "

"Arranger" means the Governor and Company of the Bank of Ireland,

"Assignment Agreement" means the catalogue acquisition agreement between the Company and Stage Three to be dated on or prior to the date of the first Utilisation,

"Audited Financial Statements" means audited annual financial statements for that financial year,

"Auditors" means Baker Tilly or such other firm approved in advance by the Agent (such approval not to be unreasonably withheld or delayed),

"Available Commitment" means a Lender's Commitment minus

- 1 the Base Currency Amount of its participation in any outstanding Loans, and
- 2 in relation to any proposed Utilisation, the Base Currency Amount of its participation in any Loans that are due to be made on or before the proposed Utilisation Date,

"Available Facility" means the aggregate for the time being of each Lender's Available Commitment,

"Availability Period" means

- 1 in respect of Tranche A of the Facility, the period of 60 Business Days from and including the date of this Agreement,
- 2 in respect of Tranche B of the Facility, for a period of 36 Months from and including the date of this Agreement, and
- 3 in respect of Tranche C of the Facility, the period between the date of this Agreement and the date falling 6 Months before the Termination Date

"Base Currency" means Sterling,

"Base Currency Amount" means, in relation to a Loan, the amount specified in the Utilisation Request delivered by the Company for that Loan (or, if the amount requested is not denominated in the Base Currency, that amount converted into the Base Currency at the Agent's Spot Rate of Exchange on the date which is three Business Days before the Utilisation Date or, if later, on the date the Agent receives the Utilisation Request) adjusted to reflect any repayment (other than a repayment arising from a change of currency), prepayment, consolidation or division of the Loan,

"Budget" means any budget delivered by the Company to the Agent in respect of a particular period pursuant to the Facility Agreement,

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London and New York,

"Capital Expenditure" means any expenditure which is treated as capital expenditure in accordance with GAAP, but excluding any expenditure in relation to the Catalogues or Future Catalogues,

"Cashflow" means in respect of any relevant financial period EBITDA, adjusted for working capital movements, less Capital Expenditure and tax paid by the Company,

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Particulars of a mortgage or charge

6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged.

Short particulars

"Catalogues" means all lyrics, musical compositions, performer's rights, sound recordings and similar material acquired using funds advanced under the Facility and/or acquired by the Company pursuant to the Assignment Agreement, the STG3 Assignment Agreement and STG3 LLC Assignment Agreement,

"Commitment" means

- 1 in relation to an Original Lender, £20,500,000 and the amount of any other Commitment transferred to it under the Facility Agreement, and
 - 2 in relation to any other Lender, the amount in the Base Currency of any Commitment transferred to it under the Facility Agreement,
- to the extent not cancelled, reduced or transferred by it under the Facility Agreement,

"Compliance Certificate" means a certificate in the agreed form under the Facility Agreement,

"Currency Fluctuations" means the exchange rate of the Optional Currency on the date that the Loan is drawn down will be set until the Termination Date and accordingly any currency fluctuation will not reduce the Available Facility or cause the aggregate amount of the Loans to exceed the Total Commitments after such Loan is made,

"Debenture" means the debenture entered into between the Company and the Security Trustee on [insert],

"Debt Service" means the aggregate of Interest and repayments of principal payable under the Facility Agreement during any relevant period,

"Deposit Account" means the interest bearing deposit account in the name of the Company held with the Agent with sort code 30-16-07, account number 43960837 at Governor and Company of the Bank of Ireland and with the account name Stage Three Music (Catalogues) Limited,

"Delegate" a delegate or sub-delegate appointed pursuant to the Debenture;

"Disruption Event" means either or both of

- 1 a material disruption to those payment or communication systems of to those financial markets which are, in each case, required to operate for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruptions is not caused by, and is beyond the control of, any of the Parties, or
- 2 the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party,
 - from performing its payment obligations under the Finance Documents, or
 - from communicating with other Parties in accordance with the terms of the Finance Documents, and which (in either case) is not caused by, and is beyond the control of, the Party whose operations are disrupted

"EBITDA" means in respect of any relevant financial period earnings before interest, exceptional or extraordinary items, tax, depreciation and amortisation as defined under GAAP,

