



Registration of a Charge

Company name: **LIGHTHOUSE PICTURES LIMITED**

Company number: **09694780**

Received for Electronic Filing: **07/10/2015**



Details of Charge

Date of creation: **29/09/2015**

Charge code: **0969 4780 0001**

Persons entitled: **PARAMOUNT PICTURES CORPORATION**

Brief description: **THERE IS NO REGISTERED INTELLECTUAL PROPERTY SUBJECT TO A FIXED CHARGE. FOR FURTHER INFORMATION PLEASE SEE THE INSTRUMENT.**

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:

WIGGIN LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 9694780

Charge code: 0969 4780 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 29th September 2015 and created by LIGHTHOUSE PICTURES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 7th October 2015 .

Given at Companies House, Cardiff on 8th October 2015

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

WIGGIN

DATED *September 29,*

2015

(1) LIGHTHOUSE PICTURES LIMITED

(2) PARAMOUNT PICTURES CORPORATION

CHARGE AND DEED OF ASSIGNMENT IN RESPECT OF THE FILM PROVISIONALLY ENTITLED "ANNIHILATION"

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THIS CHARGE AND DEED OF ASSIGNMENT IS DATED

September 29

2015

BETWEEN:

1. **LIGHTHOUSE PICTURES LIMITED**, a limited company incorporated under the laws of England and Wales whose registered office is at 10 Orange Street, Haymarket, London, WC2H 7DQ (attention: Joanne Smith) (the "**Chargor**"); and
2. **PARAMOUNT PICTURES CORPORATION**, a corporation incorporated under the laws of the State of Delaware, whose principal place of business is at 5555 Melrose Avenue, Hollywood, CA 90038 (attention: Motion Picture Legal) (the "**Chargee**").

RECITALS

- A. Pursuant to and subject to the terms of the Pre-Production Funding Agreement, the Chargee has agreed to make available the Pre-Production Funding to the Chargor.
- B. In consideration of the Chargee agreeing to provide the Pre-Production Funding (which the Chargor acknowledges is of benefit to it), the Chargor has agreed to execute this Charge and Deed of Assignment as security for repayment, satisfaction and discharge of the Secured Liabilities and has determined that it is in its commercial interests to do so.

NOW THIS DEED WITNESSES AS FOLLOWS:

1. **Interpretation**

- 1.1 In this Charge and Deed of Assignment capitalised terms shall have the meanings set out in Schedule 1 and in the list of parties above (as applicable). Any capitalised term used but not defined in this Charge and Deed of Assignment shall have the meaning ascribed to it in the Pre-Production Funding Agreement.
- 1.2 In this Charge and Deed of Assignment (a) any reference to the parties includes a reference to their respective successors in title and permitted assigns; (b) any reference to a person includes any body corporate, unincorporated association, partnership or other legal entity; (c) the singular includes the plural and vice versa; (d) words imparting gender include the other gender; (e) Clause headings are for convenience only and shall not be taken into account in the construction or interpretation of this Charge and Deed of Assignment; (f) references to a "Clause" are references to a clause of this Charge and Deed of Assignment; (g) any references to an agreement, deed, instrument or document is to the same as amended, modified, supplemented or restated from time to time; (h) references to "copyright", "films", "sound recordings", "copies of films and sound recordings" and to all other rights therein mentioned shall (where the context requires or admits) be construed in accordance with the Copyright, Designs and Patents Act, 1988 (as amended); (i) the covenants implied by Sections 2(1) and 3(1) of the Law of Property (Miscellaneous Provisions) Act 1994 shall apply to the assignment hereby created provided that the operation of such covenants shall be extended by the omission of the words following "third parties" in Section 3(1)(b); (j) notwithstanding the foregoing, wherever in this Charge and Deed of Assignment the word "Film" is used and the soundtrack is not expressly referred to, such word shall be deemed and construed to include the soundtrack of the Film; and (k) any reference to "including" means including without limitation.

2. **Consideration**

This Charge and Deed of Assignment is executed in consideration of -

(i) the Chargee agreeing to advance the Pre-Production Funding in accordance with the Pre-Production Funding Agreement (which the Chargor acknowledges is of benefit to it); and

(iii) the payment by the Chargee to the Chargor of £1 (the receipt and adequacy of which is hereby acknowledged by the Chargor).

3. **Covenant to pay**

The Chargor hereby covenants with the Chargee to pay or discharge the Secured Liabilities (as and when they fall due under the Relevant Agreements).

