



Registration of a Charge

Company name: **PLEDGEMUSIC.COM LIMITED**

Company number: **06712061**



X7ZK7CM8

Received for Electronic Filing: **18/02/2019**

Details of Charge

Date of creation: **12/02/2019**

Charge code: **0671 2061 0001**

Persons entitled: **SWORD, ROWE & COMPANY LLC (AS SECURITY TRUSTEE FOR THE SECURED PARTIES (AS DEFINED IN THE INSTRUMENT)).**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

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

Certified by:

CLARA FONG, SOLICITOR, DLA PIPER UK LLP, LONDON



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6712061

Charge code: 0671 2061 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 12th February 2019 and created by PLEDGEMUSIC.COM LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 18th February 2019 .

Given at Companies House, Cardiff on 19th February 2019

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

EXECUTION VERSION

DATED

12 February

2019

(1) PLEDGEMUSIC.COM LIMITED
as Chargor

- and -

(2) SWORD, ROWE & COMPANY LLC
as Collateral Agent

DEBENTURE



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

DATE 15 February 2019

SIGNED *[Signature]*
DLA PIPER UK LLP

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THIS DEBENTURE is made on

12 February

2019

BETWEEN:

- (1) **PLEDGEMUSIC.COM LIMITED**, a private company limited by shares incorporated in England and Wales with registered number 06712061, having its registered office at 22 Endell Street, London WC2H 9AD (the "**Chargor**"); and
- (2) **SWORD, ROWE & COMPANY LLC** (as security trustee for the Secured Parties (as defined below)) (in such capacity, the "**Collateral Agent**").

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

- (a) terms defined in, or construed for the purposes of, the Facility Agreement (as defined below) (including in clause 14.5 thereof) have the same meanings when used in this Deed (unless the same are otherwise defined in this Deed); and

- (b) the following terms have the following meanings:

"Account Bank" means any bank or other financial institution with which any Charged Account is maintained from time to time;

"Act" means the Law of Property Act 1925;

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

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

"Charged Accounts" means each account charged by or pursuant to this Deed;

"Charged Investments" means the Charged Securities and all present and future Related Rights accruing to all or any of the Charged Securities;

"Charged Securities" means:

- (a) the securities specified in part 2 of schedule 1 (*Details of Security Property*); and
- (b) all other stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or "*investments*" (as defined in part II of schedule II to the Financial Services and Markets Act 2000 as in force at the date of this Deed) now or in future owned (legally or beneficially) by the Chargor or held by a nominee, trustee, fiduciary or clearance system on its behalf or in which the Chargor has an interest at any time,

other than the Chargor's shares in PledgeMusic.com USA Inc.;

"Collection Account" has the meaning given to that term in clause 11.7(a)(iii);

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

"Declared Default" means an Event of Default in respect of which any notice has been issued or rights exercised by the Majority Lenders under clause 15 (*Events of Default*) of the Facility Agreement;

"Default Rate" means the rate of interest determined in accordance with clause 9 (*Default interest*) of the Facility Agreement;

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

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

"Facility Agreement" means the term loan facility agreement originally dated 25 September 2015 and made between, amongst others, (1) PledgeMusic.com Limited as Borrower, (2) PledgeMusic SPV I, LLC, Beacon Asset Holdings Limited, EVP I, LLC and Additional Lenders as Lenders and (3) Sword, Rowe & Company LLC as Collateral Agent (as amended and restated on 8 June 2017, on or about 15 January 2018, 14 June 2018 and 10 December 2018);

"Finance Documents" means each *"Finance Document"* as that term is defined in the Facility Agreement;

"Finance Party" means the Lenders and the Collateral Agent;

"Insurances" means all policies of insurance (and all cover notes) which are at any time held by or written in favour of the Chargor or in which the Chargor from time to time has an interest including, without limitation the policies of insurance (if any) specified in part 6 of schedule 1 (*Details of Security Property*), but excluding such policies of insurance to the extent that they relate to third party liabilities;

"Intellectual Property" means all legal and/or equitable interests (including, without limitation, the benefit of all licences in any part of the world) of the Chargor in, or relating to:

- (a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of the Chargor (which may now or in the future subsist),

including, without limitation, the intellectual property rights (if any) specified in part 4 of schedule 2 (*Details of Security Property*);

"Material Adverse Effect" means a material adverse effect on:

- (a) the business, operations, property, condition (financial or otherwise) or prospects of the Chargor; or
- (b) the ability of the Chargor to perform its payment obligations under the Finance Documents; or

- (c) the validity or enforceability of, or the effectiveness or ranking of any Security granted or purporting to be granted pursuant to any of, the Finance Documents or the rights or remedies of any Lender or the Collateral Agent under any of the Finance Documents;

"Party" means a party to this Deed;

"Planning Acts" means (a) the Town and Country Planning Act 1990, (b) the Planning (Listed Buildings and Conservation Areas) Act 1990, (c) the Planning (Hazardous Substances) Act 1990, (d) the Planning (Consequential Provisions) Act 1990, (e) the Planning and Compensation Act 1991, (f) any regulations made pursuant to any of the foregoing and (g) any other legislation of a similar nature;

"Quasi-Security" means an arrangement or transaction by the Chargor to:

- (a) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by the Chargor;
- (b) sell, transfer or otherwise dispose 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) enter into any other preferential arrangement having similar effect,

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

"Real Property" means all estates and interests in freehold, leasehold and other immovable property (wherever situated) now or in future belonging to the Chargor, or in which the Chargor has an interest at any time (including the registered and unregistered land (if any) in England and Wales specified in part 1 of schedule 1 (*Details of Security Property*)), together with:

- (a) all buildings and fixtures (including trade fixtures) and fixed plant and machinery at any time thereon;
- (b) all easements, rights and agreements in respect thereof; and
- (c) the benefit of all covenants given in respect thereof;

"Receivables" means all present and future book debts and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, the Chargor (whether actual or contingent and whether arising under contract or in any other manner whatsoever) together with:

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

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

"Related Rights" means, in relation to any Charged Securities:

- (a) all dividends, distributions and other income paid or payable on the relevant Charged Securities or on any asset referred to in paragraph (b) of this definition; and
- (b) all rights, monies or property accruing or offered at any time in relation to such Charged Securities whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;

"Relevant Contract" means each agreement specified in part 5 of schedule 1 (*Details of Security Property*) together with each other agreement supplementing or amending or novating or replacing the same;

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

"Secured Parties" has the meaning given to that term in the Facility Agreement;