"Encumbrance" means any mortgage, charge, pledge, hypothecation, lien (other than a lien arising solely by operation of law in the normal course of business, the aggregate amount of which is not material), assignment, option, right of set off, security interest, trust arrangement and any other preferential right or agreement to confer security and any transaction which, in legal terms, is not a secured borrowing but which has an economic or financial effect similar to that of a secured borrowing,

"Enforcement Date" means the date on which the Agent is required, or becomes entitled to demand the payment or discharge of all or any of the Secured Liabilities under the Facility Agreement,

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Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

"Event of Default" means any event or circumstance specified below

1.1 Non-payment

The Company does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless

- (a) its failure to pay is caused by
 - (i) administrative or technical error, or
 - (ii) a Disruption Event, and
- (b) payment is made within five Business Days of its due date

1.2 Financial covenants

Any of the Financial Covenants are not satisfied

1.3 Other obligations

- (a) Any Obligor does not comply with any provision of the Finance Documents (other than those referred to under Non-payment and Financial Covenants)
- (b) No Event of Default under paragraph 1.3 (a) above will occur if the failure to comply is capable of remedy and is remedied within 20 Business Days of the Agent giving notice to the relevant Obligor or the relevant Obligor becoming aware of the failure to comply

1.4 Misrepresentation

Any representation or statement made or deemed to be made by any Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made

1.5 Cross default

- (a) Any Financial Indebtedness of the Company is not paid when due nor within any originally applicable grace period
- (b) Any Financial Indebtedness of the Company is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described)
- (c) Any commitment for any Financial Indebtedness of the Company is cancelled or suspended by a creditor of the Company as a result of an event of default (however described)
- (d) Any creditor of the Company becomes entitled to declare any Financial Indebtedness of the Company due and payable prior to its specified maturity as a result of an event of default (however described)
- (e) No Event of Default will occur under this clause 1.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than £10,000 (or its equivalent in any other currency or currencies)

1.6 Insolvency

- (a) Any Obligor is unable or admits inability to pay its debts as they fall due, suspends

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making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness

- (b) The value of the assets of any Obligor is less than its liabilities (taking into account contingent and prospective liabilities)
- (c) A moratorium is declared in respect of any indebtedness of any Obligor

1.7 Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Obligor other than a solvent liquidation or reorganisation of an Obligor,
- (b) a composition, compromise, assignment or arrangement with any creditor of any Obligor,
- (c) the appointment of a liquidator (other than in respect of a solvent liquidation, receiver, administrator, compulsory manager or other similar officer in respect of any Obligor or any of its assets, or
- (d) enforcement of any Security over any assets of any Obligor,

or any analogous procedure or step is taken in any jurisdiction

1.8 Creditors' process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Obligors having an aggregate value of £100,000 and is not discharged within 14 days

1.9 Unlawfulness

It is or becomes unlawful for any Obligor to perform any of its obligations under the Finance Documents

1.10 Repudiation

Any Obligor repudiates a Finance Document or evidences an intention to repudiate a Finance Document

1.11 Material adverse change

Any event occurs which the Agent (acting reasonably) believes has or is reasonably likely to have a Material Adverse Effect

1.12 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Company

- (a) cancel the Total Commitments whereupon they shall immediately be cancelled,
- (b) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable, and/or
- (c) declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the

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Short particulars

Majority Lenders

1.13 Audit qualification

The Auditors of the Company qualify the Audited Financial Statements

1.14 Cessation of business

Any Obligor ceases to carry on business, ceases to exist or is struck off the register of companies

"**Facility**" means the term loan facility made available under the Facility Agreement,

"**Facility Agreement**" being the £20,500,000 multicurrency term facility agreement between the Company and the Security Trustee (in various capacities) dated 21 July 2006 as amended pursuant to the Amendment Agreement,

"**Fee Letter**" means any letter or letters dated on or about the date of the Facility Agreement between the Arranger and the Company (or the Agent and the Company) setting out any of the fees referred to below

- Commitment fee

(a) The Company shall pay to the Agent (for the account of each Lender) a fee in the Base Currency computed at the rate of 0.60 per cent per annum on that Lender's Available Commitment for the Availability Period