4. **Charges**

4.1 The Chargor, with full title guarantee and as security for the payment, satisfaction and discharge of the Secured Liabilities, charges in favour of the Chargee by way of first fixed charge, all of the Chargor's right, title and interest (if any) (whether now owned or hereafter acquired) in and to the following –

- 4.1.1 the Pre-Production Work;
- 4.1.2 all copies made or to be made of the Film; and
- 4.1.3 any other films and any sound recordings made in the course of the Pre-Production Work and the production of the Film or pursuant to any right acquired in connection with, or arising from, the Pre-Production Work and the production of the Film; and
- 4.1.4 all copies made or to be made of the scripts and musical scores of the Film and any sketches and designs produced in connection with the Pre-Production Work and/or the Film; and
- 4.1.5 all digital files, digital material, physical negative, internegative, interpositive and positive sound and visual material made or to be made incorporating or reproducing all or any part of the Film; and
- 4.1.6 any agreements for the provision of any goods, services, facilities or finance for the Pre-Production Work and/or the Film and the benefit of any insurance policy taken out for or in connection with the Pre-Production Work and/or the production or exploitation of the Film; and
- 4.1.7 the benefit of all revenues accruing to the Chargor or the Chargor's order or on the Chargor's behalf in respect of the exhibition, distribution and exploitation of the Pre-Production Work and/or the Film and/or the Underlying Rights and/or the Rights; and
- 4.1.8 the Accounts (including all monies standing to the credit of each Account, all interest accrued on each Account and all debts represented by the foregoing); and
- 4.1.9 all other rights and properties, including physical properties acquired or to be acquired by the Chargor in connection with the Film; and
- 4.1.10 the proceeds of any or all of the foregoing.

4.2 The Chargor, with full title guarantee and as security for the payment, satisfaction and discharge of the Secured Liabilities, charges in favour of the Chargee by way of first floating charge all of the Chargor's undertaking, rights and assets in relation to the Pre-Production Work and the Film, whether now owned or hereafter acquired or created (including (without limitation) any assets expressed to be charged or assigned pursuant to Clauses 4.1 and 5 to the extent the same are not for the time being effectively charged by way of first fixed charge or effectively assigned (whether at law or in equity) by way of security to the Chargee). 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 and Deed of Assignment, which floating charge is accordingly a qualifying floating charge for such purposes.

4.3 It is the mutual intention of the parties that the Chargor shall not own any of the Collateral and the foregoing grant of first fixed charge and first floating charge set forth in this Clause 4 is provided in the event that, notwithstanding such mutual intention of the parties, the Chargor is deemed to have an interest in any of the Collateral, provided that the foregoing charge shall apply to the fullest extent of any such interest.

5. **Assignment and Trust**

5.1 The Chargor, with full title guarantee and as security for the payment, satisfaction and discharge of the Secured Liabilities, assigns and agrees to assign absolutely to the Chargee, all of the Chargor's right, title and interest (if any) (whether now owned or hereafter acquired or created) in and to the following –

- 5.1.1 the Pre-Production Work; and
- 5.1.2 the Underlying Rights; and

- 5.1.3 the Rights; and
 - 5.1.4 all that copyright in the Pre-Production Work and the Film and any other films and any sound recordings made in the course of the production of the Film or pursuant to any right acquired in connection with, or arising from, the Pre-Production Work and the production of the Film; and
 - 5.1.5 the benefit of all revenues accruing to the Chargor or to the Chargor's order or on the Chargor's behalf in respect of the exhibition, distribution and exploitation of the Pre-Production Work and/or the Film and/or of the Underlying Rights and/or the Rights; and
 - 5.1.6 all those rights of the Chargor in relation to all music composed and sketches and designs made for or used in the production of the Film including the following -
 - (a) the right to adapt the same for the purpose of and to reproduce the same in the form of the Film and any such other films as are mentioned in Clause 5.1.4 hereof; and
 - (b) the right (except for musical performing rights if the composer is a member of the Performing Rights Society Limited) to perform the same in public by exhibition of the Film and any such films as aforesaid; and
 - (c) such rights as the Chargor may own to communicate to the public by any means; and
 - 5.1.7 the benefit of all agreements entered into or to be entered into by the Chargor (or its agent) relating to the Pre-Production Work and/or the Film with all rights granted and all monies receivable thereunder and any interest thereon and the benefit of all subsisting undertakings, warranties, representations, covenants, agreements and acknowledgements therein contained; and
 - 5.1.8 the Accounts (including all monies standing to the credit of each Account, all interest accrued on each Account and all debts represented by the foregoing); and
 - 5.1.9 the benefit of any policy of insurance taken out and maintained by the Chargor in connection with the Pre-Production Work and/or the Film and any and all sums paid or payable thereunder; and
 - 5.1.10 the proceeds of any or all of the foregoing.
- 5.2 The Chargor shall hold on trust for the Chargee (which trust the Chargor hereby declares) the Chargor's entire interest and benefit in and to the Collateral or any part thereof which cannot be charged or assigned by the Chargor together with all proceeds, money and other rights and benefits to which the Chargor is beneficially entitled in respect of such Collateral.
- 5.3 It is the mutual intention of the parties that the Chargor shall not own any of the Collateral and the foregoing assignment and trust set forth in this Clause 5 is provided in the event that, notwithstanding such mutual intention of the parties, the Chargor is deemed to have an interest in any of the Collateral, provided that the foregoing assignment and trust shall apply to the fullest extent of any such interest.
6. **Warranty and Negative Pledge**
- 6.1 Other than this Charge and Deed of Assignment or other agreements with the Chargee, there shall be no charges or other security interests, encumbrance or arrangements having the effect of conferring security interests created by the Chargor or permitted by the Chargor to arise over the Collateral or over any other of the Chargor's property otherwise than in favour of the Chargee or with the Chargee's prior written consent. Notwithstanding anything to the contrary contained herein, if the Chargor charges or otherwise encumbers any of the Collateral in any manner contemplated by this Clause 6.1 the charges created in favour of the Chargee shall rank in priority to such other charges or encumbrances whether they be fixed, floating or otherwise.
- 6.2 The Chargor hereby warrants and undertakes with the Chargee that it is or will be absolutely entitled to those properties (subject to the Relevant Agreements) and to the benefit of the agreements (subject to the terms of such agreements) referred to in Clauses 4 and 5 hereof (as applicable) and has full power, right and title to assign and/or charge the Collateral and is duly incorporated and validly existing and in good standing under the laws of England and

Wales and has taken all action necessary to authorise the execution, performance and delivery of this Charge and Deed of Assignment.

7. **Licence**

7.1 The Chargee hereby grants to the Chargor a sole licence (without prejudice to the Chargee's entitlement to enter into such agreements and/or carry out such pre-production activities as it may determine necessary or desirable for the preparation and pre-production of the Picture in accordance with the Pre-Production Funding Agreement), revocable only in accordance with Clause 7.2, to produce the Pre-Production Work and the Film in accordance with the Relevant Agreements.

7.2 The Chargee may terminate the licence granted pursuant to Clause 7.1 above upon the Chargee giving written notice to the Chargor that an Event of Default has occurred.

8. **Default**

Upon the Chargee giving notice to the Chargor that an Event of Default has occurred, the floating charge created by Clause 4.2 shall automatically be converted with immediate effect into a fixed charge, the security hereby created shall become enforceable and the Secured Liabilities shall immediately become due and payable.

9. **Exercise of Rights**

9.1 The Chargee may at any time after the security hereby created shall have become enforceable -

9.1.1 without prejudice to any other powers the Chargee may have by law, exercise all of the powers set out in the Law of Property Act 1925 and in Schedule 1 to the Insolvency Act 1986 and any other powers the Chargee may have by law and, in addition, all of the powers set out in sub-Clause 9.2 below; and

9.1.2 In writing appoint a Receiver over the whole or any part of the Collateral upon customary terms as to remuneration or such reasonable variation thereof and otherwise as the Chargee shall think fit and may from time to time remove any Receiver so appointed and appoint another in his stead; and

9.1.3 appoint an administrator of the Chargor.

9.2 If a Receiver is appointed he shall be the agent of the Chargor and, without prejudice to any other powers the Receiver may have by law, he shall have all the powers set out in the Law of Property Act 1925 and in Schedule 1 to the Insolvency Act 1986 and in addition shall have power -

9.2.1 to take possession of, get in or realise the Collateral and to take, enforce, defend or abandon any actions, suits and proceedings in the name of the Chargor or otherwise in relation to the Collateral as he or the Chargee shall think fit;

9.2.2 to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor relating in any way to the Collateral or any part thereof;

9.2.3 to assign, sell, lease, license (including, but not in limitation, by appointing a replacement distributor to distribute and exploit the Film and the Underlying Rights in place of the Chargor), 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, terminate or accept surrenders of leases, licences or tenancies of any of the Collateral in such manner and generally on such terms and conditions as the Chargee or he shall think fit and to carry any such transactions into effect in the name of and on behalf of the Chargor or otherwise;

9.2.4 to take any steps that may be necessary or desirable to effect compliance with all or any of the agreements hereby charged;

9.2.5 to exercise all the powers of the Chargor including to carry on manage or concur in carrying on and managing the business of the Chargor in relation to the Film or any part thereof and the Chargor

acknowledges that it shall not seek to prevent the Receiver from so carrying on or managing its business;

- 9.2.6 to raise or borrow any money that may be required upon the security of the whole or any part of the Collateral or without such security;
- 9.2.7 to give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising the Collateral;
- 9.2.8 to appoint and discharge advisers, managers, agents, employees, contractors and workmen in relation to the business of the Chargor relating to the Film at such salaries and for such periods as the Receiver may determine;
- 9.2.9 to make any arrangement or compromise, pay any compensation or incur any obligation and enter into any contracts in relation to the Collateral which the Receiver shall think expedient in the interests of the Chargee;
- 9.2.10 to make, effect and do all maintenance, repairs, developments, reconstructions, improvements, furnishings, equipment, insurances, alterations or additions to or in respect of the Collateral in the interests of the Chargee for maintaining the value of the Collateral in every such case as the Chargee or he shall think fit;
- 9.2.11 to make calls conditionally or unconditionally on the shareholders of the Chargor in respect of the uncalled capital of the Chargor (with the same powers for the purpose of enforcing payment of any calls so made as are by the Articles of Association of the Chargor conferred upon the Chargor or the directors of the Chargor (as the case may be) in respect of calls authorised to be made by them and to make the same in the name of the directors or in that of the Chargor or otherwise and to the exclusion of any other person's power in that behalf);
- 9.2.12 to promote the formation of companies with a view to purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Collateral, to arrange for such companies to trade or cease to trade and to purchase, lease, license or otherwise acquire all or any of the Collateral on such terms and conditions whether or not including payment by instalments secured or unsecured as the Receiver shall think fit;
- 9.2.13 to manage, develop, reconstruct, improve, amalgamate or diversify or concur in managing, developing, reconstructing, improving, amalgamating or diversifying the business of the Chargor in relation to the Film;
- 9.2.14 to do all such other acts and things as may be considered to be incidental or conducive to any of the matters or powers aforesaid and which he lawfully may or can do; and
- 9.2.15 to exercise all such other power and authority in relation to the Collateral as the Chargee shall think fit and so that the Chargee may in relation to all or any part of the Collateral exercise and confer any powers and authorities which it could exercise and confer if it were the absolute beneficial owner thereof and to use the name of the Chargor for any such purposes,

PROVIDED ALWAYS THAT nothing herein contained shall make the Chargee liable to the Receiver in respect of his remuneration, costs, charges or expenses or otherwise for which together with the Receiver's acts, contracts, defaults and omissions the Chargor alone shall be liable.

- 9.3 In addition, but without prejudice, to the foregoing remedies if the security hereby created shall become enforceable the Chargee shall (without prejudice to the statutory power of sale conferred by the Law of Property Act 1925 which is applicable to this Charge and Deed of Assignment) be entitled to sell the Collateral or any part or parts thereof or otherwise exploit or turn to account the Collateral for such price and in such manner as the Chargee in its absolute discretion may think fit, without notice to the Chargor or any other formality, all of which are hereby waived by the Chargor. The Chargee shall be entitled to repayment of all verifiable out-of-pocket costs and charges in connection therewith including all costs fees and charges it may incur as a consequence of the enforcement hereof.

- 9.4 The restrictions contained in sections 93, 103 and 109 of the Law of Property Act 1925 shall not apply to the security hereby created.
- 9.5 The Chargee or the Receiver may enforce the security created by this Charge and Deed of Assignment in any order which the Chargee or the Receiver in their or its absolute discretion think(s) fit.
- 9.6 The Chargee may appoint more than one Receiver and in such event any reference in this Charge and Deed of Assignment 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 discretion vested in the Receivers so appointed may be exercised by them all jointly or severally by each of them.
- 9.7 The Chargee shall not nor shall the Receiver by reason of the Chargee or the Receiver entering into possession of the Collateral or any part thereof be liable to account as mortgagee in possession or for any default or omission of any nature whatsoever 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 hereby or by statute and no Chargor shall have any right or action or claim against the Chargee on the grounds that a better price could or might have been obtained on any such realisation, sale or disposal. The Chargee and the Receiver shall be entitled to all the rights, powers, privileges and immunities conferred by statute on mortgagees and receivers.
- 9.8 If the Chargor shall without the express written agreement of the Chargee thereto create or permit to arise or subsist any encumbrance (other than in favour of the Chargee) affecting the Collateral of which the Chargee shall receive notice, actual or constructive, the Chargee may open a new account for the Chargor in respect of the Film and if the Chargee does not in fact open such new account it shall nevertheless be treated as if it had done so at the time when it received such notice and as from that time all payments made by or on behalf of the Chargor to the Chargee 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 Chargee at the said time until such payments may be indefeasibly so applied by the Chargee (but this Clause shall not prejudice any security which apart from this Clause the Chargee would have had but for the discharge by the Chargor of liabilities or obligations incurred after that time).
- 9.9 The Chargee may at any time without prior notice transfer, where the Chargee has more than one account for the Chargor in its books, all or any part of any balance standing to the credit of any such account to any other such account which may be in debt, combine and consolidate all or any of the accounts for the time being of the Chargor with the Chargee and/or in any event set off any monies or other assets which the Chargee may at any time hold for the account of the Chargor against the Chargor's liability under this Charge and Deed of Assignment and without prejudice to any other right of set-off or similar right to which the Chargee may be entitled in law.
- 9.10 All moneys received, recovered or realised by the Chargee under this Charge and Deed of Assignment may at the sole discretion of the Chargee be credited by the Chargee to any suspense or impersonal account pending the application from time to time of such moneys and accrued interest thereon at the rate if any agreed in writing between the Chargor and the Chargee from time to time (as the Chargee shall be entitled to do in its discretion) in or towards the payment of the Secured Liabilities.
- 9.11 The proceeds of any Collateral obtained or disposed of pursuant to this Charge and Deed of Assignment shall be applied as follows –
- 9.11.1 firstly, in payment of the Secured Liabilities and any and all expenses and fees (including, but not limited to, reasonable solicitor's fees) incurred by the Chargee in obtaining, taking possession of, removing, insuring, storing and disposing of the Collateral and any and all amounts incurred by the Chargee in connection therewith (including without limitation in connection with any proceedings brought in connection with any administration of the Chargor);
- 9.11.2 secondly, any surplus then remaining shall be paid to the Chargor.
10. **Indemnity and Interest**
- 10.1 The Chargor indemnifies the Chargee, the Receiver and any administrator appointed by the Chargee pursuant hereto in respect of, and agrees to keep the Chargee, the Receiver and any such administrator appointed by the Chargee indemnified from and against, all liabilities and expenses properly incurred in the execution or purported execution of any of the powers, authorities or discretion vested in the Chargee, the Receiver or any administrator appointed by the Chargee pursuant hereto and against all actions, proceedings, costs, claims and demands in respect of any matter or

thing done or omitted by the Chargor in any way relating to the Collateral and the Chargee, the Receiver and any administrator appointed by the Chargee may retain and pay all sums in respect of the same out of any moneys received under the powers hereby conferred.

- 10.2 Any sums which are payable by the Chargor under this Charge and Deed of Assignment and which are paid by the Chargee or the Receiver or any administrator appointed by the Chargee, shall be repaid by the Chargor on demand, and the payment of any such sum by the Chargee or the Receiver or any administrator appointed by the Chargee shall not constitute the Chargee or the Receiver or any administrator appointed by the Chargee a mortgagee in possession of the Collateral in respect of which such payment is made.

11. **Warranties, Representations and Covenants**

- 11.1 The Chargor hereby covenants and undertakes with the Chargee that it will comply at all times with the terms (express or implied) of this Charge and Deed of Assignment and further covenants and undertakes that it shall so long as the Secured Liabilities have not been indefeasibly paid, satisfied or discharged (as applicable) to the Chargee and until the Chargee has no obligation, actual or contingent, to make further sums available under the Pre-Production Funding Agreement –

11.1.1 remain liable under the contracts and agreements (including, without limitation, all Relevant Agreements to which it is a party) charged or assigned or to be charged or assigned hereunder to perform all the obligations assumed by it thereunder and the Chargee shall not be under any obligations or liability under or in respect of any of such contracts and agreements (other than as expressly set out therein);

11.1.2 not require the Chargee to enforce any term of any of the said contracts and agreements against any party (it being acknowledged that in no circumstances shall the Chargee have any obligation so to enforce);

11.1.3 duly perform its obligations under the said agreements, notify the Chargee of any material default by itself and institute and maintain all such proceedings (subject to the terms hereof) as may be necessary or expedient to preserve or protect the interest of the Chargee and itself in the said agreements;

11.1.4 not exercise any right or power conferred on it by or available to it under the said agreements (including, without limitation, the right of termination) if to do so might adversely affect the position of the Chargee unless and until requested to do so by the Chargee. Thereupon it will exercise such right or power as the Chargee may direct;

11.1.5 not accept or make any claim that the said agreements have been frustrated or have ceased to be in full force if to do so might adversely affect the position of the Chargee;

11.1.6 not assign or otherwise dispose of any of its rights under the said agreements save as permitted pursuant hereto or with the prior written consent of the Chargee;

11.1.7 do all such things as are necessary to maintain its corporate existence in good standing (including without limitation the filing of all necessary returns); and

11.1.8 upon the request of the Chargee give written notice (in such form and to such persons as the Chargee may require) of the security hereby created.

- 11.2 The Chargor further covenants and undertakes with the Chargee that until the Secured Liabilities have been indefeasibly paid, satisfied or discharged (as applicable) to the Chargee –

11.2.1 it shall not exercise any right or power conferred on it by or available to it in relation to the copyright in the Film that might adversely affect the interests of the Chargee unless and until requested to do so by the Chargee. Thereupon it will exercise such right or power as the Chargee may direct; and

11.2.2 it shall not assign or otherwise dispose of any of its copyright in the Film without the Chargee's prior written consent.

- 11.3 The Chargor hereby repeats in favour of the Chargee the warranties, representations, undertakings and covenants set out in the Pre-Production Funding Agreement as if the same were set forth and incorporated herein.

12. **Nature of Security**

This Charge and Deed of Assignment shall be a continuing security to the Chargee notwithstanding any settlement of account or other act, omission, matter or thing whatsoever which but for this provision might operate to release or otherwise exonerate the Chargor from its obligations hereunder or affect such obligations or release or diminish the security conferred hereunder. Such security is in addition to, and shall not be merged into, or in any way prejudice any other security interest, charge document or right which the Chargee may now or at any time hereafter hold or have as regards the Chargor or any other person firm or corporation in respect of the Collateral and shall not in any way be prejudiced or affected thereby or by the invalidity thereof or by the Chargee now or hereafter dealing with, exchanging, releasing, modifying or abstaining from perfecting or enforcing any of the same or any rights which it now or hereafter has or by the Chargee giving time for payment or indulgence or compounding with any other person liable and this security shall remain in full force and effect as a continuing security. The rights granted to the Chargee hereunder are in addition to, and in no way limit or restrict, the rights granted to the Chargee in the Pre-Production Funding Agreement or any other agreement. The exercise by the Chargee of its rights under this Charge and Deed of Assignment shall in no way affect or be in substitution for such other legal or equitable rights and remedies as the Chargee may have against the Chargor or any third party.

13. **Grant of Time or Indulgence**

The security created by this Charge and Deed of Assignment shall not be affected or prejudiced in any way by the Chargee giving time or granting any indulgence or accepting any composition from or compounding with or making any other arrangement with the Chargor or any other person firm or company in respect of the Secured Liabilities or otherwise.

14. **Protection of Third Parties**

- 14.1 No purchaser from the Chargee and/or the Receiver or other person dealing with the Chargee and/or the Receiver shall be concerned to enquire whether any of the powers which the Chargee or the Receiver have exercised or purported to exercise have arisen or become exercisable or whether the Secured Liabilities remain outstanding or as to the propriety or validity of the exercise or purported exercise of any such power and the title of a purchaser and the position of such a person shall not be prejudiced by reference to any of those matters.

- 14.2 The receipt of the Chargee or the Receiver shall be an absolute and conclusive discharge to a purchaser and shall relieve such person of any obligation to see to the application of any sums paid to or by the direction of the Chargee or the Receiver.

15. **Waivers, Remedies Cumulative**

The powers which this Charge and Deed of Assignment confers on the Chargee are cumulative and without prejudice to its powers under general law and may be exercised as often as the Chargee deems appropriate. The rights of the Chargee and the Receiver (whether arising under this Charge and Deed of Assignment or under the general law) shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing; and in particular any failure to exercise or any delay in exercising on the part of the Chargee or the Receiver any of such rights shall not operate as a waiver or variation of that or any other such right; any defective or partial exercise of any such right shall not preclude any other or further exercise of that or any other such right; and no act or course of conduct or negotiation on the part of either the Chargee or the Receiver or on its or their behalf shall in any way preclude either the Chargee or the Receiver from exercising any such right or constitute a suspension or variation of any such right.

16. **Governing Law**

This Charge and Deed of Assignment and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of England and the parties hereto submit to the non-exclusive jurisdiction of the English courts.

17. **Further Assurance**

17.1 The Chargor agrees to execute all further documents reasonably required by the Chargee to give effect to or perfect the security hereby created.

17.2 Without limiting the generality of Clause 17.1 hereof in the event that any of the agreements relating to the Film are executed by the Chargor after the date of this Charge and Deed of Assignment, the Chargor will, at the request of the Chargee and the expense of the Chargor, execute supplementary charges and deeds of assignment in substantially the same form as this Charge and Deed of Assignment and execute all further documents reasonably required by the Chargee to give effect to such security.

18. **Notice of Default**

The Chargor shall give written notice to the Chargee at the address set out against such party at the beginning of this Charge and Deed of Assignment or as shall be notified from time to time to the Chargor hereafter of the occurrence of any Event of Default as soon as such occurrence becomes known to the Chargor.

19. **Power of Attorney**

19.1 The Chargor hereby irrevocably appoints the Chargee and, if any Receiver or an administrator has been appointed, each of the Chargee, the Receiver and any administrator appointed by the Chargee to be an attorney of it in its name and on its behalf to sign, execute, and deliver all deeds and documents and do all acts and things which the Chargee, the Receiver or an administrator appointed by the Chargee may reasonably require or reasonably deem appropriate for the purpose of exercising any of its powers solely pursuant to this Charge and Deed of Assignment or for the perfection, protection or realisation of any security hereby constituted. The Chargor hereby acknowledges that such appointment shall be irrevocable.

19.2 This appointment shall operate as a power of attorney for the purposes of Clause 19.1 only made under Section 10 of the Powers of Attorney Act 1971 such appointment constituting a power coupled with an interest under English law.

19.3 The Chargor hereby covenants with the Chargee that on request it will ratify and confirm all documents, acts and things and all transactions entered into by the Chargee, the Receiver or an administrator appointed by the Chargee or by the Chargor at the instance of the Chargee, the Receiver or an administrator appointed by the Chargee in the exercise or purported exercise of the aforesaid powers.

20. **Invalidity of any Provision**

If at any time any one or more of the provisions of this Charge and Deed of Assignment becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

21. **No Partnership**

Nothing herein shall constitute a partnership or a joint venture between the parties and no party is or shall hold itself out as the agent or partner of the other.

22. **Assignment**

The Chargee shall be entitled to assign, participate, transfer, charge, sub-charge or otherwise grant security over or deal in all or any of its right, title and interest in this Charge and Deed of Assignment.

23. **Notices**

23.1 **Manner of giving notices**

Any notice or other information required or authorised by this Charge and Deed of Assignment to be given by either party shall be given by:

23.1.1 delivering it by hand;

23.1.2 sending it by mail, postage prepaid; or

23.1.3 sending it by facsimile transmission,

to the other party at the addresses given in Clause 23.4 or 23.5.

23.2 Notices sent by hand or by post

Any notice or other information delivered by hand as provided by Clause 23.1.1 shall be deemed given on the date delivered (if delivered during the business hours of the recipient, or (if not) at the start of the next Business Day thereafter. Any notice or other information sent by post in the manner as provided by Clause 23.1.2 which is not returned to the sender as undelivered shall be deemed to have been given on the seventh day after the envelope containing it was so posted.

23.3 Notices sent by fax

Any notice or other information sent by facsimile transmission shall be deemed to have been duly given: (a) at the time of transmission if the facsimile is received during business hours at the place of receipt; or (b) at the start of the next Business Day if the facsimile is received outside business hours at the place of receipt provided in either case that a satisfactory transmission report is received when the facsimile is sent.

23.4 Notices to the Chargee

Any notice or other communication required to be given to the Chargee under this Charge and Deed of Assignment shall be sent to the Chargee to the person and at the address detailed at the top of this Charge and Deed of Assignment or such other address, facsimile number and/or for such other attention as may be notified by the Chargee or to such other address, facsimile number and/or for such other attention as may be notified by the Chargee to the Chargor in accordance with this Clause.

23.5 Notices to the Chargor

Any notice or other communication required to be given to the Chargor under this Charge and Deed of Assignment shall be sent to the Chargor to the person and at the address detailed at the top of this Charge and Deed of Assignment and a copy of such notice shall be sent to Wiggin LLP, Jessop House, Jessop Avenue, Cheltenham, Gloucestershire, GL50 3WG, facsimile number [REDACTED] marked for the attention of Charles Moore or (in either case) such other address, facsimile number and/or for such other attention as may be notified by the Chargor to the Chargee in accordance with this Clause.

23.6 Notice on a business day

Any notice or other communication received or deemed given on a day which is not a Business Day or after business hours in the place of receipt shall be deemed received and given on the next Business Day.

SCHEDULE 1

Definitions

Accounts means any accounts opened by the Chargor in connection with the Pre-Production Work and/or the Film;

Collateral means the Chargor's right, title and interest in and to the property charged pursuant to Clauses 4.1 and 4.2 hereof and the property assigned pursuant to Clause 5 hereof, which collateral relates solely to the Pre-Production Work and the Film;

Event of Default means any event specified in Schedule 2 of this Charge and Deed of Assignment;

Film means the feature film provisionally entitled "Annihilation";

Novel means the literary work written by Jeff Vandermeer on which the Screenplay is based;

Pre-Production Funding Agreement means the pre-production funding agreement dated on or about the date hereof (with effect from 21 July 2015) between the Chargor and the Chargee in relation to the Pre-Production Work;

Pre-Production Funding means the pre-production funding advanced to the Chargor by the Chargee in accordance with the Pre-Production Cashflow and the Pre-Production Budget (as each such term is defined in the Pre-Production Funding Agreement);

Pre-Production Work means all preparation and pre-production work rendered by the Chargor with respect to the Film in accordance with the Pre-Production Funding Agreement as more particularly set out therein;

Receiver means a receiver or administrative receiver (where such an administrative receiver may be appointed) of the Collateral;

Relevant Agreements means this Charge and Deed of Assignment, the Pre-Production Funding Agreement, and any other agreements to which the Chargor is a party in connection with the Pre-Production Work and/or the Film;

Rights means the following throughout the world for the full period of copyright and thereafter (so far as is possible) in perpetuity (a) all rights to distribute, lease, licence, sell or otherwise exploit or deal with the Pre-Production Work and/or the Film in all media (whether now known or hereafter invented or devised) (b) all rights to exhibit and broadcast the Film; (c) all such other rights in and to the Pre-Production Work and/or the Film or any material on which it is based or which is incorporated in the Film as are needed for the full exploitation of the rights described in (a), (b) and (c) above; and (d) all rights to distribute, lease, licence, sell or otherwise exploit or deal with any of the rights referred to above;

Screenplay means the screenplay for the Film written by Alex Garland based on the Novel;

Secured Liabilities means all or any obligations and liabilities of the Chargor of whatsoever nature whether arising pursuant to the Pre-Production Funding Agreement and/or otherwise in connection with the Pre-Production Work and/or the Film, including any money which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to the Chargee by the Chargor in relation to the Pre-Production Work and/or the Film; and

Underlying Rights means the necessary rights in all underlying material (including without limitation, the Screenplay, the Novel and all music for the Film) to enable the Film to be produced and exploited.

SCHEDULE 2

Events of Default

An Event of Default means any of the following:

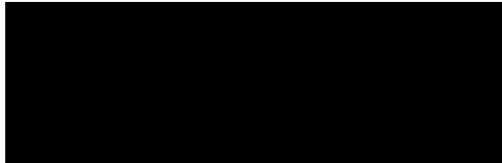
1. a default or breach by the Chargor under the Pre-Production Funding Agreement or this Charge and Deed of Assignment, provided that if such default or breach is caused by a "Relevant PPC Event" (defined below) then the Chargor shall not be liable in respect of any costs, charges, expenses or other financial liability arising in respect thereof or from the enforcement hereof and the Chargee hereby indemnifies the Chargor in respect of any claims, costs, expenses and liabilities incurred or suffered by the Chargor as a result of any of the Relevant PPC Events;
2. if any of the Relevant Agreements shall be terminated or become unenforceable, provided that in the event that any Relevant Agreement is terminated based on any of the following ("Relevant PPC Events"): (i) the Chargee's failure to timely fund in accordance with the Pre-Production Funding Agreement, which is not based on a breach thereof by the Chargor; (ii) the Chargee's election to abandon the Picture; or (iii) termination without cause, then without prejudice to any obligations of the Chargor upon termination pursuant to the Pre-Production Funding Agreement, the Chargor shall not be liable in respect of any costs, charges, expenses or other financial liability arising in respect thereof or from the enforcement hereof and the Chargee hereby indemnifies the Chargor in respect of any claims, costs, expenses and liabilities incurred or suffered by the Chargor as a result of any of the Relevant PPC Events;
3. any meeting of creditors of the Chargor being held or any arrangement or steps being taken by the Chargor with a view to proposing or implementing (under any enactment or otherwise) any kind of scheme of arrangement, compromise or composition with or for the benefit of its creditors (including any voluntary arrangement as defined in the Insolvency Act 1986);
4. a trustee, liquidator, provisional liquidator, supervisor, receiver, administrator (in bankruptcy or otherwise), administrative receiver or other encumbrancer taking possession of or being appointed over or any distress, execution or other process being levied or enforced (and not being discharged within seven (7) days) over the whole or any substantial part of the assets of the Chargor or the directors or officers of the Chargor requesting any person to appoint such a trustee, liquidator, supervisor, receiver, administrator, administrative receiver or other encumbrancer;
5. the Chargor ceasing or threatening to cease to carry on business or being or becoming unable to pay its debts within the meaning of section 123 Insolvency Act 1986 (on the basis that, in relation to sections 123(1)(e) and 123(2) Insolvency Act 1986 the words "if it is proved to the satisfaction of the court that" are omitted) or suspending or threatening to suspend making payments with respect to all or any class of its debts;
6. the Chargor obtaining a moratorium or other protection from its creditors;
7. a petition being presented, or steps being taken, or a meeting being convened for the purpose of considering a resolution for the making of an administration order, the winding-up, bankruptcy or dissolution of the Chargor;
8. an application being presented for the making of an administration order, or there is served on any person a notice of intention to appoint an administrator or any such appointment is made in relation to the Chargor, or a meeting being convened for the purpose of considering a resolution for the making of such an application or the service of such a notice;
9. a decision being taken for the Chargor to cease to trade or the Chargor ceases to trade;
10. the taking of a decision without the prior consent of the Chargee by the Chargor that the whole or a part of the undertaking or assets of the Chargor be sold, transferred or otherwise disposed of (whether or not for full consideration) otherwise than in accordance with the terms of the Relevant Agreements;
11. any mortgage, charge, lien, pledge, assignment, hypothecation or security interest or arrangement having similar effect in relation to the Collateral which may affect any assets of the Chargor becoming enforceable;
12. the Chargor is struck off the register of companies or otherwise ceases to exist.

PROVIDED THAT a bona fide solvent company reorganisation (which does adversely affect the status or nature of the security granted pursuant to this Charge and Deed of Assignment) shall not constitute an Event of Default.

EXECUTION PAGE TO PRE-PRODUCTION SECURITY IN FAVOUR OF PARAMOUNT PICTURES CORPORATION
("ANNIHILATION")

In Witness whereof this Charge and Deed of Assignment has been entered into the day and year first before written

EXECUTED and unconditionally delivered as a)
deed by)
LIGHTHOUSE PICTURES LIMITED)
acting by a director)



Director

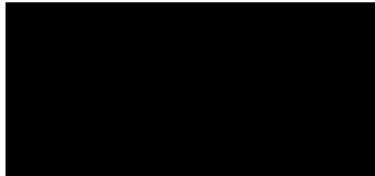
in the presence of:

Witness Name:

JOANNE SMITH

Witness Signature:

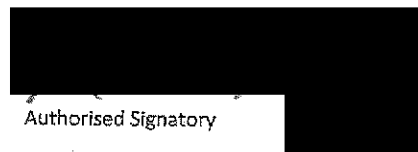
Witness Address:



Witness Occupation:

Business Manager

EXECUTED and unconditionally delivered as a)
deed by)
PARAMOUNT PICTURES CORPORATION)
acting by an authorised signatory)



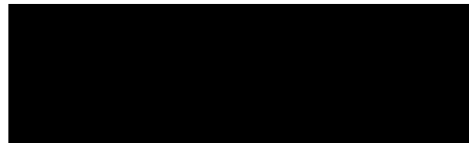
Authorised Signatory

Michael Grizzi
Senior Vice President
Legal

EXECUTION PAGE TO PRE-PRODUCTION SECURITY IN FAVOUR OF PARAMOUNT PICTURES CORPORATION
("ANNIHILATION")

In Witness whereof this Charge and Deed of Assignment has been entered into the day and year first before written

EXECUTED and unconditionally delivered as a)
deed by)
LIGHTHOUSE PICTURES LIMITED)
acting by a director)



Director

in the presence of:

Witness Name:

Joanne Smith

Witness Signature:



Witness Address:

Witness Occupation:

Business Manager.

EXECUTED and unconditionally delivered as a)
deed by)
PARAMOUNT PICTURES CORPORATION)
acting by an authorised signatory)

Authorised Signatory