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

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

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

1.2 Interpretation

- (a) Unless a contrary indication appears, in this Deed:
 - (i) the provisions of clause 1.2 (*Construction*) of the Facility Agreement apply to this Deed as though they were set out in full in this Deed, except that references to "*this Agreement*" will be construed as references to this Deed;
- (b) Unless a contrary indication appears, any reference in this Deed to:
 - (i) a "**Chargor**", the "**Collateral Agent**" or any other "**Secured Party**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Collateral Agent, any person for the time being appointed as Collateral Agent or Collateral Agents in accordance with the Finance Documents;
 - (ii) "**this Deed**", the "**Facility Agreement**", any other "**Finance Document**" or any other agreement or instrument is a reference to this Deed, the Facility Agreement, that other Finance Document or that other agreement or instrument as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even

if any of the same increases the obligations of the Chargor or provides for further advances); and

- (iii) **"Secured Obligations"** includes obligations and liabilities which would be treated as such but for the liquidation, administration or dissolution of or similar event affecting the Chargor.
- (c) Each undertaking of the Chargor (other than a payment obligation) contained in this Deed:
 - (i) must be complied with at all times during the Security Period; and
 - (ii) is given by the Chargor for the benefit of the Collateral Agent and each other Secured Party.
- (d) The terms of the other Finance Documents, and of any side letters between any of the parties to them in relation to any Finance Document, are incorporated in this Deed to the extent required to ensure that any disposition of the Real Property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (e) If the Collateral Agent reasonably considers that an amount paid by the Chargor to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the Chargor, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
- (f) 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 Trust

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

1.4 Third party rights

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

2. COVENANT TO PAY

2.1 Covenant to pay

- (a) The Chargor, as principal obligor and not merely as surety, covenants in favour of the Collateral Agent that it will pay and discharge the Secured Obligations in the manner provided for in the Finance Documents from time to time when they fall due pursuant to the Finance Document.
- (b) Every payment by the Chargor of a Secured Obligation which is made to or for the benefit of a Secured Party to which that Secured Obligation is due and payable in accordance with the Finance Document under which such sum is payable to that

Secured Party, shall operate in satisfaction to the same extent of the covenant contained in clause 2.1(a).

2.2 Default interest

Any amount which is not paid under this Deed when due shall bear interest on a daily basis (both before and after judgment and payable on demand) at the Default Rate from the due date until the date on which such amount is unconditionally and irrevocably paid and discharged in full.

3. GRANT OF SECURITY

3.1 Nature of security

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

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

3.2 Qualifying floating charge

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

4. FIXED SECURITY

4.1 Fixed charges

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

- (a) by way of first legal mortgage:
 - (i) the Real Property (if any) specified in part 1 of schedule 1 (*Details of Security Property*); and
 - (ii) all other Real Property (if any) (other than any Short Leasehold Property) and all interests in Real Property (other than any Short Leasehold Property) not charged by clause 4.1(a)(i);
- (b) by way of first fixed charge:
 - (i) all other Real Property (other than any Short Leasehold Property) and all interests in Real Property (other than any Short Leasehold Property) not charged by clause 4.1(a);
 - (ii) all licences to enter upon or use land and the benefit of all other agreements relating to land; and
 - (iii) the proceeds of sale of all Real Property;

- (c) by way of first fixed charge all plant and machinery (not charged by clause 4.1(a) or 4.1(b)) and the benefit of all contracts, licences and warranties relating to the same which do not contain any restrictions on charging;
- (d) by way of first fixed charge:
 - (i) all computers, vehicles, office equipment and other equipment (not charged by clause 4.1(c)); and
 - (ii) the benefit of all contracts, licences and warranties relating to the same;
- (e) by way of first fixed charge:
 - (i) the Charged Securities (if any) referred to in part 2 of schedule 1 (*Details of Security Property*); and
 - (ii) all other Charged Securities (not charged by clause 4.1(e)(i)),

in each case, together with (A) all Related Rights from time to time accruing to those Charged Securities and (B) all rights which the Chargor may have at any time against any clearance or settlement system or any custodian in respect of any Charged Investments;
- (f) by way of first fixed charge:
 - (i) the accounts (if any) referred to in part 3 of schedule 1 (*Details of Security Property*) and all monies at any time standing to the credit of such accounts; and
 - (ii) all other accounts of the Chargor with any bank, financial institution or other person at any time (not charged by clause 4.1(f)(i)) and all monies at any time standing to the credit of such accounts,

in each case, together with all interest from time to time accrued or accruing on such monies, any investment made out of such monies or account and all rights to repayment of any of the foregoing;
- (g) to the extent they are capable of being charged, by way of first fixed charge:
 - (i) the Intellectual Property (if any) specified in part 4 of schedule 1 (*Details of Security Property*); and
 - (ii) all other Intellectual Property (if any) (not charged by clause 4.1(g)(i));
- (h) to the extent that any Assigned Asset is not effectively assigned under clause 4.2 (*Security assignments*), by way of first fixed charge such Assigned Asset;
- (i) by way of first fixed charge (to the extent not otherwise charged or assigned in this Deed and provided that they do not require the consent of any third party to any charge):
 - (i) the benefit of all licences, consents, agreements and Authorisations held or used in connection with the business of the Chargor or the use of any of its assets; and

- (ii) any letter of credit issued in favour of the Chargor and all bills of exchange and other negotiable instruments held by it; and
- (j) by way of first fixed charge all of the goodwill and uncalled capital of the Chargor.

4.2 Security assignments

- (a) The Chargor assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption and to the required consent of any third party being obtained) all of its present and future right, title and interest in and to:
 - (i) the Relevant Contracts, all rights and remedies in connection with the Relevant Contracts and all proceeds and claims arising from them;
 - (ii) all Insurances including all claims under the Insurances and all proceeds of the Insurances; and
 - (iii) all other Receivables (not assigned under clauses 4.2(a)(i) or 4.2(a)(ii)).
- (b) To the extent that any Assigned Asset described in clause 4.2(a)(ii) is not assignable, the assignment which that clause purports to effect shall operate as an assignment of all present and future rights and claims of the Chargor to any proceeds of such Insurances.

4.3 Notice of assignment and/or charge - immediate notice

Immediately upon request by the Collateral Agent the Chargor shall:

- (a) in respect of each of its Insurances, deliver a duly completed notice of assignment to the provider of each such Insurance and shall use its reasonable endeavours to procure that each such person executes and delivers to the Collateral Agent an acknowledgement, in each case substantially in the respective forms set out in schedule 4 (*Form of notice to and acknowledgement by insurers*); and
- (b) in respect of its Charged Accounts deliver a duly completed notice to the Account Bank and procure that the Account Bank executes and delivers to the Collateral Agent an acknowledgement, in each case substantially in the respective forms set out in schedule 2 (*Form of notice to and acknowledgement from Account Bank*),

or, in each case, in such other form as the Collateral Agent shall agree.