(b) The accrued commitment fee is payable on the last day of each successive period of three Months which ends during the Availability Period, on the last day of the Availability Period and, if cancelled in full, on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective

- Arrangement fee

The Company shall pay to the Arranger an arrangement fee of two hundred and sixteen thousand pounds sterling (£216,000) on the date of first Utilisation of the Facility

- Monitoring fee

The Company shall pay to the Agent a monitoring fee of five hundred pounds sterling (£500) per Financial Quarter, payable quarterly in advance

"**Finance Document**" means the Facility Agreement, any Security Document, any Fee Letter and any other document designated as such by the Agent and the Company,

"**Finance Party**" means the Agent, the Arranger, the Security Trustee or a Lender,

"**Financial Covenants**" means

1.1 Financial condition

These covenants remain in force from the date of the Facility Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force

The Company shall ensure that

(a) **Cashflow cover** The ratio of Cashflow to Debt Service shall not be less than 1.20:1 at any test date

(b) **Interest cover** The ratio of EBITDA to Interest shall be or exceed 1.75:1 at any test date

(c) **Capital Expenditure** The Capital Expenditure of the Company in respect of any

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Short particulars

Financial Year shall not exceed 125% of the Capital Expenditure as laid out in the Budget for that Financial Year (the "**Maximum Amount**") at any test date

- (d) **Loan to Value** The Loan to Value ratio shall not exceed 70%. Should the ratio of Cashflow to Debt Service be less than 1.35:1 at any test date, the Agent may undertake a valuation of the Catalogues in order to determine if the Loan to Value ratio has exceeded 70%.

For the purposes of paragraph (d) above such valuation shall

- (i) be carried out by a Valuer and addressed to the Company and the Lenders,
- (ii) be based on the following "fair market value" principle contained in the valuation report carried out by Prager and Fenton: The price at which the Catalogues (and Future Catalogues if applicable pursuant to paragraph (b)(iii) clause 1.3 below (*Remedy mechanism*)) would change hands between a willing buyer and a willing seller, when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of the relevant facts. In addition the hypothetical buyer and seller are assumed to be able, as well as willing, to trade and to be well informed about the Catalogues (and Future Catalogues if applicable pursuant to paragraph (b)(iii) clause 1.3 below (*Remedy mechanism*)) and concerning the market of the Catalogues (and Future Catalogues if applicable pursuant to paragraph (b)(iii) clause 1.3 below (*Remedy mechanism*)), and
- (iii) be at the cost of the Company.

1.2 Financial testing

The financial covenants set out in paragraph 1.1 above (*Financial condition*) shall be calculated on a rolling 12-month basis in accordance with GAAP by reference to the financial statements of the Company or as otherwise agreed between the Agent and the Company in relation to the first two tests carried out. The first test will take place on 31 December 2006 and half-yearly thereafter (which shall be, for the avoidance of doubt, at such times as when the half-yearly Management Accounts are provided to the Agent in accordance with the definition of Financial Statements).

1.3 Remedy mechanism

- (a) **Breaches of Cashflow cover and Interest cover** In the event that there is a breach of either the Cashflow cover or Interest cover ratios or both, the Agent agrees that the Company may remedy such a breach within 30 days of receipt by the Agent of the relevant Compliance Certificate by

- (i) the Investor subscribing for additional equity or making subordinated shareholder loans which shall be included as Cashflow and EBITDA for the purpose of the respective tests, and/or
- (ii) prepaying Loans in an amount that remedies such a breach,

provided that the Company may only remedy a breach of either the Cashflow cover or Interest cover ratios or both, a maximum of four times and it can not remedy a breach on more than two consecutive half-yearly periods.

For the avoidance of doubt, the Company does not have the right to remedy a breach of the Cashflow cover ratio to avoid a revaluation of the Loan to Value ratio pursuant to paragraph (a) of clause 1.1 above (*Financial condition*).

