

# MR01

## Particulars of a charge



Companies House

A fee is payable with this form  
Please see 'How to pay' on the  
last page

You can use the WebFiling service to file this form online  
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☒ **What this form is for**  
You may use this form to register  
a charge created or evidenced by  
an instrument

☐ **What this form is NOT for**  
You may not use this form to  
register a charge where there  
is an instrument. Use form MR08



THURSDAY

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

A10 \*A2GAATVK\* 05/09/2013 #57  
COMPANIES HOUSE



You **must** enclose a certified copy of the instrument with this form. This will be scanned and placed on the public record.

### 1 Company details

Company number 08555303

Company name in full MEB Production Limited

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 Charge creation date

Charge creation date 23/08/2013

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

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

Name VP Finance Limited

Name

Name

Name

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

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

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<b>4</b>	<b>Description</b>	Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security	<b>Continuation page</b> Please use a continuation page if you need to enter more details
Description			

<b>5</b>	<b>Fixed charge or fixed security</b>	<p>Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> <b>Yes</b></p> <p><input type="checkbox"/> <b>No</b></p>	
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<b>6</b>	<b>Floating charge</b>	<p>Is the instrument expressed to contain a floating charge? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> <b>Yes</b> Continue</p> <p><input type="checkbox"/> <b>No</b> Go to <b>Section 7</b></p> <p>Is the floating charge expressed to cover all the property and undertaking of the company?</p> <p><input type="checkbox"/> <b>Yes</b></p>	
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<b>7</b>	<b>Negative Pledge</b>	<p>Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box</p> <p><input checked="" type="checkbox"/> <b>Yes</b></p> <p><input type="checkbox"/> <b>No</b></p>	
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**Trustee statement <sup>ⓐ</sup>**

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

☐

<sup>ⓐ</sup> This statement may be filed after the registration of the charge (use form MR06)

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**Signature**

Please sign the form here

Signature

Signature

X *Field Fisher Waterhouse LLP* X

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

# MR01

## Particulars of a charge



### Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name **Commercial IP**

Company name **Field Fisher Waterhouse LLP**

Address **35 Vine Street**

**London**

Post town **London**

County/Region

Postcode **E C 3 N 2 P X**

Country **United Kingdom**

DX **CDE 823**

Telephone **02078 614000**



### Certificate

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



### Checklist

**We may return forms completed incorrectly or with information missing**

**Please make sure you have remembered the following**

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



### Important information

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



### How to pay

**A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper**

Make cheques or postal orders payable to 'Companies House'



### Where to send

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

#### For companies registered in England and Wales

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ  
DX 33050 Cardiff

#### For companies registered in Scotland

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

#### For companies registered in Northern Ireland

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG  
DX 481 NR Belfast 1



### Further information

For further information, please see the guidance notes on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.companieshouse.gov.uk)**



**FILE COPY**

## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 8555303

Charge code: 0855 5303 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd August 2013 and created by MEB PRODUCTION LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th September 2013.

Given at Companies House, Cardiff on 6th September 2013



Date 23rd August 2013

**MEB Production Limited**  
Chargor

**VP Finance Limited**  
Funder

Charge and Deed of Assignment  
relating to "Madame Bovary"

WE CERTIFY THAT, SAVE FOR THE MATERIAL REDACTED  
PURSUANT TO S859 COMPANIES ACT 2006, THIS COPY  
INSTRUMENT IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT

Field Fisher Waterhouse LLP  
28 August 2013

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## Schedule 1

### Existing Distribution Agreements

THIS AGREEMENT is made this 23<sup>rd</sup> day of AUGUST 2013

BETWEEN

(1) **MEB PRODUCTION LIMITED** (Company Number 08555303) a company incorporated under the laws of England and Wales whose registered office is c/o BBM, The Estate Offices, 53 The High Street, Steyning, BN44 3RE (the "**Chargor**"), and

(2) **VP FINANCE LIMITED** (Company Number 08443253) a company incorporated under the laws of England and Wales whose office is Canon House, 27 London End, Beaconsfield, HP9 2HN (the "**Funder**")

## INTRODUCTION

(A) The Funder has agreed to make available certain sums to the Borrower in connexion with the production of the Film

(B) The Chargor has agreed to execute this Charge as security for the performance and the discharge of the Secured Obligations by the Chargor and the Borrower Secured Obligations by the Borrower

IT IS AGREED as follows

## 1. Definitions

1.1 In this Charge, except where a different interpretation is necessary in the context, the following words and expressions set out below shall have the following meanings

Expression	Meaning
"Altus"	Altus Media (Three) PLC (company number 08260692),
"Altus Charge"	the charge and deed of assignment between Altus and Borrower relating to the Film dated on or around the date of this Charge,
"Associated Companies"	companies which are "associates" within the meaning of section 435 Insolvency Act 1986,



<b>"Benelux Distribution Rights"</b>	all rights to distribute and exploit the Film in the territory of Belgium, the Netherlands and Luxembourg (" <b>Benelux</b> "),
<b>"Belgian Production Services Agreement"</b>	the production services agreement dated on or around the date of this Charge between Scope and Belgian PSC,
<b>"Belgian PSC"</b>	Steel Fish Pictures SPRL
<b>"Borrower"</b>	Bovary Distribution Limited
<b>"Borrower Secured Obligations"</b>	Repayment of the Debt and all other obligations owing by Borrower to Funder under the Loan Agreement or a Relevant Agreement,
<b>"Charge"</b>	this charge and deed of assignment and any and all Schedules, annexures and exhibits attached to it or incorporated by reference,
<b>"Charged Assets"</b>	the property, assets, agreements and rights outlined in Clauses 4.1 to 4.3 of this Charge whether present or future and all other property, assets, agreements and rights that at any time are or are required to be charged or assigned in favour of or to the Funder under this Charge,
<b>"Collection Account"</b>	the collection account administered by the Collection Agent into which all sums received in connexion with the exploitation of the Film are paid,
<b>"Collection Agent"</b>	Freeway CAM B.V.,
<b>"Collection Agreement"</b>	the collection agreement relating to the collection and disbursement of revenues from the exploitation of the Film dated on or about the date of this Charge between, among others, the Collection Agent, the Borrower, the Funder and the Completion Guarantor and any replacement collection agreement relating to the Film,
<b>"Commissioning and"</b>	the commissioning and distribution agreement

<b>"Distribution Agreement"</b>	relating to the Film dated on or around the date of this Charge between Altus and Borrower,
<b>"Completion Guarantee"</b>	the completion guarantee to be issued by the Completion Guarantor in favour of, amongst others, the Funder,
<b>"Completion Guarantor"</b>	European Film Bonds AS/ Burmester, Duncker & Joly GmbH & Co KG (trading under the name DFG Deutsche FilmversicherungsGemeinschaft),
<b>"Corporation Tax Act"</b>	Corporation Tax Act 2009,
<b>"Debt"</b>	all sums due to the Funder in connexion with the Film including sums due pursuant to the Loan Agreements and all other agreements or charges entered by the Chargor or any other Relevant Corporation in relation to the Film so that any interest, fees, expenses (including any expenses or fees incurred in the preservation or enforcement of the security contained in this Charge) and costs and any value added tax on any interest, fees, expenses and costs or any other sum that is owed to the Funder and is not paid when due shall be added to and deemed part of the Debt,
<b>"Distribution Agreements"</b>	all or any distribution agreements pursuant to which the Borrower (itself or acting by the Sales Agent), or an Intermediary Entity (itself or acting by the Sales Agent) have granted or will after this Charge grant distribution rights in the Film or pursuant to which a person advances monies against a 25% share of revenues deriving from any Further Distribution Agreement for Germany (including without limitation the Existing Distribution Agreements and the Further Distribution Agreements),
<b>"Distributors"</b>	the licensees pursuant to the Distribution Agreements (and "Existing Distributors" means the licensees pursuant to the Existing Distribution Agreements and "Further Distributors" means the licensees pursuant to the Further Distribution

	Agreements),
<b>"EEAP Investment Agreement"</b>	the agreement relating to the Film dated on or around the date of this Charge between A COMPANY Filmproduktionsgesellschaft GmbH and Borrower,
<b>"Encumbrance"</b>	any mortgage, charge (fixed or floating), pledge, hypothecation, or lien and any other arrangement or interest (whether by way of assignment, trust, title retention or otherwise) which has the effect of creating security or payment priority (including, without limitation, the deposit of monies or property with a person with the intention of affording such person a right of set-off, counterclaim or lien) and any other agreement having substantially the same economic effect as any of the foregoing,
<b>"Event"</b>	any intermediate payment or settlement of account in respect of the Debt or other act, omission or matter that might operate to release the Chargor from this Charge or diminish the security granted under this Charge,
<b>"Event of Default"</b>	any event of default set out in the Loan Agreement or a Relevant Agreement,
<b>"Excluded Collateral"</b>	the French Distribution Rights and any Distribution Agreement entered into in respect of the French Distribution Rights and the Benelux Distribution Rights and any Distribution Agreement entered into in respect of the Benelux Distribution Rights,
<b>"Existing Distribution Agreements"</b>	the distribution agreements entered in respect of the Film as at the date of this Charge set out in Schedule 1,
<b>"Film"</b>	the motion picture provisionally entitled "Madame Bovary",
<b>"French Distribution Rights"</b>	all rights to distribute and exploit the Film in the

	French Territory,
<b>"French Production Services Agreement"</b>	the production services agreement dated as of 12 June 2013 between Borrower and French PSC,
<b>"French PSC"</b>	GEM FILMS SARL,
<b>"French Distribution Agreement"</b>	all or any agreements pursuant to which the Borrower or the Sales Agent on behalf of the Borrower has granted or will hereafter grant distribution rights in the Film for the territory of France (or has appointed or will hereafter appoint a person as its agent),
<b>"French Territory"</b>	means France, Corsica, French-speaking Principality of Andorra, French-speaking Principality of Monaco, D O M Territories (French Antilles, French Guiana, St Pierre & Miquelon, Reunion, Mayotte) T O M Territories (French Polynesia, Futuna Island, Island of Clipperton, New Caledonia, Scattered Islands, Wallis Island) French-speaking Africa (Algeria, Benin, Burkina Faso, Cameroon, Congo Brazzaville, Ivory Coast, Gabon, Guinea Conakry, Guinea Equatorial, Madagascar, Mali, Morocco, Niger, Central African Republic, Senegal, Chad, Togo, Tunisia, Mauritius Islands, Comoros Islands, (Seychelles), Haiti,
<b>"Further Distribution Agreements"</b>	any distribution agreements entered in respect of any rights in the Film after the date of this Charge,
<b>"German Distribution Rights"</b>	the right to distribute and exploit the Film in the German Territory,
<b>"German Territory"</b>	Germany, Austria, Liechtenstein and German-speaking DVD, VOD and TV rights in Switzerland,
<b>"Interparty Agreement"</b>	the interparty agreement relating to the Film between among others, the Chargor, the Borrower, the Funder and the Completion Guarantor dated on or about the date of this Charge,
<b>"Intermediary Entity"</b>	GEM Entertainment KFT, or other approved

	intermediary agent granted the right to licence certain rights in and to the Film,
<b>"Loan Agreement"</b>	the loan agreement relating to the Film between among others, the Chargor, the Borrower and the Funder dated on or about the date of this Charge,
<b>"Mortgage and Assignment of Copyright"</b>	a mortgage and assignment of copyright in a form acceptable to the Funder in its sole discretion,
<b>"Notice of Assignment"</b>	a notice of assignment in respect of the benefit of the Production Services Agreement in a form acceptable to the Funder in its sole discretion,
<b>"Proceedings and Disputes"</b>	any suits, actions, claims or proceedings and any disputes which may arise out of or in connexion with this Charge (including a dispute regarding the existence, validity or termination of this Charge or any other non-contractual obligation arising out of or in connexion with this Charge),
<b>"Production Account"</b>	each of the Euro, pound sterling and US dollar (as applicable) principle production accounts for the Film held at Barclays Bank,
<b>"Production Services Agreements"</b>	the French Production Services Agreement and the Belgian Production Services Agreement,
<b>"Receiver"</b>	any person or persons appointed under Clause 10.1 or pursuant to any applicable law to be a receiver or a receiver and manager of the Charged Assets or any of them,
<b>"Relevant Agreements"</b>	this Charge, the Loan Agreement, the Sales Agency Agreement, the Collection Agreement, the Interparty Agreement, the Commissioning and Distribution Agreement, the Completion Guarantee, the Production Services Agreements and the Distribution Agreements, the EEAP Investment Agreement, the US Backstop Agreement and any other agreement which is a document relating to the financing, production or exploitation of the Film to which Borrower, or Chargor is a party,

<b>"Relevant Corporation"</b>	the Chargor, the Borrower, Belgian PSC, French PSC, Altus, the Distributors, Millennium Entertainment, LLC, A COMPANY Filmproduktionsgesellschaft GmbH ,the Sales Agent and the Completion Guarantor and any other person party to a Relevant Agreement,
<b>"Sales Agency Agreement"</b>	the agreement between the Borrower and the Sales Agent relating to the Film,
<b>"Sales Agent"</b>	Radiant Film International LLC or any replacement sales agent,
<b>"Screenplay"</b>	the original screenplay for the Film written by Felipe Marino and Sophie Barthes together with any other revisions, rewrites and amendments to the screenplay and all other versions of the screenplay whether now or after this Charge created or in existence,
<b>"Secured Obligations"</b>	the Chargor's obligations set out in Clause 3,
<b>"Settlement Event"</b>	any intermediate payment or settlement of account in respect of the Debt or other act, omission or matter that might operate to release the Chargor from this Charge or diminish the security granted under this Charge, and
<b>"US Backstop Agreement"</b>	the agreement relating to the Film dated on or around this Charge between Borrower and Millennium Entertainment, LLC

## **2. Interpretation**

- 2 1 All references to the Borrower, the Chargor and the Funder shall be deemed to include their respective successors in title, transferees and permitted assigns
- 2 2 References to this Charge or any other deed, agreement or document shall be to this Charge or, as the case may be, such other deed, agreement or document as may have been or may be from time to time amended, varied, altered, modified, supplemented or novated

- 2 3 References in this Charge to
- 2 3 1 "**assets**" includes present and future properties, revenues, and rights of every description,
- 2 3 2 a "**guarantee**" is any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person to make an investment in r loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness,
- 2 3 3 "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent
- 2 4 "**copyright**" means the entire copyright and related rights subsisting under the laws of England and Wales and all analogous rights subsisting under the laws of each and every jurisdiction throughout the world
- 2 5 The clause, paragraph and Schedule headings and the table of contents used in this Charge are inserted for ease of reference only and shall not affect construction
- 2 6 The Schedule to this Charge is incorporated into this Charge References in this Charge and the Schedule to the parties, the Introduction, Schedule and clauses are references respectively to the parties, the Introduction and Schedule to and clauses of this Charge
- 2 7 References to "**writing**" or "**written**" includes any other non-transitory form of visible reproduction of words
- 2 8 References to any English legal term or legal concept shall in respect of any jurisdiction other than England be deemed to include that which most approximates in that jurisdiction to such English legal term or legal concept
- 2 9 References to "**persons**" shall include individuals, firms, bodies corporate, unincorporated associations and partnerships, in each case whether or not having a separate legal personality
- 2 10 References to the word "**include**" or "**including**" (or any similar term) are not to be construed as implying any limitation and general words introduced by the word "**other**" (or any similar term) shall not be given a restrictive meaning by reason of the fact that they are preceded or followed by words indicating a particular class of acts, matters or things
- 2 11 Except where the context specifically requires otherwise, words importing one gender shall be treated as importing any gender, words importing individuals shall be treated as importing corporations and vice versa, words importing the singular shall be treated as

importing the plural and vice versa, and words importing the whole shall be treated as including a reference to any part

- 2 12 If any condition or covenant contained in this Charge requires a party to it not to do an act or thing it shall be a breach of any such condition or covenant to permit or suffer such act or thing to be done
- 2 13 References to "**statutory provisions**", "**enactments**" or "**EC Directives**" shall include references to any amendment, modification, extension, consolidation, replacement or re-enactment of any such provision, enactment or EC Directive (whether before or after the date of this Charge), to any previous enactment which has been replaced or amended and to any regulation, instrument or order or other subordinate legislation made under such provision, enactment or EC Directive, except where expressly stated to the contrary

### **3. Covenant to pay**

- 3 1 In consideration of the Funder making or continuing to make available certain sums to the Borrower in connexion with the Film, the Chargor covenants as principal obligor and not merely as surety to pay or discharge to the Funder the Debt on demand as and when due in accordance with the terms of the Loan Agreement and the Relevant Agreements and to duly and punctually perform and discharge all its respective obligations and liabilities under the Relevant Agreements to which it is a party The Chargor acknowledges that the entry by the Funder into the Loan Agreements and the agreement by the Funder to make available the amounts pursuant to the Loan Agreements to the Borrower will be of commercial benefit to it as it will enable the Film to be financed and produced Accordingly, if the Debt (or any part of it) is at any time void or unenforceable against the Borrower for any reason, the Debt (or any part of it) shall nevertheless be recoverable by the Funder from the Chargor under this Charge and this Charge shall nevertheless secure the same amount as that which it would have secured had the Debt (or any part of it) not been void or unenforceable as if the Chargor were a principal debtor

### **4. Charge and security assignment**

- 4 1 The Chargor by way of continuing security for payment of the Debt and performance and discharge of the Secured Obligations charges in favour of the Funder with full title guarantee by way of first fixed charge all of its right, title and interest (whether now owned or in the future acquired) in and to the following in relation to the Film and all collateral, allied, ancillary and subsidiary rights in the Film and all properties and things of value pertaining to the Film and all products and proceeds of the Film whether now in existence or in the future made, acquired or produced throughout the world (but excluding the Excluded Collateral)



- (a) all pre-print elements capable of producing prints or additional pre-print elements including, without limitation, master negatives, negatives, duplicate negatives, colour reversals, intermediates, fine grain master prints, lavenders, colour separations, matrices, interpositives and internegatives, any digital materials and all other forms of pre-print elements which may be necessary or desirable to produce prints or other copies or additional pre-print elements whether now known or in the future devised,
- (b) all positive prints, negatives, prints, exposed film, developed film, answer prints, special effects materials, film, video tapes, discs, cut-outs, trims and digital materials,
- (c) all soundtrack elements including master magnetic tracks, audio and video tapes and discs of all types and gauges, all other optical sound track recordings and music cue sheets,
- (d) any and all documents, receipts or books and records (including, without limitation, documents or receipts of any kind or nature issued by any pledgeholder, warehouseman or bailee) with respect to the Film and any element of the Film,
- (e) all machinery, electrical and electronic components, equipment, fixtures, furniture, office machinery, vehicles, trailers, implements and other tangible personal property of every kind and description relating to the Film (including, without limitation, all wardrobe, props, mikes, scenery, sound stages, movable, permanent or vehicular dressing rooms, sets, lighting equipment, cameras and other photographic, sound recording and editing equipment, projectors, film developing equipment and machinery) and all substitution or replacement goods of like type now owned or in the future acquired by the Chargor, and all additions and accessions to such equipment and all rents, proceeds and products of such equipment including, without limitation, the rights to insurance covering such equipment,
- (f) all present and future deposit and other accounts of the Chargor including, without limitation, the Production Account, the Collection Account and any other accounts in connexion with the production of the Film maintained with any bank in connexion with the production of the Film or other financial institution in any jurisdiction and any extension or renewal of such accounts and all certificates and instruments, if any, from time to time representing or evidencing such accounts from time to time opened by the Chargor and any and all monies (including interest) from time to time standing to the credit of each of them,
- (g) all cash, cash equivalents and other funds of the Chargor including, without limitation, the Chargor's deposits in all bank accounts, and all drafts, cheques,

certificates of deposit, notes, bills of exchange, negotiable instruments and other writings which evidence a right to the payment of money and are not themselves security agreements and are of a type which is in the ordinary course of business transferred by delivery with any necessary endorsement or assignment whether now owned or in the future acquired,

- (h) all versions of all physical properties of every kind or nature of or relating to the Film not otherwise included in this Clause including, without limitation, all versions of all physical properties relating to the development, production, completion, delivery, exhibition, distribution or other exploitation of the Film, or any part of such physical properties in whatever state of completion, and all duplicates, drafts, versions, variations and copies of such physical properties and any and all documents, instruments, goods and artwork which may arise in connexion with the creation, production, completion, delivery, financing, ownership, possession or exploitation of the Film,
- (i) all insurance and insurance policies now or in the future issued and the proceeds of such insurance and insurance policies obtained in connexion with the Film and the insurable properties of the Film and any person or persons engaged in the development, production, completion, delivery or exploitation of the Film,
- (j) in so far as not effectively assigned pursuant to Clause 4 2, those properties, assets, agreements and rights referred to in Clause 4 2, and
- (k) the proceeds of any and/or all of the above

4 2 The Chargor by way of further continuing security for payment of the Debt and performance and discharge of the Secured Obligations assigns absolutely to the Funder with full title guarantee (and in so far as necessary by way of present assignment of future copyright pursuant to section 91 Copyright, Designs and Patents Act 1988) all of its right, title and interest in and to the following throughout the world for the full period of copyright and all renewals and extensions of the full period of copyright and after the full period of copyright in perpetuity (but excluding the Excluded Collateral)

- (a) all literary property and material and ancillary rights in relation to the Film, including, without limitation, the Screenplay, any underlying literary property, and any other literary material on which the Film is based or from which it is adapted or inspired or which has been used or included in the Film including, without limitation, all scripts, stories, treatments, novels, outlines, books, manuscripts or other properties or materials of any kind or nature in whatever state of completion and all drafts, versions and variations of such material, and the copyrights in such material,

- (b) the entire copyright of the Film or any part or component of the Film and all rights and interests in copyright and renewals, reversions, revivals, reinstatements and extensions of copyrights (both domestic and foreign) whether presently in existence or in future created and the right (but not the obligation) to register any claim under copyright and to renew and extend such rights and the right (but not the obligation) to sue in the name of the Chargor for past, present and future infringements of copyright,
- (c) all rights of every kind and nature to the music and musical compositions of the Film including the lyrics and all copyrights in such music and all rights to exploit, produce, publish, reproduce, perform, record, copy and synchronise all or any such music,
- (d) all rights to produce, distribute, lease, license, sell, exhibit, broadcast, transmit, reproduce, market, lease, sub-lease or otherwise deal with the Film and any and all rights in the Film in perpetuity by all methods and means and in all media whether now known or in the future conceived, devised or created throughout the universe,
- (e) all contracts and contract rights, agreements for personal services, book debts and all personal property of the Chargor relating to the Film or to any literary property and ancillary rights and any other elements of the Film referred to in this Clause,
- (f) all the Chargor's rights, interests and benefits in and to the Distribution Agreement, any Further Distribution Agreements, the Collection Agreement, the Commissioning and Distribution Agreement, the Sales Agency Agreement, the Production Services Agreement and other Relevant Agreements together with the benefit of the proceeds of such agreements,
- (g) all rent, revenues, income, compensation, products, increases, proceeds and profits or other property obtained or to be obtained from the production, release, sale, distribution, subdistribution, lease, sublease, marketing, licensing, sublicensing, exhibition, broadcast, transmission, reproduction, publication, ownership, exploitation or other uses or disposition of the Film (or any rights in the Film or part of the Film), in any and all media in any manner, including, without limitation, the properties of the Film and of any collateral, allied, ancillary, merchandising and subsidiary rights in and to the Film and amounts recovered as damages by reason of unfair competition, the infringement of copyright, breach of any contract or infringement of any rights,
- (h) the title of the Film and all of the Chargor's rights to the exclusive use of such title including rights protected pursuant to registered or unregistered trade mark,

service mark, unfair competition, passing off and/or other laws, rules or principles of law or equity,

- (i) all inventions, processes, formulae, licences, patents, patent rights, trade marks, trade mark rights, service marks, service mark rights, trade names, trade name rights, logos, indicia, corporate and company names, business, source or business identifiers and renewals and extensions of the above, domestic and foreign, whether now owned or in the future acquired in respect of the Film, and the accompanying goodwill and other like business property rights, and the rights (but not the obligation) to register claims under such trade marks or patents and to renew and extend such trade marks or patents and the right (but not the obligation) to sue in the name of the Chargor or in the name of the Funder for past, present or future infringement of trade mark or patent,
- (j) all rights and benefits of every kind and nature, present and future, in and to all Relevant Agreements and all other agreements to which the Chargor is a party in connexion with the Film, and
- (k) all other rights and properties acquired or to be acquired by the Chargor in connexion with the Film and the proceeds of any and/or all of the above

4 3 The Chargor by way of continuing security for the payment of the Debt and performance and discharge of the Secured Obligations additionally charges with full title guarantee to the Funder by way of first floating charge all its present and future undertaking, including but not limited to the stock in trade and cash in the bank or otherwise now or at any time during the continuance of this Charge, belonging to the Chargor including but not limited to the properties, assets, agreements and rights described at Clauses 4 1 and 4 2 to the extent they are not for the time being effectively charged by way of a fixed charge to the Funder or effectively assigned by way of security to the Funder (but excluding the Excluded Collateral) and the Chargor agrees not to part with, sell or dispose of the whole or part of its undertaking and assets (except by way of sale in the ordinary course of its business and for the purpose of carrying on its business and without prejudice to the above-mentioned legal mortgage and assignments) or any part of such assets or undertaking

4 4 The Chargor shall hold on trust for the Funder absolutely the Chargor's entire interest and benefit in and to the Charged Assets or any part of the Charged Assets which cannot be charged or assigned by the Chargor together with, without limitation, all proceeds, money and other rights and benefits to which the Chargor is beneficially entitled in respect of such Charged Assets

4 5 The Chargor warrants and represents to the Funder that the Chargor is the owner of and absolutely entitled to the Charged Assets and that, to the extent of its interest in the

Charged Assets, it is the owner of the Charged Assets free from Encumbrances (save for those permitted by this Charge, the Interparty Agreement) and has full power, title and authority to charge and/or assign the Charged Assets and undertakes that it shall not without the Funder's prior written consent create or permit to arise or to subsist any Encumbrance upon the whole or any part of the Charged Assets other than those referred to in the Interparty Agreement and the Chargor warrants and represents that it has taken all corporate action necessary to authorise its execution of this Charge and performance of its obligations under this Charge

- 4 6 The Chargee acknowledges that, notwithstanding the terms of this Charge, A COMPANY Filmproduktionsgesellschaft GmbH shall be entitled to receive twenty-five per cent (25%) of revenues from the proceeds of exploitation of the German Distribution Rights
- 4 7 Notwithstanding anything contained in this Charge if the Chargor charges, pledges or otherwise encumbers any of the Charged Assets, subject to the terms of the Interparty Agreement the charges created in this Charge in favour of the Funder shall rank in priority to such other Encumbrances
- 4 8 This Charge is a continuing security and shall remain in force notwithstanding any intermediate payment or settlement of account or other act, omission or matter which might operate to release the Chargor from its obligations under this Charge or affect such obligations or release or diminish the security under this Charge and is in addition to and shall not merge into or otherwise prejudice or affect any guarantee, Encumbrance, interest or other right or remedy now or in the future held by or available to the Funder as regards the Chargor or any other person, firm or corporation in respect of the Charged Assets and shall not be in any way prejudiced or affected thereby or by the invalidity thereof or by the Funder now or in the future dealing with, exchanging, releasing, modifying or abstaining from perfecting or enforcing any of the same or any right which the Funder may now or in the future have or giving time for payment or indulgence or compounding with any other person
- 4 9 The Chargor shall when required by the Funder and at the expense of the Chargor (whether before or after this Charge shall have become enforceable) execute, and procure the execution of and do all such mortgages, charges, transfers, assignments, assurances, documents, acts and things (including but not limited to executing and delivering the Mortgage and Assignment of Copyright and the Notice of Assignment) in such form and otherwise as the Funder may require under the laws of any jurisdiction for improving or perfecting the security intended to be by this Charge constituted, for further charging and/or assigning the Charged Assets in order to secure further the Debt and the performance and discharge of the Secured Obligations, for converting any floating charge forming part of this Charge into a fixed charge, for protecting the Funder's interest in the Charged Assets or for effecting or facilitating the realisation of the Funder's interest or the exercise by the Funder of any and all of its powers, authorities and discretions by this

Charge or by statute conferred on it or any Receiver and shall from time to time when so required by the Funder produce to or deposit with the Funder during the continuance of this Charge all deeds and documents of title relating to the Charged Assets or any of them

- 4 10 The covenants implied by sections 2(1) and 3(1) Law of Property (Miscellaneous Provisions) Act 1994 shall apply to the assignment created by this Charge provided that the operation of such covenants shall be extended by the omission of the words following "third parties" in section 3(1)(b)
- 4 11 Paragraph 14, Schedule B1 Insolvency Act 1986 (incorporated by Schedule 16 Enterprise Act 2002) shall apply to any floating charge created pursuant to this Charge
- 4 12 For the purposes of The Council of the European Union Regulation No 1346/2000 on Insolvency Proceedings (the "Regulation"), the Chargor's centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in England and Wales and it has no "establishment" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction

## **5. Guarantor waivers**

- 5 1 The Funder may, without the consent of or notice to the Chargor and without affecting the Chargor's liability to the Funder under this Charge, do any of the following
- (a) renew, extend, increase, discontinue, reduce or otherwise vary in any way any financial accommodation made available to the Borrower or any other person or extend or vary the purposes for which financial accommodation is granted or grant to the Borrower or any other person for any purpose any new facility or financial accommodation,
  - (b) increase or otherwise vary the rate of interest, commission, fees or charges payable by the Borrower or any other person to the Funder,
  - (c) give the Borrower or any other person any time, consideration, release, waiver or consent or make any concession to or compound with the Borrower or any other person,
  - (d) enter, renew, vary, novate, supplement, extend or terminate any agreement, including (without limitation) the Loan Agreements and/ or a Relevant Agreement or other arrangement with the Borrower or any other person or take, renew, vary, release or refrain from taking, perfecting or enforcing any present or future security, guarantee, indemnity or other rights granted by or available from the Borrower or any other person or refrain from observing any formality or other

requirement in respect of any instrument or fail to realise the full value of any security, or

- (e) do or neglect to do anything or delay in doing anything which (but for this Clause) might operate to release or reduce the Chargor's liability under this Charge

5 2 The Chargor's liability to the Funder under this Charge will not be affected by any of the following

- (a) the absence of or any defect in the powers of the Chargor, the Borrower or any other person, including (without limitation) any lack of authority on the part of any person purporting to act for the Chargor or Borrower,
- (b) any payment made to the Funder by the Borrower or any other person being avoided, set aside or reduced,
- (c) any change in the Funder's, Chargor's, Borrower's or any other person's constitution or any amalgamation by any of them or any acquisition by or of any of them,
- (d) the Insolvency of the Chargor, Borrower or any other person or the Chargor, Borrower or any other person being subject to any Insolvency Proceeding,
- (e) any other matter which could make any of the Secured Obligations or the Chargor's obligations under this Charge void, invalid, voidable or unenforceable

5 3 The Chargor's liability under Clause 3 5 will not be affected by anything which would not have released or reduced such liability had the liability been incurred by the Chargor as a principal debtor instead of as a guarantor

5 4 Without prejudice to the generality of Clause 5 1 or Clause 5 2, the Chargor confirms that its obligations under this Charge will extend from time to time to any (however fundamental) variation, increase, extension or addition of or to the Loan Agreements, any of the Relevant Agreements and/or any amount made available under such agreements for the purposes of or in connexion with any of the following acquisitions of any nature, increasing working capital, enabling investor distributions to be made, carrying out restructurings, refinancing existing facilities, refinancing any other indebtedness, making facilities available to new issuers, any other variation or extension of the purposes for which any such credit or financial accommodation might be made available from time to time and any fees and expenses associated with any of the foregoing

## **6. Preservation of Funder's Rights**

- 6 1 This Charge is in addition to any other guarantee, security, indemnity or rights held at any time by the Funder or any other person in connexion with the Secured Obligations and will not merge with or prejudice or be prejudiced by any such guarantee, security, indemnity or rights
- 6 2 The obligations of the Chargor pursuant to Clause 3 5 of this Charge are continuing and will extend to the ultimate balance of sums payable by the Borrower and/or the Chargor to the Funder, regardless of any intermediate payment or discharge in whole or in part
- 6 3 The Chargor waives any right it may have of first requiring the Funder (or any agent, trustee or assignee of the Funder) to enforce any other rights or security or claim payment from any person before claiming from the Chargor under this Charge. This waiver applies irrespective of any law or any provision of any document to the contrary
- 6 4 Until all the Secured Obligations have been irrevocably paid and discharged in full, the Funder may
- (a) refrain from applying or enforcing any other moneys, security or rights held or received by the Funder in respect of those amounts, or apply and enforce any other moneys, security or rights in such manner and order as it sees fit (whether against those amounts or otherwise) and the Chargor will not be entitled to the benefit of the moneys, security or rights, and
  - (b) hold in an interest-bearing suspense account any moneys received from the Chargor or on account of the Chargor's liability under this Charge
- 6 5 Until all the Secured Obligations have been irrevocably paid and discharged in full and unless the Funder otherwise directs, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Charge
- (a) to be indemnified by the Borrower,
  - (b) to claim any contribution from any other guarantor of the Secured Obligations,
  - (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any of the Funder's rights or of any other guarantee, indemnity or security taken pursuant to, or in connexion with, the Secured Obligations by the Funder,
  - (d) to claim, rank, prove or vote as a creditor of the Borrower or any other person liable or their estates in competition with the Funder (or any assignee of the



Funder or any trustee or agent on its behalf) or exercise any right of set-off or counterclaim against the Borrower or any other person liable, or

- (e) to take any step to enforce any right against the Borrower or any other person liable in respect of any of the Secured Obligations
- (f) If the Chargor receives any benefit, payment or distribution in relation to such rights it will hold that benefit, payment or distribution (to the extent necessary to enable all amounts which may be or become payable to the Funder in connexion with the Secured Obligations to be repaid in full) on trust for the Funder and will promptly pay or transfer the benefit, payment or distribution to the Funder or as the Funder may direct

## **7. Security held by Chargor**

The Chargor confirms that it has not been granted or received and agrees that it will not take or receive (without the Funder's prior written consent) the benefit of any guarantee, indemnity, mortgage, charge or other security from the Borrower or any other person liable in relation to this Charge and if the benefit of any security is granted in contravention of this Clause, that security will be held on trust for the Funder as security for the Chargor's liability to the Funder under this Charge

## **8. Production Licence**

The Funder grants to the Chargor an exclusive licence in and to the Charged Assets throughout the universe for the sole purpose of the production of the Film, in accordance with the Loan Agreement and the Interparty Agreement, and delivery of the Film in accordance with the Sales Agency Agreement and the Distribution Agreements. This licence will terminate immediately on the occurrence of an Event of Default

## **9. Events of Default**

- 9.1 The security created by this Charge shall become enforceable and the floating charge created by Clause 4.3 shall automatically crystallise and be converted with immediate effect into a fixed charge and the obligation of the Funder to make monies available under the Loan Agreements shall immediately terminate and the Debt shall immediately become due and payable at any time after the happening of any event of default as set out in Schedule 6 of the Loan Agreement
- 9.2 At any time, without prejudice to the provisions of Clauses 9.1 and 9.3, the Funder may, by notice in writing to the Chargor, convert the floating charge created by this Charge into a fixed charge in relation to the assets specified in such notice and the Funder shall, subject

to the occurrence of an Event of Default, be entitled (but not bound) to take possession of or appoint a Receiver of such assets

- 9 3 If the Chargor charges, pledges or otherwise encumbers (whether by way of fixed or floating security) any of the property, assets or income comprising the property covered by the floating charge referred to at Clause 4 3 above save as permitted under this Charge or attempts so to do without the prior consent in writing of the Funder or if any creditor or other person levies any distress, execution, sequestration or other process against any of the said property, assets or income then, in the absence of any notice or other action by the Funder pursuant to Clause 9 2, the floating charge created shall automatically without any requirement for notice by the Funder operate as a fixed charge immediately upon the occurrence of such an event
- 9 4 On this Charge becoming enforceable or at any time after this Charge becoming enforceable, notwithstanding the terms for repayment of the Debt or any part of the Debt, the Funder shall be entitled by notice in writing to the Chargor to demand immediate payment or repayment of the Debt or any part of the Debt from the Chargor and upon this notice in writing the Debt or such part shall be and become immediately due and payable by the Chargor

## **10. Enforcement**

- 10 1 At any time after the Funder shall have demanded payment or repayment of any part of the Debt, discharge of a Secured Obligation or upon the happening of any Event of Default or if requested by the Chargor, the Funder may without prejudice to any other rights it may have and without prior notice to the Chargor
- (a) sell, call in, collect, convert into money or otherwise deal with or dispose of the Charged Assets or any part of the Charged Assets on an instalment basis or otherwise and generally in such manner and upon such terms whatever as the Funder may in its sole discretion think fit,
  - (b) exercise any and all powers which a Receiver could exercise if appointed pursuant to Clause 10 2 below,
  - (c) appoint in writing any person or persons to be a Receiver of all or any part of the Charged Assets, from time to time determine the terms as to remuneration and otherwise of the Receiver and remove the Receiver and appoint another in his place,
  - (d) appoint any person or persons to be an administrator of the Chargor, and

- (e) exercise in relation to the Charged Assets all the rights and remedies of a secured party under the Uniform Commercial Codes in effect in the state of New York and California at that time

10.2 The Receiver shall be the agent of the Chargor (which shall alone be personally liable for the Receiver's acts, defaults and remuneration) and in particular by way of addition to but without prejudice to any other powers he or the Funder may have by law the Receiver shall have all the powers set out in Schedule 1 Insolvency Act 1986 and in addition shall have power

- (a) to enter upon any premises necessary to take possession of, collect, get in or realise all or any part of the Charged Assets whether accrued before or after the date of his appointment and to take, prosecute, enforce, defend or abandon any actions, claims, suits and proceedings in the name of the Chargor or otherwise in relation to the Charged Assets and to submit to arbitration, negotiate, compromise and settle any such applications, claims, disputes, actions, suits or proceedings and in addition to take or defend proceedings for the compulsory winding-up of any Chargor and proceedings for directions under section 35(1) Insolvency Act 1986 as the Funder or he shall think fit,
- (b) to exercise all the powers of the Chargor and in particular but without limitation to carry on or concur in carrying on the whole or any part of the business of the Chargor insofar as and in such manner as he shall in his absolute discretion think fit including the power to enter any contract or arrangement and to perform, repudiate or vary any contract to which any Chargor is a party,
- (c) to raise money or borrow from the Funder or others without security or on the security of the Charged Assets or any part of the Charged Assets upon such terms as the Funder or he shall in his absolute discretion think fit,
- (d) to assign, sell, lease, license, convey, grant options to sell, deal with or manage or concur in assigning, selling, leasing, licensing, granting options to sell, dealing with or managing and to vary, grant, terminate or accept surrenders of leases, licences, rights of user or tenancies (in each case with or without consideration) of any of the Charged Assets in such manner and generally on such terms and conditions as the Funder or he shall think fit and to carry any such transactions into effect in the name of and on behalf of any Chargor or otherwise without the need to observe the restrictions imposed by section 103 Law of Property Act 1925 or any need to observe all or any of the restrictions or other provisions of sections 99 and 100 of that Act,

- (e) to make any arrangement or compromise between the Chargor and any other person or pay any compensation or incur any obligation which the Funder or he shall think fit,
- (f) to make, effect and do all maintenance, repairs, developments, reconstructions, improvements, decoration, modification, refurbishment, furnishings, equipment, insurances, alterations or additions to or in respect of the Charged Assets in the interest of the Funder for maintaining the value of the Charged Assets in every such case as the Funder or he shall think fit,
- (g) to make or to require the directors of the Chargor to make calls conditionally or unconditionally on the holders of the Chargor's share capital in respect of any such capital of the Chargor which remains uncalled with the same powers for the purpose of enforcing payment of any calls so made and any previous unpaid calls as are by the Articles of Association of the Chargor conferred upon its directors in respect of calls authorised to be made by them and to make such calls in the name of the directors or in that of the Chargor or otherwise and to the exclusion of the directors' power in that regard,
- (h) to promote, procure the formation or otherwise acquire the share capital of companies with a view to those companies purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Charged Assets or carrying on any business in succession to the Chargor or any subsidiary of the Chargor, to arrange for such companies to trade or cease to trade and to purchase, lease, license or otherwise acquire all or any of the Charged Assets on such terms and conditions whether or not including payment by instalments secured or unsecured as the Funder or he shall think fit,
- (i) to manage, develop, reconstruct, improve, amalgamate or diversify or concur in managing, developing, reconstructing, improving, amalgamating or diversifying the business of any Chargor,
- (j) to appoint, employ, discharge, dismiss or vary the terms of employment or engagement of managers, advisers, officers, financiers, contractors, workmen and employees of the Chargor for any of the purposes described in this Clause for such remuneration and on such other terms as the Funder or he shall in their absolute discretion think fit,
- (k) to redeem, discharge or compromise any security,
- (l) to enter bonds, covenants, guarantees, commitments, indemnities and other obligations or liabilities as he shall think fit and make all payments needed to

effect, maintain or satisfy such obligations or liabilities and to effect, maintain or renew insurances and to obtain bonds and performance guarantees,

- (m) to do all such other acts and things or refrain from doing any act or thing (including electing to charge value added tax or to treat supplies made by the Chargor as taxable supplies for the purposes of value added tax) as may seem to him to be incidental or conducive to any of the functions, discretions, matters or powers described in this Clause and which he lawfully may or can do, and
- (n) to exercise all such other power and authority as the Funder shall think fit to confer and so that the Funder may in relation to such part of the Charged Assets as is the subject of a first legal mortgage or charge or assignment under this Charge confer any powers and authorities which it could give if it had full title guarantee to such Charged Assets

- 10 3 The statutory powers of sale and of appointing a Receiver shall be exercisable without the restrictions contained in sections 103 and 109 Law of Property Act 1925 or otherwise No purchaser, mortgagee or other third party dealing with the Funder or any Receiver shall be concerned to enquire whether the security created under this Charge has become enforceable or to see to the application of any money paid to the Chargor or such Receiver or otherwise as to the propriety or regularity of any other dealing by the Funder or the Receiver and, in the absence of bad faith on the part of such third party, such dealing shall be deemed to be within the powers conferred under this Charge and to be valid and effectual accordingly
- 10 4 The power to appoint a Receiver contained in this Charge shall be in addition to all statutory and other powers conferred on mortgagees and receivers under the Law of Property Act 1925 and the Receiver shall have and be entitled to exercise all powers conferred under such Act in the same way as if he had been duly appointed under such Act, such power to appoint a Receiver under this Charge or by statute conferred shall be and remain exercisable by the Funder notwithstanding any prior appointment in respect of all or any part of the Charged Assets
- 10 5 It shall be permissible for the Funder to appoint more than one Receiver and in such event any reference in this Charge to a Receiver shall apply to both or all of the Receivers so appointed and the appointment of Receivers so made shall be deemed to be a joint and several appointment and so that the rights, powers, duties and discretions vested in the Receivers so appointed may be exercised by them all jointly or severally by each of them
- 10 6 As and when the security created under this Charge becomes enforceable, the Chargor declares that it will hold the Charged Assets (subject to the Chargor's rights of redemption) upon trust to convey, assign or otherwise deal with the Charged Assets in such manner and to such person as the Funder shall direct and declare that it shall be lawful for the

Funder by deed to appoint a new trustee or trustees of the Charged Assets and in particular but without limitation at any time or times to appoint a new trustee or trustees of the Charged Assets in place of the Chargor

10 7 Any monies obtained by a Receiver appointed under this Charge whether by sale of any of the Charged Assets or obtained by carrying on the business or otherwise shall be applied

- (a) first, in payment of all costs and expenses incurred and incidental to the powers conferred on the Receiver, and
- (b) secondly, in or towards payment of the Debt and amounts owing to other parties in accordance with the Interparty Agreement, and
- (c) thirdly, any balance shall be paid to the parties entitled to such balance pursuant to the terms of the Interparty Agreement

10 8 Any monies received, recovered or realised by the Funder or any Receiver under this Charge (including the proceeds of any conversion of currency) may at the discretion of the Funder or the Receiver be placed in a suspense account and kept there for so long as the Funder or the Receiver thinks fit (with interest accruing at such rate, if any, as the Funder may determine) pending application from time to time (as the Funder and the Receiver shall be entitled to do as they may think fit) in or towards discharge of the Debt

10 9 The restriction on consolidation of mortgages contained in section 93(1) Law of Property Act 1925 shall not apply to this Charge The Chargor may not without the prior written consent of the Funder

- (a) redeem this Charge without at the same time redeeming every or any existing or future mortgage, charge or other security of whatever nature for the time being held by the Funder on property wherever situate now or in the future belonging to the Chargor, or
- (b) redeem any such mortgage, charge or other security of whatever nature without at the same time redeeming this Charge

## **11. Funder's additional powers**

11 1 The Funder shall have the right at its complete discretion to give time or indulgence to or compound with and to make any such other arrangement as it shall see fit with the Chargor or any other person, firm, company or other organisation without prejudice to the Chargor's liability under this Charge or the Funder's right and title to the Charged Assets and any monies received by the Funder from any other person, firm, company or other

organisation may be applied by the Funder to any account or transaction of such persons or otherwise as the Funder shall see fit

- 11 2 At any time after the security created under this Charge becomes enforceable or after any powers conferred by any Encumbrance having priority to the security created under this Charge shall have become exercisable, the Funder may redeem such or any other prior Encumbrance or procure the transfer of such Encumbrance to itself and may settle and prove the accounts of the encumbrancer and any account so settled and proved shall be conclusive and binding on the Chargor and all monies paid by the Funder to the encumbrancer in accordance with such accounts shall as from such payment be due from the Chargor to the Funder and shall bear interest, fees, costs and charges owing under this Charge
- 11 3 At any time after the security created under this Charge becomes enforceable, the Funder or a Receiver may (but shall not be obliged to) do all such things and incur all such expenditure as the Funder or such Receiver shall in its sole discretion consider necessary or desirable to remedy such default or protect or realise the Charged Assets or its interests under this Charge and in particular (but without limitation) may enter upon the Chargor's property and may pay any monies which may be payable in respect of any of the Charged Assets and any monies expended in so doing by the Funder or Receiver shall be deemed an expense properly incurred and paid by the Funder and the Chargor shall reimburse such monies on demand to the Funder
- 11 4 The Funder shall not, nor shall any Receiver by reason of its or another Receiver's entering possession of the Charged Assets or any part of the Charged Assets, be liable to account as mortgagee in possession or for any default or omission of any nature for which a mortgagee in possession might be liable, or be liable for any loss or damage occasioned by or upon realisation or diminution in value happening in or about the exercise of any power conferred by this Charge or by statute and the Chargor shall not have any right or action or claim against the Funder on the grounds that a better price could or might have been obtained on any such realisation, sale or disposal
- 11 5 If there is an Event and/or if for any reason this Charge ceases to be a continuing security for the maximum amount of the Debt, the Funder may open a new account for the Chargor in respect of the Debt and if the Funder does not in fact open such new account it shall nevertheless be treated as if it had done so at the time the Event first occurred and/or from the time that this Charge ceased to be a continuing security for the maximum amount of the Debt (whichever time is earlier) and as from that time all payments made by or on behalf of the Chargor to the Funder (including any payment constituting the Event) shall be credited or be treated as having been credited to the new account, and such payments shall not operate to reduce the amount due from the Chargor to the Funder at the said time (but this Clause shall not prejudice any security which apart from this Clause the Funder would have had but for the discharge by the Chargor's liabilities or obligations

incurred after that time) The provisions of this Clause shall apply mutatis mutandis each and every time an Event occurs

**12. Warranties, representations and covenants of the Chargor**

12 1 The Chargor repeats in favour of the Funder the warranties and representations set out in Clause 8 of the Loan Agreement as if these warranties and representations were set forth and incorporated into this Charge

12 2 The Chargor further represents and warrants to the Funder on the date of this Charge that

- (a) the obligations expressed to be assumed by it in this Charge are legal, valid, binding and enforceable obligations,
- (b) the entry and performance by it of, and the transactions contemplated by, this Charge do not and will not conflict with
  - (i) any law or regulation applicable to it,
  - (ii) its constitutional documents, or
  - (iii) any agreement or instrument binding upon it or any of its assets or constitute a default or termination event (however described) under any such agreement or instrument,
- (c) it has the power to enter, perform and deliver, and has taken all necessary action to authorise its entry to, performance and delivery of, this Charge and the transactions contemplated by this Charge,
- (d) no limit on its powers will be exceeded as a result of giving or granting any security, guarantee or indemnity contemplated by this Charge,
- (e) it has obtained or effected all authorisations (which are in full force and effect) required or desirable
  - (i) to enable it lawfully to enter, exercise its rights and comply with its obligations in this Charge, and
  - (ii) to make this Charge admissible in evidence in England and Wales, and
- (f) no
  - (i) Insolvency Proceeding, or



- (ii) any step relating to the expropriation, attachment, sequestration, distress or execution affecting any asset or assets of the Chargor,
- (iii) has been taken or, to the knowledge of the Chargor, threatened in relation to it and the Chargor is not subject to any of the circumstances described in the definition of "Insolvency" in Clause 1 of this Charge

12 3 The representations and warranties in Clauses 12 1 and 12 2 will be deemed to be repeated with reference to the facts and circumstances then subsisting on each day on which additional security is given by the Chargor in accordance with this Charge or the Subscription Agreement and/or any obligations are owing by the Chargor and/or the Borrower to the Funder under the Loan Agreements or by the Chargor to the Funder pursuant to this Charge

### **13. Undertaking for release and re-assignment**

Upon repayment of all monies due to the Funder pursuant to the Loan Agreement, this Charge, and/ or any Relevant Agreement the Funder will, at the Chargor's request and expense, release and re-assign to the Chargor, or as it may direct, the property, assets, agreements and rights, that the Chargor charged and assigned or agreed to be charged and assigned to the Funder as security and will upon written request and at the Chargor's expense execute and deliver to the Chargor all documents and instruments reasonably required or desirable to effect the said release and re-assignment

### **14. Power of attorney**

- 14 1 The Chargor irrevocably and by way of security appoints the Funder, and if any Receiver has been appointed the Funder and Receiver jointly and severally, as the attorney and attorneys of the Chargor and in its name and on its behalf to sign, execute and do all acts, things and documents which the Chargor is obliged (whether pursuant to Clause 4 9 or otherwise) or which a Receiver is empowered to execute or do under this Charge provided that the Funder agrees that it shall provide the Chargor with copies of any documents that it executes on behalf of the Chargor pursuant to this clause (provided that any inadvertent failure to provide such copies shall not constitute a breach by the Funder)
- 14 2 Subject to the above this appointment shall operate as a general power of attorney made under section 10 Powers of Attorney Act 1971
- 14 3 The Chargor covenants with the Funder that on request it will ratify and confirm all documents, acts and things and all transactions entered by the Funder or by the Chargor at the instance of the Funder in the exercise or purported exercise of the above powers

## **15. Indemnity**

The Chargor shall on demand indemnify and hold harmless the Funder and any Receiver from and against all actions, claims, proceedings, expenses (including professional fees and expenses), demands and liabilities now or in the future brought against or incurred by either or both of them, or against or by any person for whose act or omission either or both may be liable, resulting directly or indirectly from any breach or non-observance by the Chargor of any of the provisions of this Charge, any warranty or representation made by the Chargor being incorrect when made or any payment in respect of the provisions of this Charge (whether made by the Chargor or a third party) being set aside or declared void for any reason. The Chargor's liability to the Funder under this Clause shall form part of the Debt.

## **16 General**

- 16 1 Any release, re-assignment, settlement or discharge between the Chargor and the Funder shall be conditional upon no security or payment made or given to the Funder being avoided, reduced, set aside or rendered unenforceable as a result of any provision or enactment now or in the future in force relating to bankruptcy, insolvency or liquidation or for any other reason and if any such security or payment shall be avoided, reduced, set aside or rendered unenforceable the Funder shall be entitled to recover the full amount or value of any such security or payment from the Chargor and otherwise to enforce this Charge as if such release, settlement or discharge had not taken place.
- 16 2 Any trusts created by this Charge shall have a perpetuity period of 80 years.
- 16 3 This Charge shall remain the property of the Funder notwithstanding any release or discharge or purported release or discharge of this Charge.
- 16 4 The Funder will be entitled at any time or times without notice (both before and after demand) to set off any liability of the Chargor to the Funder against any liability of the Funder to the Chargor (in either case whether actual or contingent, present or future and irrespective of the currency or place of payment) and may for such purposes convert or exchange any currency as it deems fit.

## **17. Notices**

- 17 1 Any notice or other communication to be given under this Charge must be in writing, in English and may be served by hand delivery at, or by pre-paid recorded delivery, or registered post or airmail to, or by email to, the address of the receiving party as set out at the beginning of this Charge.

17 2 Subject to Clause 17 3, any notice or other communication served in accordance with Clause 17 1 shall be deemed to have been received

- (a) if delivered by hand, at the time of delivery,
- (b) if sent by pre-paid recorded delivery or registered post, at 9 30 a m on the second clear day after the date of posting,
- (c) if sent by pre-paid registered airmail, at 9 30 a m on the fifth clear day after the date of posting, or
- (d) if sent by email, (then absent a bounceback from the recipient's server) at the time of transmission of the email if sent during business hours, otherwise on commencement of the next business day

17 3 If under the provisions of Clause 17 2 a notice or other communication would be deemed to have been received outside normal business hours, being 9 30 a m to 5 30 p m local time on any day which is not a Saturday, Sunday or public holiday in the place of receipt (which, in the case of service on any party by fax shall be deemed to be in the same place as the address specified for service on that party by post), it shall instead be deemed to have been received at the recommencement of such normal business hours

## **18. Waiver**

18 1 A waiver of any right, power, privilege or remedy provided by this Charge must be in writing and may be given subject to any conditions thought fit by the grantor For the avoidance of doubt, any omission to exercise, or delay in exercising, any right, power, privilege or remedy provided by this Charge shall not constitute a waiver of that or any other right, power, privilege or remedy

18 2 A waiver of any right, power, privilege or remedy provided by this Charge shall not constitute a waiver of any other breach or default by the other party and shall not constitute a continuing waiver of the right, power, privilege or remedy waived or a waiver of any other right, power, privilege or remedy

18 3 Any single or partial exercise of any right, power, privilege or remedy arising under this Charge shall not preclude or impair any other or further exercise of that or any other right, power, privilege or remedy

18 4 Except as otherwise expressly provided by this Charge, the rights, powers, privileges and remedies provided in this Charge are cumulative and are not exclusive of any other rights, powers, privileges and remedies provided by law

## **19 Severance**

19 1 If any provision of this Charge is held to be invalid or unenforceable by any judicial or other competent authority, all other provisions of this Charge will remain in full force and effect and will not in any way be impaired

19 2 If any provision of this Charge is held to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, or the period of the obligation reduced in time, or the range of activities or area covered reduced in scope, the provision in question will apply with the minimum modifications necessary to make it valid and enforceable

## **20. Variation**

Any variation of this Charge is valid only if it is in writing and executed by or on behalf of each party

## **21. Rights of third parties**

This Charge does not confer any rights on any person or party (other than the parties to this Charge) under the Contracts (Rights of Third Parties) Act 1999

## **22. Assignment**

22 1 The Chargor shall not have the right to assign its rights under, or any interest in, this Charge without the prior written consent of the Funder

22 2 The Funder may

- (a) assign in part or in whole the benefit of this Charge,
- (b) transfer any of its obligations under this Charge,
- (c) subcontract or delegate any of its obligations under this Charge, and/or
- (d) deal in any other manner with this Charge or any of its rights or obligations without regard to any set-off, counter claim or equities between the Funder and the Borrower and/or the Chargor

## **23. Counterparts**

This Charge may be executed in any number of counterparts, each of which shall constitute an original, and all the counterparts shall together constitute one and the same agreement

## **24. Governing law and jurisdiction**

- 24 1 This Charge and any non-contractual obligations arising out of or in connexion with it shall be governed by and construed in all respects in accordance with English law
- 24 2 The Chargor irrevocably agrees for the benefit of the Funder that the courts of England shall have exclusive jurisdiction to hear and determine any Proceedings and Disputes and, for such purposes, irrevocably submits to the jurisdiction of such courts
- 24 3 The Chargor irrevocably waives any objection which it might now or after the date of this Charge have to the courts of England being nominated as the forum to hear and determine any Proceedings and Disputes and to settle any Proceedings and Disputes and agrees not to claim that any such court is not a convenient and appropriate forum
- 24 4 Nothing in Clause 24 2 shall limit the Funder's right to bring any action in any other court having or claiming jurisdiction (whether concurrently or not) nor affect the Funder's right to serve process in any other manner permitted by law

This Charge is executed as a deed by the parties and is delivered and takes effect on the date at the beginning of this Charge

**Schedule 1****Existing Distribution Agreements**


<b>Licensor</b>	<b>Distributor</b>	<b>Date</b>	<b>Territory</b>	<b>Minimum Guarantees</b>
GEM Entertainment KFT	Noori Pictures	10 June 2013	South Korea	
Radiant Films International, LLC (acting as Sales Agent for and on behalf of) Bovary Distribution Limited	GEM Entertainment KFT	Exhibit "A" to the Master Licence Agreement dated: 3 June 2013	South Korea	
Bovary Distribution Limited	Myndform HF	10 June 2013	Iceland	
Bovary Distribution Limited	Gulf Films LLC	20 June 2013	Middle East	
Bovary Distribution Limited	Transmission Films PTY Limited	10 June 2013	Australia	
GEM Entertainment KFT	Forum Films	10 June 2013	Israel	

Radiant Films International, LLC (acting as Sales Agent for and on behalf of) Bovary Distribution Limited	GEM Entertainment KFT	Exhibit "B" to the Master Licence Agreement dated: 3rd June 2013	Israel
Bovary Distribution Limited	Aqua Group Inc	16 July 2013	Turkey
Bovary Distribution Limited	A Company Film Licensing GmbH	1 July 2013	Eastern Europe
Bovary Distribution Limited	Zon Lusomundo Audiovisuais S.A	10 June 2013	Portugal
Bovary Distribution Limited	DreamGold Group Corp	6 June 2013	Latin America
Bovary Distribution Limited	Entertainment In Motion, Inc	16 July 2013	World (excluding North America)
Bovary Distribution Limited	A Company Film Produktion GmbH	dated on or around the date of this Agreement	N/A
Bovary Distribution Limited	Millennium Entertainment LLC	23 July 2013	US

**EXECUTED** as a deed by the parties or their duly authorised attorneys the day and year first  
above written

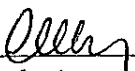
**IN WITNESS** whereof the hands of the parties or their duly authorised attorneys or representatives  
the day and year first above written

Executed as a deed by **VP FINANCE LIMITED**  
acting by

  
\_\_\_\_\_  
signature of authorised representative

\_\_\_\_\_  
print name of authorised representative

in the presence of


  
\_\_\_\_\_  
signature of witness

\_\_\_\_\_  
print name of witness

Address

\_\_\_\_\_  
Canon House  
\_\_\_\_\_  
27 London End  
\_\_\_\_\_  
Beaconsfield  
\_\_\_\_\_  
Buckinghamshire  
\_\_\_\_\_  
HP9 2HN

Occupation

  
\_\_\_\_\_  
Account Clerk



**SIGNED** as a deed by **MEB PRODUCTION LTD** by Director



Director

in the presence of -

Witness



Address

Field Fisher Waterhouse LLP  
35 Vine Street  
London EC3N 2AA  
Partner

Occupation