4.4 Notice of assignment - Relevant Contracts

Immediately upon request by the Collateral Agent at any time after the occurrence of a Declared Default, the Chargor will, in respect of each Relevant Contract to which it is a party, deliver a duly completed notice of assignment to each other party to that Relevant Contract, and use its reasonable endeavours to procure that each such party executes and delivers to the Collateral Agent an acknowledgement, in each case substantially in the respective forms set out in schedule 3 (*Form of notice to and acknowledgement by party to Relevant Contract*) (or in such other form as the Collateral Agent shall agree).

4.5 Assigned Assets

The Collateral Agent is not obliged to take any steps necessary to preserve any Assigned Asset, to enforce any term of a Relevant Contract against any person or to make any enquiries as to the nature or sufficiency of any payment received by it pursuant to this Deed.

5. FLOATING CHARGE

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

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

6. CONVERSION OF FLOATING CHARGE

6.1 Conversion by notice

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

- (a) a Declared Default has occurred and is continuing; or
- (b) the Collateral Agent (acting reasonably) considers those assets specified in the notice to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

6.2 Small companies

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

6.3 Automatic conversion

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

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

6.4 Scottish property

Clause 6.3 (*Automatic conversion*) will not apply to any assets situated in Scotland if, and to the extent that, a Receiver would not be capable of exercising his powers in Scotland pursuant to section 72 of the Insolvency Act 1986 by reason of such automatic conversion.

6.5 Partial conversion

The giving of a notice by the Collateral Agent pursuant to clause 6.1 (*Conversion by notice*) in relation to any asset or class of assets of the Chargor shall not be construed as a waiver or abandonment of the rights of the Collateral Agent under this Deed to serve similar notices in respect of any other asset or class of assets or of any other right of the Collateral Agent and/or the other Secured Parties.

7. EXCLUDED ASSETS

There shall be excluded from clause 4 (*Fixed security*) and clause 5 (*Floating charge*) the Chargor's interests in any Purchased Receivables (as defined in the Accounts Receivable Purchase Agreement dated 17 July 2018 between LYRIC Financial, LLC and PledgeMusic.com USA Inc.).

8. CONTINUING SECURITY

8.1 Continuing security

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

8.2 Additional and separate security

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

8.3 Right to enforce

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

9. LIABILITY OF CHARGOR RELATING TO SECURITY PROPERTY

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

10. REPRESENTATIONS

The Chargor represents and warrants that the Chargor is the sole legal and beneficial owner of all of the Security Property identified against its name in schedule 1 (*Details of Security Property*).

11. UNDERTAKINGS BY THE CHARGOR

11.1 Negative pledge and Disposals

Except as not prohibited under the terms of the Facility Agreement, the Chargor shall not, during the Security Period, do or agree to do any of the following without the prior written consent of the Collateral Agent (such consent not to be unreasonably withheld or delayed):

- (a) create or permit to subsist any Security or Quasi-Security on any Security Property other than as created by this Deed; or
- (b) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not and whether voluntarily or involuntarily) the whole or any part of its interest in any Security Property other than the sale at full market value of stock in trade in the usual course of trading as conducted by the Chargor at the date of this Deed.

11.2 Security Property generally

The Chargor shall:

- (a) notify the Collateral Agent within 30 days of receipt of every material notice, order, application, requirement or proposal given or made in relation to the Security Property by any competent authority, and (if required by the Collateral Agent):
 - (i) as soon as reasonably practicable provide it with a copy of the same; and
 - (ii) either (A) comply with such notice, order, application, requirement or proposal or (B) make such objections to the same as the Collateral Agent may require or approve;
- (b) pay all rates, rents and other outgoings owed by it in respect of the Security Property except to the extent the Chargor contends (acting reasonably) that such payments are not due or have been incorrectly charged;
- (c) comply with:
 - (i) all obligations in relation to the Security Property under any present or future regulation or requirement of any competent authority or any Authorisation; and
 - (ii) all covenants and obligations affecting any Security Property (or its manner of use),

where failure to do so has or is reasonably likely to have a Material Adverse Effect

- (d) not, except with the prior written consent of the Collateral Agent (such consent not to be unreasonably withheld or delayed), enter into any onerous or restrictive obligation affecting any Security Property (except as expressly permitted by the Facility Agreement;

- (e) provide the Collateral Agent with all information which it may reasonably request in relation to the Security Property; and
- (f) not do, cause or permit to be done anything which may to a material extent depreciate, jeopardise or otherwise prejudice the value or marketability of any Security Property (or make any omission which has such an effect).

11.3 Deposit of documents and notices relating to Real Property

The Chargor shall, if requested by the Collateral Agent in writing, deposit with the Collateral Agent:

- (a) all deeds and documents of title which are in its possession or control relating to the Real Property; and
- (b) all local land charges, land charges and the Land Registry search certificates and similar documents received by or on behalf of the Chargor,

which the Collateral Agent may hold throughout the Security Period.

11.4 Real Property undertakings - acquisitions and notices to the Land Registry

- (a) The Chargor shall notify the Collateral Agent promptly upon the acquisition of any estate or interest in any freehold or leasehold property (other than any Short Leasehold Property).
- (b) The Chargor shall, in respect of any Real Property which is acquired by it after the date of this Deed, the title to which is registered at the Land Registry or the title to which is required to be so registered:
 - (i) give the Land Registry written notice of this Deed; and
 - (ii) procure that notice of this Deed is clearly noted in the Register to each such title.

11.5 Real Property undertakings - maintenance

- (a) The Chargor shall maintain all buildings and erections forming part of the Security Property in a reasonable state of repair.
- (b) The Chargor shall not, except with the prior written consent of the Collateral Agent (such consent not to be unreasonably withheld) or where it is in the ordinary course of business:
 - (i) confer on any person any lease or tenancy of any of the Real Property or accept a surrender of any lease or tenancy (whether independently or under any statutory power);
 - (ii) confer on any person any right or licence to occupy any land or buildings forming part of the Real Property; or
 - (iii) grant any licence to assign or sub-let any part of the Real Property.
- (c) The Chargor shall not carry out any development within the meaning of the Planning Acts in or upon any part of the Real Property without first obtaining such permissions as may be required under or by virtue of the Planning Acts and, in the case of

development involving a substantial change in the structure of, or a change of use of, any part of the Real Property, without first obtaining the written consent of the Collateral Agent.