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- (b) **Breach of Loan to Value ratio** In the event that there is a breach of the Loan to Value ratio, the Agent agrees that the Company may remedy such a breach within the later of 30 days of receipt by the Agent of a valuation as set out in paragraph (d) of clause 1 1 above (*Financial condition*) and 60 days after the receipt by the Agent of the relevant Compliance Certificate by
- (i) the Investor subscribing for additional equity or making subordinated shareholder loans which shall be used to prepay Loans in an amount that remedies such a breach, and/or
 - (ii) prepaying Loans in an amount that remedies such a breach, and/or
 - (iii) including any Future Catalogues in the definition of Loan to Value ratio as set out in clause 1 1 above (*Financial definitions*) and carrying out a revaluation of the Catalogues and Future Catalogues in accordance with paragraph (d) of clause 1 above (*Financial condition*) to determine if the Loan to Value ratio has exceeded 70 per cent provided that Company shall grant first security equivalent to that taken in respect of the Catalogues in the Security Documents over such Future Catalogues to the Security Trustee,
- provided that the Company may only remedy a breach of the Loan to Value ratio a maximum of four times

"Financial Indebtedness" means any indebtedness for or in respect of

- 1 moneys borrowed,
- 2 any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent,
- 3 any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument,
- 4 the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease,
- 5 receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis),
- 6 any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing,
- 7 any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account),
- 8 any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution, and
- 9 the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (1) to (8) above,

"Financial Quarter" means 31 March, 30 June, 30 September and 31 December in each year,

"Financial Statements" means

- 1 Audited Financial Statements,
- 2 Management Accounts for that financial half year, and
- 3 quarterly net publisher share compared to the Budget,

"Financial Year" means the period of 52 weeks ending on 31 December in each year,

"Future Catalogues" means any music publishing assets acquired by the Company after the date of first Utilisation,

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"GAAP" means generally accepted accounting principles in England,

"Income Rights" the right of the Company to receive some or all of the revenue generated by the exploitation of the Proprietary Rights (or any of them) in a lyric, musical composition, performance or sound recording in relation to the Catalogues,

"Insurances" means all contracts and policies of insurance of any kind now or in the future taken out by the Company or on behalf of it or (to the extent of its interest) in which it now or in the future has an interest,

"Intellectual Property" means all rights in and in relation to patents (including all additional and supplementary certificates thereto) utility models, registered and unregistered trade marks, service marks, collective marks and certification marks, domain names, trade or business names, registered and unregistered copyrights (and all extensions and renewals thereof), inventions, registered and unregistered designs, industrial property rights, databases, semi conductor chips, computer software, topography rights, performers' rights and recording rights, producers' rights and broadcasters' rights, know how, trade secrets and other confidential information and any other neighbouring rights of any description in the nature of any of the aforesaid items relating to the business of the Company irrespective of the part of the world in which the same are used, registered or enforceable,

"Interest" means in respect of any relevant financial period the aggregate of all interest, fees, commissions and other costs, charges and expenses due from the Company to the Agent,

"Interest Period" means the interest period selected by the Company for a Loan in the Utilisation Request for that Loan or (if the Loan has already been borrowed) on written notice to the Agent (an **"Interest Period Notice"**),

"Lender" means

- 1 any Original Lender, and
- 2 any bank, financial institution, trust, fund or other entity which has become a Party,

"Loan" means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan,

"Loan to Value" means the ratio of Net Borrowings to the value of the Catalogues (and Future Catalogues if applicable pursuant to paragraph 1 3(b)(iii) of Financial Covenants, above),

"Majority Lenders" means

- 1 if there are no Loans then outstanding, a Lender or Lenders whose Commitments aggregate more than 66⅔ per cent of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 66⅔ per cent of the Total Commitments immediately prior to the reduction), or
- 2 at any other time, a Lender or Lenders whose participations in the Loans then outstanding aggregate more than 66⅔ per cent of all the Loans then outstanding,

"Management Accounts" means half yearly accounts for the Company in a format agreed between the Agent and the Company,

"Material Adverse Effect" means an event which is reasonably likely to result in a material adverse effect on

- 1 the business, property, operations or financial condition of the Company, or
- 2 the ability of the Company to perform its payment obligations under any Finance Document as and when they fall due (subject to any applicable grace periods) to be performed, or
- 3 the validity or enforceability of, or the effectiveness or ranking of any Security created or

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purporting to be created pursuant to any of, the Finance Documents,
4 the rights or remedies of any Finance Party under any of the Finance Documents, or
5 the validity or enforceability of any provision of the Facility Agreement and/or any Security granted pursuant to the Finance Documents,

"MO Catalogue" means the Mike Oldfield music publishing catalogue rights acquired by the Company on or around the date of the Amendment Agreement,

"Month" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that

- 1 (subject to paragraph (3) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day,
- 2 if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month, and
- 3 if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end,

"Net Borrowings" means, at any time, the aggregate amount of the outstanding Loans of the Company less sums standing in the credit of any account of the Company in respect of which the Agent has valid and enforceable rights of set-off,

"New Acquisitions" means Acquisitions made after the date of the Amendment Agreement (including, for the avoidance of doubt, the MO Catalogue and the Acquisitions made pursuant to the STG3 Assignment Agreement and the STG3 LLC Assignment Agreement),

"New Assignment Agreements" means the STG3 Assignment Agreement and the STG3 LLC Assignment Agreement,

"Non-Payment" means

The Company does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless

- its failure to pay is caused by
 - 1 administrative or technical error, or
 - 2 a Disruption Event, and
- payment is made within five Business Days of its due date

"Obligor" means a party to any Finance Document other than a Finance Party,

"Optional Currency" means US\$ Dollars or euros (other than the Base Currency) which complies with the following conditions

- 1 it is readily available in the amount required and freely convertible into the Base Currency in the Relevant Interbank Market on the Quotation Day and the Utilisation Date for that Loan, and
 - 2 it has been approved by the Agent (acting on the instructions of all the Lenders) on or prior to receipt by the Agent of the relevant Utilisation Request for that Loan
- If the Agent has received a written request from the Company for a currency to be approved under paragraph 1 above, the Agent will confirm to the Company by the Specified Time
- whether or not the Lenders have granted their approval, and
 - if approval has been granted, the minimum amount (and, if required, integral multiples) for any subsequent Utilisation in that currency,

"Original Lenders" means the The Governor and Company of the Bank of Ireland,

"Original Security Deed" means the deed of assignment and charge between the Company and the

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Security Trustee dated 4 August 2006,

"Party" means a party to the Facility Agreement,

"Proprietary Rights" means the entire copyright and all other proprietary and like rights throughout the world in all media now or hereafter known for the full period of such rights in each territory (including all renewals, extensions, revivals and reversions thereof) including all vested and contingent and future rights of copyright and rights in the nature of copyright and all rights to renew and extend such copyright and rights in the nature of copyright together with all associated income rights, rights of action, power and benefits,

"Receipts Account" any account designated as such by the Security Trustee in accordance with the below

1. Accounts

A Receipts Account shall, if requested by the Security Trustee at any time during the subsistence of any Event of Default, be maintained at a branch of the relevant Account Bank approved by the Security Trustee and the following provisions shall apply when and to the extent that such Receipts Account is in operation

2. Change of Account Bank

1 An Account Bank may be changed to another bank or financial institution if the Security Trustee so requires

2 A change only becomes effective when the proposed new Account Bank agrees with the Security Trustee and the Company, in a manner satisfactory to the Security Trustee, to fulfil the role of the Account Bank under the Debenture.

3 If there is a change of Account Bank, the amount (if any) standing to the credit of the Receipts Account maintained with the old Account Bank will be transferred to the corresponding Receipts Account maintained with the new Account Bank immediately upon the appointment taking effect

4 The Company must take any action which the Security Trustee may require to facilitate a change of Account Bank and any transfer of credit balances (including the execution of bank mandate forms)

3 Interest

Amounts standing to the credit of a Receipts Account will bear interest at a rate considered by the relevant Account Bank to be a fair market rate

4 Book debts and receipts

• Without prejudice to the restrictions contained in paragraph 7 below the Company must get in and realise its

- 1 book and other debts and other moneys due and owing to it,
- 2 securities to the extent held by way of temporary investment, and
- 3 royalties, fees and income of any nature owed to it

in a timely manner into a Receipts Account and in any event as soon as practicable after such book debts and other receipts become due and payable