- (d) The Chargor shall not, or knowingly permit to be done, anything as a result of which any lease may be liable to forfeiture or otherwise be determined.
- (e) The Chargor shall permit the Collateral Agent and any person nominated by it at all reasonable times with reasonable notice to enter any part of the Real Property and view the state of it.

11.6 Insurance

- (a) If at any time the Chargor defaults in:
 - (i) effecting or keeping up the insurances referred to in this clause; or
 - (ii) producing any insurance policy or receipt to the Collateral Agent within 14 days of demand,

the Collateral Agent may (without prejudice to its rights under clause 12 (*Power to remedy*)) take out or renew such policies of insurance in any sum which the Collateral Agent may reasonably think expedient. All monies which are expended by the Collateral Agent in doing so shall be deemed to be properly paid by the Collateral Agent and shall be reimbursed by the Chargor on demand.

- (b) The Chargor shall, subject to the rights of the Collateral Agent under clause 11.6(c), diligently pursue its rights under the Insurances.
- (c) In relation to the proceeds of Insurances, after the occurrence of a Declared Default the Collateral Agent shall have the sole right to settle or sue for any such claim and to give any discharge for insurance monies in permanent reduction of the Secured Obligations in accordance with the Facility Agreement.

11.7 Dealings with and realisation of Receivables and Collection Accounts

- (a) The Chargor shall:
 - (i) without prejudice to clause 11.1 (*Negative pledge and Disposals*) (but in addition to the restrictions in that clause), not, during the Security Period, without the prior written consent of the Collateral Agent (acting reasonably), or otherwise not prohibited by the Facility Agreement, sell, assign, charge, factor or discount or in any other manner deal with any Receivable save to the extent not prohibited by the Facility Agreement;
 - (ii) following the occurrence of a Declared Default collect all Receivables promptly in the ordinary course of trading as agent for the Collateral Agent; and
 - (iii) immediately upon receipt pay all monies which it receives in respect of the Receivables into:
 - (A) any account which the Chargor has granted Security to the Collateral Agent pursuant to the terms of this Deed; or

- (B) following the occurrence of a Declared Default such specially designated account(s) with the Account Bank or another Account Bank as the Collateral Agent may from time to time direct (acting reasonably),

(each such account(s) together with all additions to or renewals or replacements thereof (in whatever currency) being a "**Collection Account**"); and

- (iv) following the occurrence of a Declared Default pending such payment, hold all monies so received upon trust for the Collateral Agent.
- (b) Following the occurrence of a Declared Default the Chargor shall deal with the Receivables (both collected and uncollected) and the Collection Accounts in accordance with any directions given in writing from time to time by the Collateral Agent (acting reasonably) and, in default of and subject to such directions, in accordance with this Deed.

11.8 Operation of Collection Accounts

- (a) After the occurrence of a Declared Default, no Chargor shall withdraw, attempt or be entitled to withdraw (or direct any transfer of) all or any part of the monies in any Collection Account without the prior written consent of the Collateral Agent and the Collateral Agent shall be entitled (in its absolute discretion) to refuse to permit any such withdrawal or transfer.
- (b) If the right of the Chargor to withdraw the proceeds of any Receivables standing to the credit of a Collection Account results in the charge over that Collection Account being characterised as a floating charge, that will not affect the nature of any other fixed security created by the Chargor under this Deed on any of its outstanding Receivables.

11.9 Charged Investments - protection of security

- (a) The Chargor shall, immediately upon execution of this Deed or (if later) as soon as is practicable after its acquisition of any Charged Securities, by way of security for the Secured Obligations:
 - (i) deposit with the Collateral Agent (or as the Collateral Agent may direct) all certificates and other documents of title or evidence of ownership to the Charged Securities and their Related Rights; and
 - (ii) execute and deliver to the Collateral Agent:
 - (A) instruments of transfer in respect of the Charged Securities (executed in blank and left undated); and/or
 - (B) such other documents as the Collateral Agent shall require to enable it (or its nominees) to be registered as the owner of or otherwise to acquire a legal title to the Charged Securities and their Related Rights (or to pass legal title to any purchaser).

- (b) The Chargor shall following the occurrence of a Declared Default:
 - (i) as soon as practicable give notice to any custodian of any agreement with the Chargor in respect of any Charged Investment in the form required by the Collateral Agent; and
 - (ii) use its reasonable endeavours to ensure that the custodian acknowledges that notice in the form required by the Collateral Agent.
- (c) The Chargor shall promptly following the occurrence of a Declared Default:
 - (i) instruct any clearance system to transfer any Charged Investment held by it for the Chargor or its nominee to an account of the Collateral Agent or its nominee with such clearance system; and
 - (ii) take whatever action the Collateral Agent may request for the dematerialisation or rematerialisation of any Charged Investment held in a clearance system.
- (d) Without prejudice to the rest of this clause 11.9, the Collateral Agent may following the occurrence of a Declared Default, at the expense of the relevant Chargor, take whatever action is required for the dematerialisation or rematerialisation of the Charged Investments.
- (e) The Chargor shall promptly pay all calls or other payments which may become due in respect of its Charged Investments.
- (f) No Chargor shall nominate another person to enjoy or exercise all or any specified rights of the Chargor in relation to its Charged Investments, as contemplated by section 145 of the Companies Act 2006 or otherwise.
- (g) Without limiting its obligations under clause 11.9(b), the Chargor shall comply with all requests for information within its knowledge relating to the Charged Investments which are made under section 793 of the Companies Act 2006 or which could be made under section 793 if the relevant company were a public limited company or under any similar provision contained in the articles of association or other constitutional documents of the relevant company or otherwise relating to the Charged Investments and, if it fails to do so, the Collateral Agent may provide such information as it may have on behalf of the Chargor.

11.10 Rights of the Parties in respect of Charged Investments

- (a) Unless a Declared Default has occurred, the Chargor shall be entitled to:
 - (i) receive and retain all dividends, distributions and other monies paid on or derived from its Charged Securities; and
 - (ii) exercise all voting and other rights and powers attaching to its Charged Securities, provided that it must not do so in a manner which:
 - (A) has the effect of changing the terms of such Charged Securities (or any class of them) or of any Related Rights unless permitted by the Finance Documents; or

- (B) is prejudicial to the interests of the Collateral Agent and/or the other Secured Parties.
- (b) At any time following the occurrence of a Declared Default, the Collateral Agent may complete the instrument(s) of transfer for all or any Charged Securities on behalf of the Chargor in favour of itself or such other person as it may select.
- (c) At any time when any Charged Securities are registered in the name of the Collateral Agent or its nominee, the Collateral Agent shall be under no duty to:
 - (i) ensure that any dividends, distributions or other monies payable in respect of such Charged Securities are duly and promptly paid or received by it or its nominee;
 - (ii) verify that the correct amounts are paid or received; or
 - (iii) take any action in connection with the taking up of any (or any offer of any) Related Rights in respect of or in substitution for, any such Charged Securities.

12. POWER TO REMEDY

12.1 Power to remedy

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

12.2 Mortgagee in possession

The exercise of the powers of the Collateral Agent under this clause 12 shall not render it, or any other Secured Party, liable as a mortgagee in possession.

12.3 Monies expended

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

13. WHEN SECURITY BECOMES ENFORCEABLE

13.1 When enforceable

This Debenture Security shall become enforceable upon the occurrence of a Declared Default.

13.2 Statutory powers

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

13.3 Enforcement

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

14. ENFORCEMENT OF SECURITY

14.1 General

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

14.2 Powers of leasing

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

14.3 Powers of Collateral Agent

- (a) At any time after the Debenture Security becomes enforceable (or if so requested by the Chargor by written notice at any time), the Collateral Agent may without further notice (unless required by law):
 - (i) appoint any person (or persons) to be a receiver, receiver and manager or administrative receiver of all or any part of the Security Property and/or of the income of the Security Property; and/or
 - (ii) appoint or apply for the appointment of any person who is appropriately qualified as administrator of the Chargor; and/or
 - (iii) exercise all or any of the powers conferred on mortgagees by the Act (as amended or extended by this Deed) and/or all or any of the powers which are conferred by this Deed on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver; and/or
 - (iv) exercise (in the name of the Chargor and without any further consent or authority of the Chargor) any voting rights and any powers or rights which may be exercised by any person(s) in whose name any Charged Investment is registered or who is the holder of any of them.
- (b) The Collateral Agent is not entitled to appoint a Receiver in respect of any Security Property of the Chargor which are subject to a charge which (as created) was a floating charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of the Chargor.

14.4 Redemption of prior mortgages

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

- (a) redeem any prior Security against any Security Property; and/or

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

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

14.5 Privileges

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

14.6 No liability

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

14.7 Protection of third parties

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

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

(d) how any money paid to the Collateral Agent or to the Receiver is to be applied.

15. RECEIVER

15.1 Removal and replacement

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

15.2 Multiple Receivers

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

15.3 Remuneration

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

15.4 Payment by Receiver

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

15.5 Agent of Chargor

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

16. POWERS OF RECEIVER

16.1 General powers

Any Receiver shall have:

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

16.2 Additional powers

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

- (a) to take possession of, collect and get in all or any part of the Security Property and/or income in respect of which he was appointed;
- (b) to manage the Security Property and the business of the Chargor as he thinks fit;
- (c) to redeem any Security and to borrow or raise any money and secure the payment of any money in priority to the Secured Obligations for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;
- (d) to sell or concur in selling, leasing or otherwise disposing of all or any part of the Security Property in respect of which he was appointed without the need to observe the restrictions imposed by section 103 of the Act, and, without limitation;
 - (i) fixtures may be severed and sold separately from the Real Property containing them, without the consent of the Chargor;
 - (ii) the consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration (and the amount of such consideration may be dependent upon profit or turnover or be determined by a third party); and
 - (iii) any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit;
- (e) to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which the Chargor was concerned or interested before his appointment (being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land);
- (f) to carry out any sale, lease or other disposal of all or any part of the Security Property by conveying, transferring, assigning or leasing the same in the name of the relevant Chargor and, for that purpose, to enter into covenants and other contractual obligations in the name of, and so as to bind, the Chargor;
- (g) to take any such proceedings (in the name of any of the relevant Chargor or otherwise) as he shall think fit in respect of the Security Property and/or income in respect of which he was appointed (including proceedings for recovery of rent or other monies in arrears at the date of his appointment);
- (h) to enter into or make any such agreement, arrangement or compromise as he shall think fit;
- (i) to insure, and to renew any insurances in respect of, the Security Property as he shall think fit (or as the Collateral Agent shall direct);
- (j) to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit (including, without prejudice to the generality of the foregoing power, to employ his partners and firm);

- (k) to form one or more Subsidiaries of the Chargor and to transfer to any such Subsidiary all or any part of the Security Property;
- (l) to operate any rent review clause in respect of any Real Property in respect of which he was appointed (or any part thereof) and to apply for any new or extended lease;
- (m) to:
 - (i) give valid receipts for all monies and to do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary or desirable for the realisation of any Security Property;
 - (ii) exercise in relation to each asset in the Security Property all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Property; and
 - (iii) use the name of the Chargor for any of the above purposes; and
- (n) to do all such other acts and things as he may in his discretion consider to be incidental or conducive to any of the matters or powers set out in this Deed or otherwise incidental or conducive to the preservation, improvement or realisation of the Security Property.

17. APPLICATION OF PROCEEDS

17.1 Application

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

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

17.2 Contingencies

If the Debenture Security is enforced at a time when no amounts are due under the Finance Documents (but at a time when amounts may become so due), the Collateral Agent or a Receiver may pay the proceeds of any recoveries effected by it into a blocked suspense account (bearing interest at normal commercial rates as the Collateral Agent (acting reasonably) may determine).

17.3 Appropriation and suspense account

- (a) Subject to clause 17.1 (*Application*), the Collateral Agent shall apply all payments received in respect of the Secured Obligations in reduction of any part of the Secured Obligations in accordance with and subject to the terms of the Facility Agreement.

- (b) Any such appropriation shall override any appropriation by the Chargor.
- (c) All monies received, recovered or realised by the Collateral Agent under or in connection with this Deed may at the discretion of the Collateral Agent be credited to a separate interest-bearing suspense account for so long as the Collateral Agent determines (with interest accruing thereon at normal commercial rates as the Collateral Agent (acting reasonably) may determine) without the Collateral Agent having any obligation to apply such monies and interest or any part of it in or towards the discharge of any of the Secured Obligations.

18. SET-OFF

18.1 Set-off rights

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

18.2 Time deposits

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

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

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

19. DELEGATION

Each of the Collateral Agent and any Receiver may delegate, by power of attorney (or in any other manner) to any person, any right, power or discretion exercisable by them under this Deed upon any terms (including power to sub-delegate) which it may think fit. Neither the

Collateral Agent nor any Receiver shall be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

20. FURTHER ASSURANCES

- (a) The Chargor shall at its own expense, promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Collateral Agent or a Receiver may reasonably specify in writing (and in such form as the Collateral Agent or a Receiver may reasonably require) in favour of the Collateral Agent, a Receiver or its nominees in order to:
 - (i) perfect the Security created or intended to be created under or evidenced by this Deed or for the exercise of any rights, powers and remedies exercisable by the Collateral Agent, any other Secured Party or any Receiver or any Delegate in respect of any Security Property or provided by or pursuant to this Deed or by law; and/or
 - (ii) confer on the Collateral Agent, any Receiver or the Secured Parties Security over any property and assets of the Chargor located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to this Deed; and/or
 - (iii) facilitate the realisation of the assets which are, or are intended to be, the subject of the Debenture Security.
- (b) The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Collateral Agent or the Secured Parties by or pursuant to this Deed.
- (c) Without prejudice to the generality of clause 20(a), the Chargor will immediately upon request by the Collateral Agent execute any document contemplated by that clause over any Security Property which is subject to or intended to be subject to any fixed security under this Deed (including any fixed security arising or intended to arise pursuant to clause 6 (*Conversion of floating charge*)).

21. POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints the Collateral Agent, each Receiver and any Delegate to be its attorney to take any action whilst an Event of Default is continuing or the Debenture Security has become enforceable which the Chargor is obliged to take under this Deed, including under clause 20 (*Further assurances*), or, if no Event of Default is continuing, which the Chargor has failed to take. The Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.

22. CURRENCY CONVERSION

All monies received or held by the Collateral Agent or any Receiver under this Deed may be converted from their existing currency into such other currency as the Collateral Agent or the Receiver considers necessary or desirable to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Collateral Agent's spot rate of exchange for the purchase of the relevant currency in a relevant foreign exchange market on the relevant day. The Chargor shall indemnify the Collateral Agent against all costs, charges and

expenses incurred in relation to such conversion. Neither the Collateral Agent nor any Receiver shall have any liability to the Chargor in respect of any loss resulting from any fluctuation in exchange rates after any such conversion.

23. CHANGES TO THE PARTIES

23.1 Chargor

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

23.2 Collateral Agent

The Collateral Agent may assign or transfer all or any part of its rights under this Deed pursuant to the resignation or removal of the Collateral Agent in accordance with the Facility Agreement. The Chargor shall, immediately upon being requested to do so by the Collateral Agent, enter into such documents as may be necessary or desirable to effect such assignment or transfer.

24. MISCELLANEOUS

24.1 New accounts

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

24.2 Tacking

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

24.3 Land Registry

- (a) The Chargor shall apply to the Chief Land Registrar (and consents to such an application being made by or on behalf of the Collateral Agent) for a restriction in the following terms to be entered on the Register of Title relating to any property registered at the Land Registry (or any unregistered land subject to first registration) and against which this Deed may be noted:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [♦] 2019 in favour of Sword, Rowe & Company LLC referred to in the charges register or their conveyancer."

- (b) The Chargor:
- (i) authorises the Collateral Agent to make any application which the Collateral Agent deems appropriate for the designation of this Deed, the Facility Agreement or any other Finance Document as an exempt information document under rule 136 of the Land Registration Rules 2003;
 - (ii) shall use its best endeavours to assist with any such application made by or on behalf of the Collateral Agent; and
 - (iii) shall notify the Collateral Agent in writing as soon as it receives notice of any person's application under rule 137 of the Land Registration Rules 2003 for the disclosure of this Deed, the Facility Agreement any other Finance Document following its designation as an exempt information document.
- (c) The Chargor shall not make any application under rule 138 of the Land Registration Rules 2003 for the removal of the designation of any such document as an exempt information document.
- (d) The Chargor shall promptly make all applications to and filings with the Land Registry which are necessary or desirable under the Land Registration Rules 2003 to protect the Debenture Security.

24.4 Protective clauses

The Chargor is deemed to be a principal debtor in relation to this Deed. The obligations of the Chargor under, and the security intended to be created by, this Deed shall not be impaired by any forbearance, neglect, indulgence, extension or time, release, surrender or loss of securities, dealing, amendment or arrangement by any Secured Party which would otherwise have reduced, released or prejudiced this Debenture Security or any surety liability of the Chargor (whether or not known to it or to any Secured Party).

25. NOTICES

- (a) Clause 24 (*Notices*) of the Facility Agreement is incorporated into this Deed as if fully set out in this Deed.
- (b) The address and fax numbers of each Party for all communications or documents given under or in connection with this Deed are those identified with its name in clause 24.2 of the Facility Agreement.

26. CALCULATIONS AND CERTIFICATES

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

27. PARTIAL INVALIDITY

All the provisions of this Deed are severable and distinct from one another and if at any time any provision is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of any of the remaining

provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

28. REMEDIES AND WAIVERS

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

29. AMENDMENTS AND WAIVERS

Any provision of this Deed may be amended in writing by the Collateral Agent and the Chargor. Any breach of this Deed may be waived before or after it occurs only if the Collateral Agent so agrees in writing. A waiver given or consent granted by the Collateral Agent under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

30. COUNTERPARTS

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

31. RELEASE

31.1 Release

Upon the expiry of the Security Period (but not otherwise) the Collateral Agent shall, at the request and cost of the Chargor, promptly take whatever action is necessary to release or re-assign (without recourse or warranty) the Security Property from the Debenture Security and return all deeds and documents of title delivered to the Collateral Agent.

31.2 Reinstatement

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

32. GOVERNING LAW

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

33. ENFORCEMENT AND JURISDICTION

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").

- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This clause 33 is for the benefit of the Finance Parties and Secured Parties only. As a result, no Finance Party or Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties and Secured Parties may take concurrent proceedings in any number of jurisdictions.

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

SCHEDULE 1: DETAILS OF SECURITY PROPERTY

Part 1: Real Property

None at the date of this Debenture.

Part 2: Charged Securities

Chargor	Name of company in which shares are held	Class of shares held	Number of shares held	Issued share capital
-				

Part 3: Charged Accounts

Account Holder	Account Number	Account Bank	Account Bank branch address	Account Type
Pledgemusic.com Limited	██████465	Citizens Bank	560 Commonwealth Avenue, Boston, MA 02215, USA	Checking
Pledgemusic.com Limited	██████588	Citizens Bank	560 Commonwealth Avenue, Boston, MA 02215, USA	Checking
Pledgemusic.com Limited	██████721	Coutts	440 Strand London, WC2R 0QS, UK	Business
Pledgemusic.com Limited	██████939	Coutts	440 Strand London, WC2R 0QS, UK	Business
Pledgemusic.com Limited	██████202	Coutts	440 Strand London, WC2R 0QS, UK	Business
Pledgemusic.com Limited	██████210	Coutts	440 Strand London, WC2R 0QS, UK	Business
Pledgemusic.com Limited	██████620	Coutts	440 Strand London, WC2R 0QS, UK	Business

Part 4: Intellectual Property

Part 4A - Trade marks				
Proprietor/ADP number	TM number	Jurisdiction/apparent status	Classes	Mark text
-				
Part 4B - Patents				
Proprietor/ADP number		Patent number	Description	
-				

Part 5: Relevant Contracts

None at the date of this Debenture.

Part 6: Insurances

Insurer	Policy number
-	

SCHEDULE 2: FORM OF NOTICE TO AND ACKNOWLEDGEMENT FROM ACCOUNT BANK

Part 1: Form of notice of charge to Account Bank

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

Dated: [◆ 20◆]

Dear Sirs

We hereby give notice that, by a debenture dated [◆ 20◆] (the "**Debenture**") we have charged to [◆] (the "**Collateral Agent**") as Collateral Agent for certain financial institutions and others (as referred to in the Debenture) all our present and future right, title and interest in and to the following accounts in our name with you, all monies from time to time standing to the credit of those accounts and all interest from time to time accrued or accruing on those accounts, any investment made out of any such monies or account and all rights to repayment of any of the foregoing by you:

[Insert details of accounts] (together the "**Accounts**").

For the purposes of this notice and the attached acknowledgement, the term "**Declared Default**" has the meaning given to that term in the Debenture.

We hereby irrevocably instruct and authorise you:

1. to credit to each Account all interest from time to time earned on the sums of money held in that Account;
2. to disclose to the Collateral Agent, without any reference to or further authority from us and without any liability or inquiry by you as to the justification for such disclosure, such information relating to the Accounts and the sums in each Account as the Collateral Agent may, at any time and from time to time, request you to disclose to it;
3. to hold all sums from time to time standing to the credit of each Account in our name with you to the order of the Collateral Agent;
4. to pay or release all or any part of the sums from time to time standing to the credit of each Account in our name with you in accordance with the written instructions of the Collateral Agent at any time and from time to time; and
5. to comply with the terms of any written notice or instructions in any way relating to the Accounts or the sums standing to the credit of any Account from time to time which you may receive at any time from the Collateral Agent without any reference to or further authority from us and without any liability or inquiry by you as to the justification for or validity of such notice or instructions.

For the avoidance of doubt, the Collateral Agent shall not be entitled to exercise any of its rights pursuant to or in connection with paragraphs 3 and 4 above and shall not be entitled to serve any notice or give any instruction pursuant to paragraph 5 above unless and until a Declared Default has occurred (as notified to you in writing by the Collateral Agent).

By countersigning this notice, the Collateral Agent confirms that we may make withdrawals from the Accounts until such time as the Collateral Agent shall notify you in writing that its rights have

become enforceable in accordance with the terms of the Debenture and that its permission is withdrawn, whereupon we will not be permitted to withdraw any amounts from any Account without the prior written consent of the Collateral Agent.

These instructions cannot be revoked or varied without the prior written consent of the Collateral Agent.

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

Please confirm your acceptance of the above instructions by returning the attached acknowledgement to the Collateral Agent with a copy to ourselves.

Yours faithfully

By _____
for and on behalf of
[*Chargor*]

By _____
for and on behalf of the Collateral Agent

Part 2: Form of acknowledgement from Account Bank

To: *[insert name and address of Collateral Agent]*

Dated: [◆ 20◆]

Dear Sirs

We confirm receipt of a notice dated [◆] 20[◆] (the "Notice") from [*Chargor*] (the "**Company**") of a charge upon the terms of a Debenture dated [◆] 20[◆], over all the Company's present and future right, title and interest in and to the following accounts with us in the name of the Company together with all monies standing to the credit of those accounts and all interest from time to time accrued or accruing on those accounts, any investment made out of any such monies or account and all rights of repayment of any of the foregoing by us:

[◆] (together the "**Accounts**").

We confirm that:

1. we accept the instructions and authorisation contained in the Notice and undertake to comply with its terms;
2. we have not received notice of the interest of any third party in any Account or in the sums of money held in any Account or the debts represented by those sums and we will notify you promptly should we receive notice of any third party interest;
3. we have not claimed or exercised, nor will we claim or exercise, any Security or right of set-off or combination or counterclaim or other right in respect of any Account, the sums of money held in any Account or the debts represented by those sums;
4. until you notify us in writing that withdrawals are prohibited, the Company may make withdrawals from the Accounts; upon receipt of such notice we will not permit any amount to be withdrawn from any Account except against the signature of one of your authorised signatories; and
5. we will not seek to modify, vary or amend the terms upon which sums are deposited in the Accounts without your prior written consent.

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

Yours faithfully

By _____
for and on behalf of
[Account Bank]

**SCHEDULE 3: FORM OF NOTICE TO AND ACKNOWLEDGEMENT BY PARTY TO
RELEVANT CONTRACT**

To: *[Insert name and address of relevant party]*

Dated: [◆ 20◆]

Dear Sirs

**RE: [DESCRIBE RELEVANT CONTRACT] DATED [◆ 20◆] BETWEEN (1) YOU
AND (2) [◆] THE "CHARGOR"**

1. We give notice that, by a debenture dated [◆ 20◆] (the "**Debenture**"), we have assigned to [◆] (the "**Collateral Agent**") as Collateral Agent for certain financial institutions and others (as referred to in the Debenture) all our present and future right, title and interest in and to *[insert details of Relevant Contract]* (together with any other agreement supplementing or amending the same, the "**Agreement**") including all rights and remedies in connection with the Agreement and all proceeds and claims arising from the Agreement.
2. For the purposes of this notice and the attached acknowledgement, the term "**Declared Default**" has the meaning given to that term in the Debenture.]
3. We irrevocably authorise and instruct you from time to time:
 - (a) to disclose to the Collateral Agent at our expense (without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure), such information relating to the Agreement as the Collateral Agent may from time to time request;
 - (b) following written notice to you from the Collateral Agent confirming that a Declared Default has occurred, to hold all sums from time to time due and payable by you to us under the Agreement to the order of the Collateral Agent;
 - (c) following written notice to you from the Collateral Agent confirming a Declared Default has occurred, to pay or release all or any part of the sums from time to time due and payable by you to us under the Agreement only in accordance with the written instructions given to you by the Collateral Agent from time to time;
 - (d) to comply with any written notice or instructions in any way relating to, or purporting to relate to, the Debenture or the Agreement or the debts represented thereby which you receive at any time from the Collateral Agent without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction; and
 - (e) to send copies of all notices and other information given or received under the Agreement to the Collateral Agent.
4. You may continue to deal with us in relation to the Agreement until you receive written notice from the Collateral Agent that a Declared Default has occurred. Thereafter we 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 the Collateral Agent.

5. Following the occurrence of a Declared Default we are not permitted to receive from you, otherwise than through the Collateral Agent, any amount in respect of or on account of the sums payable to us from time to time under the Agreement
6. We are not permitted to agree any amendment or supplement to, or waive any obligation under, the Agreement without the prior written consent of the Collateral Agent.
7. This notice may only be revoked or amended with the prior written consent of the Collateral Agent.
8. Please confirm by completing the enclosed copy of this notice and returning it to the Collateral Agent (with a copy to us) that you agree to the above and that:
 - (a) you accept the instructions and authorisations contained in this notice and you undertake to comply with this notice;
 - (b) you have not, at the date this notice is returned to the Collateral Agent, received notice of the assignment or charge, the grant of any security or the existence of any other interest of any third party in or to the Agreement or any proceeds of it and you will notify the Collateral Agent promptly if you should do so in future;
 - (c) following written notice to you from the Collateral Agent confirming that a Declared Default has occurred you will not permit any sums to be paid to us or any other person (other than the Collateral Agent) under or pursuant to the Agreement without the prior written consent of the Collateral Agent; and
 - (d) you will not take any action to amend or supplement the Agreement without the prior written consent of the Collateral Agent.
9. This notice, and any acknowledgement in connection with it, and any non-contractual obligations arising out of or in connection with any of them, shall be governed by English law.

Yours faithfully

for and on behalf of
[NAME OF CHARGOR]

[*On copy*]

To: [◆]
as Collateral Agent
[ADDRESS]

Copy to: [NAME OF CHARGOR]

We acknowledge receipt of the above notice and consent and agree to its terms. We confirm and agree to the matters set out in paragraph 8 of the above notice.

for and on behalf of
[◆]

Dated: [◆ 20◆]

SCHEDULE 4: FORM OF NOTICE TO AND ACKNOWLEDGEMENT BY INSURERS

To: [Insert name and address of insurer]

Dated: [◆ 20◆]

Dear Sirs

[◆] (THE "CHARGOR")

1. We give notice that, by a debenture dated [◆ 20◆] (the "**Debenture**"), we have assigned to [◆] (the "**Collateral Agent**") as Collateral Agent for certain lenders and others (as referred to in the Debenture) all our present and future right, title and interest in and to the policies listed in the schedule to this notice (together with any other agreement supplementing or amending the same, the "**Policies**") including all rights and remedies in connection with the Policies and all proceeds and claims arising from the Policies.
2. For the purposes of this notice and the attached acknowledgement, the term "**Declared Default**" has the meaning given to that term in the Debenture.
3. We irrevocably authorise and instruct you from time to time:
 - (a) to disclose to the Collateral Agent at our expense (without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure) such information relating to the Policies as the Collateral Agent may from time to time request;
 - (b) Following written notice to you from the Collateral Agent confirming that a Declared Default has occurred to hold all sums from time to time due and payable by you to us under the Policies to the order of the Collateral Agent;
 - (c) following written notice to you from the Collateral Agent confirming that a Declared Default has occurred to pay or release all or any part of the sums from time to time due and payable by you to us under the Policies only in accordance with the written instructions given to you by the Collateral Agent from time to time;
 - (d) to comply with any written notice or instructions in any way relating to (or purporting to relate to) the Debenture, the sums payable to us from time to time under the Policies or the debts represented by them which you may receive from the Collateral Agent (without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction); and
 - (e) to send copies of all notices and other information given or received under the Policies to the Collateral Agent.
4. We irrevocably instruct you, with effect from the date of this notice, to note on the relevant Policies the Collateral Agent's interest as first priority assignee of the Policies and the rights, remedies, proceeds and claims referred to above.
5. You may continue to deal with the Chargor in relation to the Policies until you receive written notice from the Collateral Agent that a Declared Default has occurred. Thereafter we will cease to have any right to deal with you in relation to the Policies and therefore from that time you should deal only with the Collateral Agent.

6. Following the occurrence of a Declared Default we are not permitted to receive from you, otherwise than through the Collateral Agent, any amount in respect of or on account of the sums payable to us from time to time under the Policies].
7. This notice may only be revoked or amended with the prior written consent of the Collateral Agent.
8. Please confirm by completing the enclosed copy of this notice and returning it to the Collateral Agent (with a copy to us) that you agree to the above and that:
 - (a) you accept the instructions and authorisations contained in this notice and you undertake to comply with this notice;
 - (b) you have not, at the date this notice is returned to the Collateral Agent, received notice of the assignment or charge, the grant of any security or the existence of any other interest of any third party in or to the Policies or any proceeds of them or any breach of the terms of any Policy and you will notify the Collateral Agent promptly if you should do so in future;
 - (c) following written notice to you from the Collateral Agent confirming that a Declared Default has occurred, you will not permit any sums to be paid to us or any other person under or pursuant to the Policies without the prior written consent of the Collateral Agent; and
 - (d) you will not exercise any right to terminate or cancel the Policies without giving the Collateral Agent not less than 14 days prior written notice.
9. This notice, and any acknowledgement in connection with it, and any non-contractual obligations arising out of or in connection with any of them, shall be governed by English law.

Yours faithfully

for and on behalf of
[Name of Chargor]

SCHEDULE

THE POLICIES

[On copy]

To: [◆]
as Collateral Agent
[ADDRESS]

Copy to: [NAME OF CHARGOR]

Dear Sirs

We acknowledge receipt of the above notice and consent and agree to its terms. We confirm and agree to the matters set out in paragraph 8 in the above notice. We have noted the Collateral Agent's interest as first priority assignee on the Policies.

for and on behalf of

[◆]

Dated:[◆ 20◆]

EXECUTION PAGES

THE CHARGOR

Executed as a deed, but not delivered until the)
first date specified on page 1, by)
PLEDGEMUSIC.COM LIMITED acting by:)

Director

DAVID WALSH

Witness signature

Witness name:

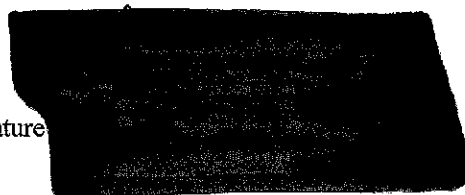
CATHERINE BERTHIER

Witness address:

THE COLLATERAL AGENT

Signed by Daniel B. Rowe for)
and on behalf of **SWORD, ROWE &**)
COMPANY LLC:)

Signature

A large black rectangular redaction box covering the signature area.