• The Company must pay all the proceeds of the getting in and realisation into a Receipts Account immediately upon receipt of the proceeds, or if this is not practicable, on the next Business Day

• In the event that any monies are paid to the Company by any account debtor into an account which is not a Receipts Account, the Company shall ensure immediate transfer of the proceeds of such payment into a Receipts Account following receipt

5. Withdrawals

1 The Company must not withdraw any moneys standing to the credit of a Receipts Account except with the prior consent of the Security Trustee

2 The Security Trustee (or a Receiver) may (subject to the payment of any claims having priority to this Security) withdraw amounts standing to the credit of any Receipts Account to meet an amount due and payable under the Security Documents when it is due and payable

6. Notices

The Company shall

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- promptly give notice to each Account Bank of the security created under the Facility Agreement and the Security Documents. Such notice must instruct and authorise the Account Bank
 1. to disclose to the Security Trustee any information relating to any Receipts Account requested by the Security Trustee from the Account Bank, and
 2. to comply with the terms of any written notice or instruction relating to the Receipts Account received by the Account Bank from the Security Trustee,
 - to comply with the terms of any written notice or instruction relating to the Receipts Account received by the Account Bank from the Security Trustee
- 7. Security**
The Company shall not create or permit to subsist any Encumbrance over any Secured Asset except for the Security and pursuant to the Original Security Deed

"Receiver" means a receiver and manager or other receiver appointed in respect of the Secured Assets and shall, if allowed by law, include an administrative receiver,

"Secured Assets" the property, assets and interests (whether present or future) of the Company hereby charged or assigned or to be charged or assigned or each or any of them or part thereof under the Debenture in favour of the Security Trustee,

"Secured Liabilities" means all monies, obligations and liabilities covenanted to be paid or discharged under or pursuant to the Debenture,

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

"Security Document" means the Debenture, the Original Security Deed and the Inter-creditor Deed and any other security document that may at any time be given as security for any of the Secured Liabilities pursuant to or in connection with the Facility Agreement (including, without limitation, the Debenture,

"Stage Three (US) Agreements" the rights and obligations under the North American sub publishing agreement dated 1 August 2005 and the world wide sub publishing agreement dated 1 August 2005 between the Investor and Stage Three (US) as novated to the Company pursuant to a deed of novation between the Investor, Stage Three (US) and the Company dated 4 August 2006 as amended on or around the date of the Debenture,

"STG3 Assignment Agreement" means the assignment agreement between the Company and the Investor entered into on or around the date of the Amendment Agreement assigning various catalogues from the Investor to the Company,

"STG3 LLC Assignment Agreement" means the assignment agreement between the Company and Stage Three Music LLC entered into on or around the date of the Amendment Agreement assigning various catalogues from Stage Three Music LLC to the Company,

"Termination Date" means the date that is five years from the date of first Utilisation,

"Total Commitments" means the aggregate of the Commitments being Twenty Million Five Hundred Thousand Pounds Sterling (£20,500,000) at the date of this Agreement subject to Currency Fluctuations

"Utilisation" means a utilisation of the Facility,

"Utilisation Date" means the date of a Utilisation, being the date on which the relevant Loan is to be made,

"Utilisation Request" means a notice in the agreed form under the Facility Agreement, and

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"Valuer" means Prager and Fenton or such other valuer of good standing with experience as may be



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 869(5) & (6) of the Companies Act 2006

**COMPANY NO. 4738931
CHARGE NO. 2**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A DEBENTURE DATED 24
FEBRUARY 2010 AND CREATED BY STAGE THREE MUSIC
(CATALOGUES) LIMITED FOR SECURING ALL MONIES DUE OR
TO BECOME DUE FROM THE COMPANY TO THE GOVERNOR
AND COMPANY OF THE BANK OF IRELAND OR ANY FINANCE
PARTY ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS
OF THE AFOREMENTIONED INSTRUMENT CREATING OR
EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO
CHAPTER 1 PART 25 OF THE COMPANIES ACT 2006 ON THE 26
FEBRUARY 2010

GIVEN AT COMPANIES HOUSE, CARDIFF THE 2 MARCH 2010

PO
Sf.



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES