



Registration of a Charge

Company name: **2.9 Film Holding Limited**

Company number: **10159788**



X5XG06S8

Received for Electronic Filing: **05/01/2017**

Details of Charge

Date of creation: **22/12/2016**

Charge code: **1015 9788 0001**

Persons entitled: **PROSIGHT SYNDICATE 1110 AT LLOYD'S OF LONDON**

Brief description: **NONE.**

Contains fixed charge(s).

Contains floating charge(s) .

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:

ALEXANDER HOOLEY



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10159788

Charge code: 1015 9788 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 22nd December 2016 and created by 2.9 Film Holding Limited was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th January 2017 .

Given at Companies House, Cardiff on 6th January 2017

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

DATED: 22 December 2016

(1) 2.9 FILM HOLDING LIMITED

(2) PROSIGHT SYNDICATE 1110AT LLOYD'S OF
LONDON

DEED OF ASSIGNMENT AND CHARGE

IN RESPECT OF THE FILM PROVISIONALLY TITLED
"THE UNTITLED PLAYMOBIL MOVIE"

ReedSmith

DEED OF ASSIGNMENT AND CHARGE dated 22 December 2016

BETWEEN:

- (1) **2.9 FILM HOLDING LIMITED**, a company incorporated under the laws of England and Wales (Company Number: 10159788) (the '**Chargor**') whose registered office is at Fieldfisher, Riverbank House, 2 Swan Lane, London EC4R 3TT (attention: Dimitri Rassam/Aton Soumache/Moritz Borman, email: d.rassam@oncorp.fr, a.soumache@oncorp.fr and mborman@onda-ent.com); and
- (2) **PROSIGHT SYNDICATE 1110 AT LLOYD'S OF LONDON**, a syndicate formed under the laws of the U.K. and Wales of Lloyd's Underwriting Centre, Level 7, 3 Minster Court, Mincing Lane, London EC3R 7DD, (attention: John Young; email: jyoung@prosightspecialty.com), with a copy to **PROSIGHT SPECIALTY INSURANCE**, 101 North Brand Boulevard, Suite 1200, Glendale, CA91203, USA (attention: Business and Legal Affairs, email: akiankhooy@prosightspecialty.com) (the "**Completion Guarantor**")

RECITALS

- (A) Pursuant to the terms of the 2.9 Film Holding PCA dated on about the date hereof, the Completion Guarantor has agreed to provide the Lender with the Completion Guaranty with respect to the Film.
- (B) In consideration of the Completion Guarantor issuing the Completion Guaranty for the Film, the Chargor has agreed to execute this Charge in favour of the Completion Guarantor as security to secure the repayment of the Secured Obligations.

OPERATIVE PROVISIONS

1 INTERPRETATION

1.1 DEFINED TERMS

In this Charge the following capitalised terms shall have the meanings set out below.

'**Act**' means the Law of Property Act 1925;

'**Administrator**' means any administrator appointed pursuant to Schedule 1 of the Insolvency Act;

'**Approved Screenplay**' means the final English language screenplay approved by the Lender and the Completion Guarantor, and any and all drafts and previous versions of it;

'**the Assigned Property**' means all of the Chargor's right, title and interest in and to the following throughout the world for the full period of copyright and thereafter for such additional time as may be possible and lawful in relation to the Film (and excluding the Excluded Collateral and the Excluded Reserved Rights Collateral but including the Owner's Reserved Rights Share):

- (a) all rights of every kind and nature in and to, and any versions of, the Literary Property including all underlying rights;
- (b) all rights including all copyrights, rights in copyrights, interests in copyrights and renewals and extensions of copyrights, domestic and foreign, common law and statutory, heretofore or hereafter obtained in the Film and the Literary Property or any part thereof, and the right (but not the obligation) to make publication thereof for copyright purposes, to register claims under

copyright, and the right (but not the obligation) to renew and extend such copyrights, and the right (but not the obligation), to sue in the name of Chargor and/or in the name of the Completion Guarantor for past, present and future infringements of copyright;

(c) the Rights;

(d) the title of the Film and all of the Chargor's rights to the exclusive use thereof 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;

(e) all inventions, processes, formulae, licences, patents, patent rights, trademarks, trademark 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 thereof, domestic and foreign, whether now owned or hereafter acquired, and the accompanying good will and other like business property rights relating to the Film, and the right (but not the obligation) to register claims under trademark or patent and to renew and extend such trademarks or patents and the right (but not the obligation) to sue in the name of the Chargor or in the name of the Completion Guarantor for past, present or future infringement of trademark or patent;

(f) the benefit of those of the Transaction Agreements to which the Chargor is a party and any other contracts or agreements at any time entered into or made by or assigned to the Chargor relating (whether directly or indirectly) to the Film, including all rights granted and all amounts payable thereunder and the benefit of all undertakings, covenants, representations and warranties made therein;

(g) all of the Chargor's right, title and interest in and to any and all sums paid or payable to the Chargor now due or which may hereafter become due to the Chargor by any state, federal, provincial or other governmental body or authority directly or indirectly as a tax credit, tax refund, tax subsidy, production credit or similar government benefit, or by any tax shelter, any co-production structure or any similar transaction and any and all allied, ancillary and subsidiary rights therein;

(h) all right to receive payment under, or in connection with, all contracts and policies of insurance or indemnity relating to any of the Collateral taken out by or on behalf of the Chargor or (to the extent of its interest) in which the Chargor has an interest, all claims of whatsoever nature relating thereto and all returns of premiums in respect of such contracts or policies;

(i) all other accounts receivable, contract rights, general intangibles, intellectual property, investment property, letter of credit rights and supporting obligations, which are related to or used in connection with the Film;

(j) (to the extent not included in the Fixed Charge Property) all rights in and to any accounts relating to the Film;

(k) all distribution rights relating to the Film, including all rights to distribute, license, sell, exhibit, broadcast, transmit, reproduce, market, lease, sub-lease or otherwise deal with such rights in perpetuity by all methods and means and in all media whether now known or in the future conceived, devised or created and all collateral, allied, ancillary and subsidiary rights of any kind and nature derived from or related to the Film and/or the Literary Property or any part thereof including the title of the Film, the characters appearing in the Film and the names and/or characteristics of such characters; and

(l) the products and proceeds of any or all of the foregoing;

'the Collateral' means the Assigned Property, the Fixed Charge Property and the Floating Charge Property;

'the Completion Guaranty' means the guaranty dated on or before the date hereof between the Completion Guarantor and the Lender;

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

'Event of Default' means any event of default under the Transaction Agreements and any event of default under the UK Loan Agreement;

'Excluded Collateral' means the right to produce subsequent audio-visual productions of the Film for exploitation in any medium including remakes, sequels and prequels;

"Excluded Reserved Rights Collateral" means all allied, ancillary and subsidiary rights in and to the Film, including all theme park, video game, stage, soundtrack album, music publishing, Film-related merchandising and licensing (as such terms are commonly understood in the motion picture industry), and print publication;

'the Film' means the film provisionally entitled "The Untitled Playmobil Movie" including its soundtrack and all revisions thereof;

'the Fixed Charge Property' means all the Chargor's right, title and interest (whether now owned or hereafter acquired) in and to the following throughout the world in relation to the Film (excluding both the Excluded Collateral and the Excluded Reserved Rights Collateral but including the Owner's Reserved Rights Share):

(a) all physical properties of every kind or nature of or relating to the Film and all versions thereof, including all physical properties relating to the development, production, completion, delivery, exhibition, distribution or other exploitation of the Film, and all versions thereof or any part thereof,

(b) all physical elements of the Film, including all digital masters and packages (including the DCDM and/or the DCP of the Film), negatives, duplicate negatives, fine grain prints, soundtracks, positive prints (cut-outs and trims excepted), and all sound properties, video formats (including PAL/NTSC), and other physical properties in connection with the Film and the trailer of the Film, exposed film, developed film, positives, negatives, prints, answer prints, special effects, preprint materials (including interpositives, negatives, duplicate negatives, internegatives, colour reversals, intermediates, lavenders, fine grain master prints and matrices and all other forms of preprint elements which may be necessary or useful to produce prints or other copies or additional pre-print elements, whether now known or hereafter devised), soundtracks, recordings, audio and video tapes and discs of all types and gauges, cut-outs, trims, non-analogue recordings and tapes, including any video digital recordings and HDTV format recordings, and any and all other physical properties of every kind and nature relating to the Film in whatever state of completion, and all duplicates, drafts, versions, variations and copies of each of the aforesaid;

(c) all machinery, electrical and electronic components, equipment, fixtures, furniture, office machinery, vehicles, trailers, implements and other tangible personal property of every kind and description used or useful in connection with 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 goods of like kind or type hereafter acquired by Chargor in substitution or replacement thereof, and all additions and accessions thereto, wherever any of the foregoing is located;

(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 thereof and the equipment containing such books and records;

(e) any account in the name of the Chargor into which the Completion Guarantor pays funds in respect of the Film, and any other account of the Chargor or in which the Chargor has any rights relating to the Film, including the Production Accounts and all sums from time to time standing to the credit of such accounts to the Chargor and all certificates and instruments, if any, from time to time representing or evidencing such accounts and any rights as a creditor of the bank holding such an account;

(f) all collateral, allied, ancillary and subsidiary rights in the Film and all other rights, properties (including physical properties whether related to the development, production, completion, delivery, distribution or other exploitation of the Film);

(g) all other properties and things of value which are pertaining to, related to or used in connection with the Film to the extent the same do not form part of the Assigned Property; and

(h) the proceeds and products of any and/or all of the foregoing;

‘the Floating Charge Property’ means (excluding the Excluded Collateral)

(a) the business, undertaking, property, assets, revenues, rights and uncalled capital, present and future of the Chargor (but excluding the Fixed Charge Property and the Assigned Property);

(b) the Fixed Charge Property to the extent (if at all) that the fixed charge over the Fixed Charge Property or any part thereof is for any reason ineffective as a fixed charge; and

(c) the Assigned Property to the extent (if at all) that the assignment of such Assigned Property or part thereof is for any reason ineffective as an assignment;

‘Further Documents’ means agreements, documents or instruments in such form and substance as shall be approved or designated by the Completion Guarantor which the Completion Guarantor may from time to time in its discretion reasonably require or deem necessary or proper to evidence, establish, protect, enforce or secure any of the arrangements or transactions made or envisaged by the 2.9 Film Holding PCA;

‘Insolvency Act’ means the Insolvency Act 1986 and the rules made thereunder as from time to time amended and in respect of any jurisdiction outside England and Wales includes any local laws regulating the rights of creditors, insolvency officers or the distribution of assets of the Chargor on an insolvency;

"Owner's Reserved Rights Share" shall have the meaning set out in the recoupment schedule appended to the Interparty Agreement;

'the Interparty Agreement' means the interparty agreement relating to the Film dated on or before the date hereof between inter alia the Chargor, the Lender, the Completion Guarantor and Little Dragon;

'the Lender' means Natixis Coficine and National Bank of Canada;

'the Literary Property' means the Approved Screenplay and any other literary, dramatic or musical material of any kind or nature upon which the Film is (in whole or in part) based or from which it is or may be adapted or inspired or which may from time to time be used or included in the Film;

'Little Dragon' means Little Dragon Productions Limited;

'the Little Dragon PCA' means the producer's completion agreement dated on or before the date hereof between among other related parties, Little Dragon and the Completion Guarantor;

'the 2.9 Film Holding PCA' means the producer's completion agreement dated on or before the date hereof between the Chargor and the Completion Guarantor;

'the PCAs' means both the Little Dragon PCA and the 2.9 Film Holding PCA;

'Production Accounts' means the production accounts in the name of Little Dragon and any other Relevant Party relating to the Film at Barclays Bank, Soho Square and NBC respectively;

'Prohibited Security Interest' means any Encumbrance other than the Security Interests and any security interests referred to in or permitted pursuant to the Interparty Agreement and the Transaction Agreements to which the Completion Guarantor is a party;

'Receiver' means any one or more individuals acting as a receiver or manager of any of the Collateral appointed under powers contained in this Charge or the Act and, where the context permits and the law allows, such expression shall include any Administrator appointed by the Completion Guarantor;

'Relevant Parties' means the Chargor, Little Dragon and the other parties (excluding the Completion Guarantor) to the PCAs;

'Rights' means the following rights for the full period of copyright and thereafter (so far as is possible) in perpetuity:

(a) all rights to distribute, lease, license, sell or otherwise exploit or deal with the Film in any and all media (whether now known or hereafter invented or devised), including, without limitation, the rights in the Film;

(b) all rights to exhibit and broadcast the Film;

(c) all the allied and ancillary rights (whether now known or hereafter invented) throughout the world vested or hereafter vesting in the Chargor in respect of the Film and/or the Literary Property and/or any and all versions thereof including sequel, prequel, remake and spin-off rights, soundtrack album rights, music publishing rights, merchandising rights, sponsorship rights, commercial tie in rights, product placement rights and the right to publish the screenplay of the Film or any story based

on the whole or any part of the Film or its screenplay (as all such terms are customarily understood in the motion picture and television industry of England);

(d) all rights of every kind and nature in and to any and all music and musical compositions any lyrics created for, or from time to time used or contained in, the Film, including all rights to exploit the same, and to perform, copy, record, rerecord, produce, publish, reproduce or synchronise all of such music or musical compositions and all record, soundtrack recording and music publishing rights; and

(e) all rights to distribute, lease, license, sell or otherwise exploit or deal with any of the rights referred to above;

‘Secured Obligations’ means all present and future monies, obligations and liabilities, whether actual or contingent, whether due, owing or incurred by the Chargor and the Relevant Parties to the Completion Guarantor under the PCAs to the Completion Guarantor and whether such monies, obligations or liabilities are express or implied, present or future, actual or contingent, joint or several, incurred as principal or surety or in some other capacity and whether unascertained collateral or unmatured and whether originally owing to the Completion Guarantor or purchased or otherwise acquired by it, and whether denominated in sterling, or in any other currency, or incurred on any account or in any manner whatsoever to the extent all or any of the foregoing are due or owing during the Security Period;

‘the Security Agreements’ means this Charge and the agreements listed in the appendix hereto all dated on or about the date hereof;

‘Security Interests’ means the Encumbrances created by the Security Agreements;

‘Security Period’ means the period from the date hereof until such time as all of the Secured Obligations have been unconditionally and irrevocably repaid and performed in full and there are no further payments or obligations owing or outstanding to the Completion Guarantor, and the Completion Guarantor has no obligation to make any further advances, pursuant to the Completion Guaranty and such period includes any period during which any administrator, liquidator or trustee in bankruptcy of the Chargor may claim any payment made to the Completion Guarantor in discharge or reduction of the Secured Obligations was a preference, transaction at an under value or otherwise liable to be repaid by the Completion Guarantor pursuant to any power in that regard given to it under the Insolvency Act;

‘the Transaction Agreements’ means the PCAs and the Security Agreements and all agreements entered into now or in the future by the Chargor or to which the Chargor is a party, or to which the Chargor has the benefit of, relating to the development, production, completion, delivery and exploitation of the Film;

‘the UK Loan Agreement’ means any loan agreement entered into by the Lender and Little Dragon in relation to the Film as amended or novated from time to time.

1.2 REFERENCES

Each reference in this Charge to

- (a) **'copyright', 'film', '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;
- (b) any statute, statutory provision, delegated legislation, code or guideline is a reference to the same as it may from time to time be amended, modified, extended, varied, superseded, replaced, substituted or consolidated;
- (c) **'writing'**, and any cognate expression, includes a reference to any communication effected by facsimile transmission or similar means;
- (d) **'this Charge'** is a reference to this Deed of Assignment and Charge as amended, modified, supplemented or restated (where and as permitted by this Charge) at the relevant time;
- (e) any other agreement, deed, instrument or document is to the same as amended, modified, supplemented or restated from time to time;
- (f) **'including'** means including without limitation;
- (g) a Clause is a reference to a provision of this Charge (other than a Schedule).
- (h) **'the Completion Guarantor'** includes a reference to its successors in title and permitted assignees;
- (i) a person includes a reference to any body corporate, unincorporated association, partnership or other legal entity;
- (j) the singular includes the plural and vice versa; and
- (k) words importing any gender include any other gender.

1.3 CLAUSE HEADINGS

The headings in this Charge are for convenience only and shall not affect its interpretation.

2 COVENANT TO REPAY

- 2.1 The Chargor covenants as principal obligor and not merely as surety with the Completion Guarantor to pay or discharge to the Completion Guarantor the Secured Obligations on demand, in the currency and as and when due in accordance with the terms of the PCAs and to duly and punctually perform and discharge all its obligations and liabilities under the Transaction Agreements to which it is a party.
- 2.2 The Chargor acknowledges that entering into the Transaction Agreements will be of commercial benefit to the Chargor as it will enable the Film to be fully financed and produced. Accordingly, if the Secured Obligations (or any part of them) are at any time void or unenforceable against any Relevant Party for any reason, the Secured Obligations (or any part of them) shall nevertheless be recoverable by the Completion Guarantor from the Chargor under this Charge and this Charge shall nevertheless secure the same amount as that which it

would have secured had the Secured Obligations (or any part of them) not been void or unenforceable as if the Chargor were a principal debtor.

- 2.3** The Chargor agrees to pay interest to the Completion Guarantor for the account of the Completion Guarantor on all sums demanded under this Charge from the date of demand until actual payment (as well after as before any judgment) at the rate and calculated as specified in the PCAs.
- 2.4** All sums due and payable by the Chargor under this Charge shall be made in full without set-off or counter-claim and free and clear of and (subject as provided in the next sentence) without deduction for or on account of any future or present taxes. If:
- (a)** the Chargor is required by any law to make any deduction or withholding from any sum payable by the Chargor to the Completion Guarantor under this Charge; or
 - (b)** the Completion Guarantor is required by law to make any payment, on account of tax (other than tax on its overall net income) or otherwise, on or in relation to any amount received or receivable by the Completion Guarantor under this Charge, then the sum payable by the Chargor in respect of which such deduction, withholding or payment is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction, withholding or payment (and after taking account of any deduction, withholding or payment which is required to be made as a result of the increase), the Completion Guarantor receives and retains a net sum equal to the sum which it would have received and so retained had no such deduction, withholding or payment been made.
- 2.5** The Chargor unconditionally and irrevocably agrees at all times as a continuing security to keep the Completion Guarantor indemnified against all demands, claims, liabilities, damages, losses, proceedings and expenses incurred or suffered by the Completion Guarantor directly or indirectly by reason of or in connection with any failure by any Relevant Party to pay any sums owing to the Completion Guarantor pursuant to the PCAs, including where such failure arises from any invalidity or unenforceability of any of the Transaction Agreements, or any legal limitation, inability to pay or other incapacity of any Relevant Party or affecting any of the Transaction Agreements.
- 2.6** In consideration of the Completion Guarantor agreeing to issue the Completion Guaranty, the Chargor:
- (a)** guarantees to the Completion Guarantor punctual performance by the Relevant Parties of all the Secured Obligations;
 - (b)** agrees, as an additional and independent obligation, that if any of the Secured Obligations are not, for any reason, recoverable from the Chargor under any guarantee contained in this clause, the Chargor will be liable to the Completion Guarantor as principal debtor or by way of indemnity for the same amount as it would have been liable for had those Secured Obligations been recoverable under that guarantee and further agrees to discharge that liability immediately on demand from time to time; and
- 2.7** agrees to indemnify the Completion Guarantor immediately on demand against any cost, loss or liability incurred by the Completion Guarantor if any obligation guaranteed by it under this Charge is or becomes unenforceable, illegal or invalid and the amount of the cost, loss or liability will be equal to the amount which the Completion Guarantor would otherwise have been entitled to recover.

- 2.8** This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by the Chargor and/or any other Relevant Party to the Completion Guarantor, regardless of any intermediate payment or discharge in whole or in part.
- 2.9** The liability of the Chargor to the Completion Guarantor shall not, unless otherwise agreed in writing by the Completion Guarantor, be discharged by:
- (i) any agreement, arrangement or understanding between any of the Relevant Parties; or
 - (ii) any alteration in the obligations undertaken by any of the Relevant Parties (however material or fundamental); or
 - (iii) reason of any invalidity or any unenforceability of any of the Transaction Agreements or any legal limitation or incapacity of any of the Relevant Parties;
 - (iv) any forbearance by the Completion Guarantor whether as to payment, time, performance or otherwise; or
 - (v) anything else affecting the relationship between the Chargor and the Completion Guarantor or the status or constitution of the amalgamation or consolidation with a third party of either the Chargor or the Completion Guarantor.

3 ASSIGNMENT AND TRUST

3.1 The Chargor with full title guarantee and as a continuing security for the full and timely payment, performance and discharge of the Secured Obligations assigns the Assigned Property absolutely to the Completion Guarantor (and in so far as necessary by way of present assignment of future copyright pursuant to Section 91 of the Copyright Designs and Patents Act 1988) in the order of priority as set out in the Interparty Agreement.

3.2 The Chargor shall hold on trust in the order of priority as set out in the Interparty Agreement for the Completion Guarantor (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 or benefits to which the Chargor is beneficially entitled in respect of such Collateral.

4 FIXED CHARGE

The Chargor with full title guarantee charges the Fixed Charge Property to the Completion Guarantor by way of fixed charge in the order of priority as set out in the Interparty Agreement as a continuing security for the payment, performance and discharge of the Secured Obligations.

5 FLOATING CHARGE

5.1 CHARGE

The Chargor with full title guarantee charges the Floating Charge Property to the Completion Guarantor by way of floating charge in the order of priority as set out in the Interparty Agreement as a continuing security for the payment, performance and discharge of the Secured Obligations.

5.2 CONVERSION TO A FIXED CHARGE

The Completion Guarantor may, to the extent permitted by law, at any time by notice in writing to the Chargor, convert the floating charge into a fixed charge as regards any of the Floating Charge Property upon the happening of any Event of Default and the Chargor shall promptly execute a fixed charge or a legal assignment over such assets in such form as the Completion Guarantor shall require and in any event, the floating charge shall automatically be converted into a fixed charge as regards the Floating Charge Property without notice from the Completion Guarantor to the Chargor upon the happening of any Event of Default.

5.3 AUTOMATIC CONVERSION

If, without prior written consent of the Completion Guarantor:

- (a)** the Chargor creates, agrees to create or permits to subsist any Prohibited Security Interest on, over, or with respect to, the Floating Charge Property or any part of it, or attempts to do so; or
- (b)** any person levies, or attempts to levy, any distress, attachment, execution or other legal process against the Floating Charge Property or any part of it,

the floating charge over such Floating Charge Property or part thereof that is the subject of such Prohibited Security Interest or process shall be deemed to have been automatically converted into a fixed charge the instant before such event occurs.

5.4 PART 14 OF SCHEDULE B1 OF THE INSOLVENCY ACT

Paragraph 14 of Schedule B1 of the Insolvency Act shall apply to the floating charge created by this Charge.

6 NEGATIVE PLEDGE

The Chargor undertakes that it shall not, without the prior written consent of the Completion Guarantor, create, agree to create or allow to subsist any Prohibited Security Interest on or over the Collateral or any part of it.

7 LICENCE

The Completion Guarantor grants the Chargor a revocable licence to continue with the distribution and exploitation of the Film on the terms set out in the Transaction Agreements. The Completion Guarantor may terminate such licence on the happening of an Event of Default.

8 DEFAULT

8.1 EVENT OF DEFAULT

On the happening of any Event of Default which, in the case of an Event of Default capable of remedy, is a default that remains unremedied on the expiry of written notice requiring remedy within the Cure Period in accordance with the provisions of the PCAs or at any time thereafter the security created by this Charge shall become enforceable, and, upon notice to that effect, the Secured Obligations shall immediately become due and payable, and thereafter (or at any time if the Chargor requests the same and the Completion Guarantor in its absolute discretion agrees) the Completion Guarantor may, in respect of the Collateral or any part of it:

- (a) sell, call in, convert into money or otherwise, take possession of, hold, dispose of or deal with any part of the Collateral in such manner and upon such terms as it shall think fit;
- (b) appoint one or more persons to be a Receiver of some or all of the Collateral;
- (c) appoint an Administrator of the Chargor;
- (d) exercise the power of sale and other powers conferred by section 101 of the Act without the restrictions imposed by section 103 of the Act; and
- (e) exercise all or any of the powers conferred upon the Completion Guarantor by this Charge or otherwise conferred by statute or common law on mortgagees.

8.2 RIGHTS ON ENFORCEMENT

Upon this Charge becoming enforceable the Completion Guarantor may exercise any discretions, options, remedies and other rights of whatever nature assigned or charged to it pursuant to this Charge as if it were the sole and absolute beneficial owner of the same and, to the extent that the Completion Guarantor considers it necessary to issue legal proceedings to enforce any such discretion, option, remedy or other right against the relevant counterparty, the Chargor irrevocably consents to the use of its name in any legal proceeding and agrees to be joined as a party to the same if reasonably required by the Completion Guarantor.

9 APPOINTMENT OF RECEIVER

9.1 APPOINTMENT AND REMOVAL

- (a) Upon this security becoming enforceable, or at any time if so requested by the Chargor, the Completion Guarantor may, subject to statutory restrictions, appoint any person or persons as a Receiver. Joint Receivers may act jointly or severally.
- (b) The Completion Guarantor may remove any Receiver appointed under this Charge and appoint any person or persons as Receiver either in the place of a Receiver so removed or who has otherwise ceased to act or to act jointly with a Receiver previously appointed under this Charge.
- (c) Every such appointment or removal and every delegation, appointment or removal by the Completion Guarantor in the exercise of any right to delegate its powers or to remove delegates herein contained may be made either by deed or by instrument in writing under the hand of any duly authorised officer of the Completion Guarantor or any person so authorised in writing in that behalf by any such officer.

9.2 AGENCY

The Receiver shall, at all times and for all purposes, be deemed to be the agent of the Chargor and the Chargor (to the exclusion of the Completion Guarantor) shall be solely responsible for his acts or defaults and for his remuneration.

9.3 REMUNERATION

The Receiver shall be entitled to remuneration for his services and the services of his firm appropriate to the work and responsibility involved upon the basis of charging from time to time adopted by the Receiver or his firm and without being limited by the maximum rate specified in Section 109(6) of the Act. From time to time, the Completion Guarantor may fix the remuneration of the Receiver and direct that such remuneration be paid from monies accruing to the Receiver in the exercise of his powers as receiver, but the Chargor alone shall be liable for the payment of such remuneration.

9.4 POWERS

The Receiver shall, until his removal, and notwithstanding any administration or liquidation of the Chargor have the powers set out in Section 109 of the Act and in Schedule 1 to the Insolvency Act and, in addition, shall have power either in his own name or in the name of the Chargor:

- (a)** 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 solely in relation to the Collateral as he or the Completion Guarantor shall think fit;
- (b)** 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;
- (c)** to assign, sell, lease, license (including, but not in limitation, by appointing a replacement distributor to distribute and exploit the Film and the Rights in place of the Chargor or any other person), 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 or licences of any of the Collateral in such manner and generally on such terms and conditions as the Completion Guarantor or the Receiver shall think fit and to carry any such transactions into effect in the name of and on behalf of the Chargor or otherwise;
- (d)** to take any steps that may be necessary or desirable to effect compliance with all or any of the agreements or contracts charged or assigned to the Completion Guarantor by this Charge;
- (e)** 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;
- (f)** 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;
- (g)** to give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising the Collateral;
- (h)** 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;

(i) 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 Completion Guarantor;

(j) 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 Completion Guarantor for maintaining the value of the Collateral in every such case as the Completion Guarantor or he shall think fit;

(k) 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;

(l) to manage, develop, reconstruct, improve, amalgamate or diversify or concur in managing, developing, reconstructing, improving, amalgamating or diversifying the business in relation to the Film of the Chargor;

(m) to exercise in relation to the Collateral or any part of it an election in accordance with paragraph 2 of Schedule 10 to the Value Added Tax Act 1994 and/or to revoke any such election;

(n) 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

(o) to exercise all such other power and authority in relation to the Collateral as the Completion Guarantor shall think fit and so that the Completion Guarantor and/or the Receiver may in relation to all or any part of the Collateral exercise and confer any powers and authorities which the Completion Guarantor or the Receiver could exercise and confer if it were the absolute beneficial owner thereof and to use the name of the Chargor for any such purposes.

9.5 TAKEOVER

In addition, but without prejudice, to the foregoing remedies if the security created by this Charge becomes enforceable the Completion Guarantor shall (without prejudice to the statutory power of sale conferred by the Act), and subject to the terms of the completion guarantee, be entitled to take over and complete the production of the Film on notice to the Chargor, and 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 Completion Guarantor in its absolute discretion may think fit, without any formalities, all of which are hereby waived by the Chargor, other than the formality of first notifying the Chargor of its intention to exercise such rights. The Completion Guarantor shall be entitled to repayment of all costs and charges in connection therewith including all costs fees and charges it may incur as a consequence of the enforcement hereof.

9.6 COMPLETION GUARANTOR'S POWERS

All the powers, authorities and discretions which are conferred by this Charge either expressly or impliedly upon the Receiver may be exercised by the Completion Guarantor in relation to the Collateral or any part of it without first appointing a Receiver or notwithstanding the appointment of a Receiver.

9.7 POWERS TO BE ADDITIONAL

The powers conferred by this Charge in relation to the Collateral on the Completion Guarantor or on the Receiver shall be in addition to, and not in substitution for, the powers conferred on mortgagees or receivers under the Act and the Insolvency Act or otherwise available at law.

9.8 DELEGATION OF POWERS

(a) The Completion Guarantor and any Receiver may, at any time and from time to time, delegate by power of attorney or in any other manner (including, under the hand of any duly authorised officer of the Completion Guarantor) to any person all or any of the powers, authorities and discretions which are, for the time being, exercisable by the Completion Guarantor or any Receiver under this Charge, the Act or the Insolvency Act in relation to the Collateral or any part of it, and any such delegation may be made upon such terms and conditions (including power to sub-delegate) and subject to such regulations as the Completion Guarantor or the Receiver (as the case may be) may think fit.

(b) Except for negligence in its selection of any such delegate, the Completion Guarantor and the Receiver shall not be in any way liable or responsible to the Chargor for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate (or sub-delegate).

9.9 CONFLICT

If there is any ambiguity or conflict between the powers conferred on the Receiver by the Act, Schedule 1 of the Insolvency Act and the powers conferred by this Clause 9, the powers conferred by this Clause 9 shall prevail.

10 APPROPRIATION

10.1 APPROPRIATION

Upon the happening of any Event of Default or at any time thereafter (if the Event of Default, if capable of remedy, remains uncured in accordance with the provisions of the UK Loan Agreement and the Transaction Agreements) all money received by the Completion Guarantor or the Receiver shall be applied in the following order:

(a) in payment of the remuneration of the Receiver and the costs of realisation including all costs and expenses of, or incidental to, any exercise of any power conferred by this Charge;

(b) in, or towards, the payment and performance of any debts or other liabilities which are by statute made payable in preference to the Secured Obligations to the extent to which such debts or liabilities are made so payable; and

(c) (when so required) in or towards satisfaction of the Secured Obligations in such order as the Completion Guarantor or the Receiver shall, in his absolute discretion, determine

and the surplus (if any) shall be applied in accordance with the UK Loan Agreement and the Transaction Agreements.

10.2 VARIATION OF STATUTES

The provisions of Clause 10.1 shall take effect as and by way of variation and extension of the provisions of Sections 99 to 109 inclusive of the Act, which provisions so varied and extended shall be regarded as incorporated herein.

10.3 SUSPENSE ACCOUNT

The Completion Guarantor may, in its absolute discretion at all times pending the payment to the Completion Guarantor of the whole of the Secured Obligations, place and keep to the credit of a separate or suspense account any money received by the Completion Guarantor by virtue of this Charge for so long and in such manner as the Completion Guarantor may determine without any obligation to apply the same or any part thereof in or towards the discharge of the Secured Obligations.

11 COMPLETION GUARANTOR IN POSSESSION

11.1 RECEIPTS

The Completion Guarantor shall not, in any circumstances either by reason of any entry by it into, or taking by it of possession of, the Collateral or any part of it or for any other reason whatsoever and whether as mortgagee in possession or on any other basis whatsoever:

- (a)** be liable to account to the Chargor for anything except the Completion Guarantor's own actual receipts;
- (b)** be liable to the Chargor for any loss or damage arising from:
 - (i)** any realisation by the Completion Guarantor of the Collateral or any part of it; or
 - (ii)** any act, default or omission of the Completion Guarantor in relation to the Collateral or any part of it; or
 - (iii)** any exercise or non-exercise by the Completion Guarantor of any power, authority or discretion conferred upon it in relation to the Collateral or any part of it by, or pursuant to, this Charge, the Act or by the Insolvency Act,

except to the extent that such loss or damage is caused by the Completion Guarantor's own gross negligence or wilful default.

11.2 RECEIVERS AND DELEGATES

The provisions of Clause 11.1 shall apply in respect of the liability of the Receiver and in respect of the liability of any such delegate (or sub-delegate) as aforesaid in all respects as though every reference in Clause 11.1 to the Completion Guarantor were instead a reference to the Receiver or, as the case may be, to such delegate (or sub-delegate).

12 COMPLETION GUARANTOR'S DISCRETION

12.1 COMPLETION GUARANTOR MAY CURE BREACHES OF COVENANTS

In the event of the failure of the Chargor to observe or perform the provisions of this Charge the Completion Guarantor may do all such acts and things as may be necessary to secure the observance or performance thereof and nothing done by the Completion Guarantor in the exercise of this power shall as between the Completion Guarantor and the Chargor make the Completion Guarantor liable as a mortgagee in possession.

12.2 EXPENSES SO INCURRED

All monies expended and all costs incurred by the Completion Guarantor in carrying out any of its discretions or powers referred to in Clause 12.1 shall be considered to have been properly incurred by

the Completion Guarantor, shall constitute expenses and shall be recoverable from the Chargor upon demand and shall accordingly be part of the Secured Obligations.

13 NEW ACCOUNT

If the Completion Guarantor receives notice (either actual or constructive) of any Prohibited Security Interest or other interest affecting the Collateral or any part of it, the Completion Guarantor may open a new account or accounts with the Chargor. If the Completion Guarantor does not open a new account it shall nevertheless be treated as if it had done so at the time when it received notice or was deemed to have received such notice and, as from that time, all payments made by or on behalf of the Chargor to the Completion Guarantor shall be credited or be treated as having been credited to the new account and shall not operate to reduce the amount due from the Chargor to the Completion Guarantor at the time when it received notice or was deemed to have received such notice.

14 CONSOLIDATION AND SET OFF

14.1 COMBINING OF ACCOUNTS

The Completion Guarantor shall have, in addition to any general lien or similar right (if any) to which it may be entitled by law, the right at any time or times and without notice to the Chargor (as well before as after any demand under this Charge) to combine or consolidate all or any of the then existing accounts (including accounts in the name of the Completion Guarantor) with any liabilities to the Completion Guarantor of the Chargor.

14.2 SET-OFF

The Completion Guarantor may set-off any liability or obligation (whether matured or not) owed by any Relevant Party or the Chargor under any of the PCAs against any liability or obligation (whether or not matured) owed by the Completion Guarantor to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the respective obligations are in different currencies, the Completion Guarantor may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. If either obligation is unliquidated or unascertained, the Completion Guarantor may set-off in an amount estimated by it in good faith to be the amount of that obligation.

15 LAW OF PROPERTY ACT 1925

The restriction on consolidation of mortgages contained in Section 93 of the Act shall not apply to this security. The powers conferred by Section 101 of the Act, as varied and extended by this Charge, shall be deemed to have arisen immediately on the execution of this Charge.

16 LAW OF PROPERTY (MISCELLANEOUS PROVISIONS) ACT 1989

The terms of the other Transaction Agreements are incorporated into each Transaction Agreement to the extent required for any purported disposition of any property contained in any Transaction Agreement to be a valid disposition within section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

17 PROTECTION FOR PURCHASERS

(a) No person dealing with the Completion Guarantor or with the Receiver or with any such delegate or sub-delegate as aforesaid shall be concerned to enquire whether any event has happened upon which any of the powers, authorities and discretions conferred by this Charge in relation to the

Collateral or any part of it is or may be exercisable by the Completion Guarantor, the Receiver, delegate (or sub-delegate) or otherwise as to the propriety or regularity of acts purporting or intended to be in exercise of any such powers, and all the protection to purchasers contained in Sections 104 and 107 of the Act and Sections 42 of the Insolvency Act shall apply to any person purchasing from, or dealing with, the Completion Guarantor or the Receiver, delegate or sub-delegate in like manner as if the statutory powers of sale and of appointing a Receiver in relation to the Collateral or any part of it had not been varied or extended by this Charge.

(b) In favour of a purchaser the Secured Obligations shall be deemed to have become due on the date a demand for the same is made by the Completion Guarantor and all powers exercisable by the Completion Guarantor under this Charge shall be exercisable from that time.

18 FURTHER ASSURANCE AND POWER OF ATTORNEY

18.1 FURTHER ASSURANCE

The Chargor shall, at any time if and when required by the Completion Guarantor:

(a) execute in favour of the Completion Guarantor (or as the Completion Guarantor shall direct) such further legal or other assignments, mortgages, securities or charges as the Completion Guarantor may reasonably require of, and on, the Collateral or any part of it in order to secure the payment and discharge of the Secured Obligations insofar as the Chargor is lawfully entitled so to do and subject to any third party consents which are required being obtained (which the Chargor covenants to use its reasonable endeavours to obtain), such assignments, mortgages, securities or charges shall be prepared by, or on behalf of, the Completion Guarantor at the cost of the Chargor and shall contain all such provisions as the Completion Guarantor may reasonably require; and

(b) at its own expense furnish the Completion Guarantor with, and shall execute acknowledge and deliver and cause to be executed acknowledged and delivered to the Completion Guarantor whether under hand, under seal or as a deed (as required by the Completion Guarantor), any Further Documents.

18.2 ATTORNEY

For the purpose of securing the interest of the Completion Guarantor in the Collateral or any part of it and for facilitating the perfection or realisation of the security constituted by this Charge, and/or for the purpose of executing any Further Documents which the Chargor does not execute within 10 Business Days of the Completion Guarantor requesting that the Chargor executes the same, the Chargor irrevocably and by way of security appoints each of the Completion Guarantor and any Receiver to be its attorney (with full power to appoint delegates and to sub-delegate in both cases with regard to the Collateral or any part of it) on its behalf and in its name or otherwise and as its act and deed to sign, execute and do any Further Document or any other deed, document, act or thing which the Chargor is or may become obliged to sign, execute and do pursuant to this Charge or which the Completion Guarantor or the Receiver may, in its or his absolute discretion, consider appropriate in connection with the exercise of any of the powers of the Completion Guarantor or of the Receiver or the perfection, protection or realisation of any security constituted by this Charge and which the Chargor does not sign, execute or do within 5 Business Days of being requested to do so. The Completion Guarantor shall supply the Chargor with copies of any such deeds or documents executed by the Completion Guarantor or any Receiver as attorney for the Chargor pursuant to this Clause 18.2 but a failure to do so shall not be a breach of this Charge or affect the Completion Guarantor's rights under it. The powers contained in this Clause 18.2 are additional to any powers the Completion Guarantor may be granted pursuant to the Transaction Agreements and the Interparty Agreement.

18.3 RATIFICATION

The Chargor shall, upon written request of the Completion Guarantor, ratify and confirm the actions which the Completion Guarantor or the Receiver or any delegate or sub-delegate carries out in its capacity as attorney for the Chargor as provided in Clause 18.2; and the Completion Guarantor, the Receiver, delegate or sub-delegate in its capacity as attorney may, on behalf of the Chargor, so ratify and confirm.

19 WARRANTIES, REPRESENTATIONS, UNDERTAKINGS AND COVENANTS OF THE CHARGOR

The Chargor repeats in favour of the Completion Guarantor the warranties, representations, undertakings and covenants given by it to the Completion Guarantor in the 2.9 Holding PCA as if the same were set forth and incorporated in this Charge mutatis mutandis and, in addition, hereby represents, warrants and undertakes to the Completion Guarantor that:

- (a)** save as otherwise acknowledged in the Interparty Agreement and the Transaction Agreements, it has not sold, assigned or in any way encumbered any of its rights, title and interest in and to the Collateral and, without prejudice to the rights of the Chargor pursuant to Clause 7 above, that it will not hereafter sell, assign or in any way encumber any of such right, title or interest without the prior written consent of the Completion Guarantor;
- (b)** save as otherwise acknowledged in the Interparty Agreement and the Transaction Agreements, it will not use or allow to be used or do any act or omit to do any act or enter into any arrangement with any third party in relation to the Collateral in any manner which may materially or adversely affect its value; and
- (c)** it has full power and title to assign (by way of security) the Assigned Property and to charge the Fixed Charge Property and the Floating Charge Property herein and has taken all corporate action necessary to authorise the execution and performance of this Charge.

20 INDEMNITIES AND EXPENSES

20.1 GENERAL INDEMNITY

The Chargor indemnifies, and agrees to keep indemnified, the Completion Guarantor, the Receiver and any of their managers, contractors, agents, officers or employees (each an '**Indemnified Party**') for whose liability, acts or omissions the Completion Guarantor or, as the case may be, the Receiver may be answerable, from and against all liabilities, costs, charges, losses and expenses suffered or incurred by them arising from or as a result of:

- (a)** the exercise or the purported exercise of any powers, authorities or discretions vested in them in accordance herewith;
- (b)** any breach by the Chargor of any covenants or other obligations to the Completion Guarantor under this Charge;
- (c)** the enforcement of the provisions of this Charge; or
- (d)** any action, claim or proceeding relating to any of the above,

except to the extent that such loss or damage is caused by an Indemnified Party's gross negligence or wilful default.

20.2 INDEMNIFICATION OF EXPENSES

20.2 The Chargor covenants that it shall pay to the Completion Guarantor on demand the following items of expenditure -

(a) all reasonable expenses including legal and out-of-pocket expenses (on a full indemnity basis) incurred by the Completion Guarantor in connection with:

(i) the preparation and negotiation of documentation relating to any amendment or extension of this Charge, regardless of the form which such documentation takes; and

(ii) the granting of any waiver, approval, consent, confirmation or release under, or in respect of, this Charge; and,

(iii) any investigation or due diligence into the financial or other condition of the Chargor or into ascertaining whether or not the Chargor has complied or is complying with the provisions of any of the PCAs,

together with interest at the rate provided in the Transaction Agreements from the date such expenses were incurred to the date of payment (as well after as before judgment);

(b) an amount equal to any stamp duties, search fees, registration fees and duties payable in connection with this Charge and any penalties with respect to, or resulting from the Chargor's delay or omission to pay any such duties or fees; and

(c) all expenses (including outside legal costs and out of pocket expenses on a full indemnity basis) incurred by the Completion Guarantor -

(i) in connection with the enforcement of any rights or exercise of any powers under this Charge or in investigating any possible breach by the Chargor of the provisions of any of the Transaction Agreements; or

(ii) in respect of any proceedings (legal or otherwise) involving the Completion Guarantor in connection with this Charge or property secured by this Charge, whether such proceedings are brought by the Chargor or a third party,

together with interest at the rate provided in the Transaction Agreements from the date such expenses were incurred to the date of payment (as well after as before judgment).

20.3 VAT

All payments to be made by the Chargor pursuant to this Charge shall be paid together with Value Added Tax (if any) thereon.

21 NOTICES

The provisions of clause 9 of the Interparty Agreement shall apply to any notices under this Charge as if the same were hereinafter set out in full save that the term "Borrower" shall apply to the Chargor.

22 GOVERNING LAW AND JURISDICTION

This Charge and all matters and any non-contractual obligations or liabilities arising from or connected with it shall be governed by, and construed in accordance with, the laws of England and Wales, and

the Chargor submits to the exclusive jurisdiction of the courts of England and Wales provided however that the Completion Guarantor may commence and maintain any action against the Chargor arising under this Charge in the courts of any other jurisdiction. The Chargor irrevocably waives any objection it might have to the courts of England being nominated as the forum to hear and decide any proceedings brought before it and to settle any dispute which may arise out of or in any way in connection with this Charge and agrees not to claim that the courts of England are not a convenient or appropriate forum for these purposes.

23 NATURE OF THE SECURITY

23.1 ADDITIONAL SECURITY

The security created by this Charge is in addition to any other security that the Completion Guarantor may now or from time to time hold or take from the Chargor or any third party.

23.2 CONTINUING SECURITY

This Charge shall be a continuing security to the Completion Guarantor notwithstanding any intermediate payment or settlement of account or any other matter whatever, and shall be in addition to, and shall not prejudice or be prejudiced by, any right of lien, set-off, combination of accounts or other rights exercisable by the Completion Guarantor as Completion Guarantor against the Chargor or any security, guarantee, indemnity and/or negotiable instrument now or in the future held by the Completion Guarantor.

23.3 NO MERGER

Nothing herein contained shall operate so as to merge or otherwise prejudice or affect any bill, note, guarantee, mortgage or other security or any contractual or other right which the Completion Guarantor may at any time have for any money or liabilities or other sums due or incurred by the Chargor to the Completion Guarantor or any right or remedy of the Completion Guarantor thereunder and any receipt, release or discharge of the security provided by, or of any liability arising under, this Charge shall not release or discharge the Chargor from any liability to the Completion Guarantor for the same or any other moneys which may exist independently of this Charge.

23.4 COLLATERAL SECURITY

Where the security given to the Completion Guarantor by this Charge initially takes effect as a collateral or further security then notwithstanding any receipt, release or discharge endorsed on, or given in respect of, or under, the principal security to which this Charge operates as a collateral or further security, the security provided by this Charge shall, in respect of any moneys which were originally intended to be secured, be an independent security for any such moneys.

23.5 SECURITY INTEREST NOT TO BE AFFECTED

Neither the security created by this Charge nor the liability of the Chargor for the Secured Obligations shall be prejudiced or affected by:

- (a)** any variation or amendment of, or waiver or release granted under or in connection with, any other Security Interest or any guarantee or indemnity or other document;
- (b)** time being given, or any other indulgence or concession being granted, by the Completion Guarantor to the Chargor or any other person;

- (c) the taking, holding, failure to take or hold, varying, realisation, non-enforcement, non-perfection or release by the Completion Guarantor or any other person of any other Encumbrance, or any guarantee or indemnity or other document;
- (d) the winding-up or administration of the Chargor or any other person;
- (e) any change in the constitution of the Chargor;
- (f) any amalgamation, merger or reconstruction that may be effected by the Completion Guarantor with any other person or any sale or transfer of the whole or any part of the property, assets and undertaking of the Completion Guarantor to any other person;
- (g) the existence of any claim, set-off or other right which the Chargor may have at any time against the Completion Guarantor or any other person;
- (h) the making or absence of any demand for payment of the Secured Obligations on the Chargor or any other person, whether by the Completion Guarantor or any other person;
- (i) any arrangement, moratorium or compromise entered into by the Completion Guarantor with the Chargor or any other person; or
- (j) any other thing done or omitted or neglected to be done by the Completion Guarantor or any other person or any other dealing, fact, matter or thing which, but for this provision, might operate to prejudice or affect the liability of the Chargor for the Secured Obligations.

24 RELEASE AND REDEMPTION

24.1 CONDITIONAL DISCHARGE

Any release, settlement or discharge between the Completion Guarantor and the Chargor shall be conditional upon no security, disposition or payment to the Completion Guarantor by the Chargor or any other person being avoided, set aside, reduced or ordered to be refunded by virtue of any statutory provision relating to insolvency or liquidation for the time being in force or for any reason whatsoever. If the same is so avoided, set aside, reduced or ordered to be refunded, the Completion Guarantor shall be entitled to recover the value or amount of any such security or payment from the Chargor subsequently as if such settlement or discharge had not occurred, and the Chargor assigns and charges the Collateral on mutatis mutandis the terms of Clauses 3, 4 and 5 with any liability, actual or contingent, under this Clause.

24.2 RETENTION OF SECURITY

The Completion Guarantor shall be entitled to retain this Charge for the duration of the Security Period.

24.3 FINAL REDEMPTION

Subject to and without prejudice to Clause 24.1, in the event that the Completion Guarantor provides written notification to the Chargor that in its sole and unfettered discretion the Completion Guarantor is satisfied that all the Secured Obligations have been paid, performed and discharged in full and all agreements which might give rise to the Secured Obligations have been terminated, and the Completion Guarantor is satisfied that it has no further obligation whether actual or contingent to make any advance, payment or other accommodation available to any Relevant Party under the PCAs, and that the Chargor shall be fully released from this Charge, then the Completion Guarantor shall, at the

request and cost of the Chargor, execute and do all such deeds, acts and things as may be reasonably necessary to release the Collateral from the assignments, mortgages, charges and, if applicable, trust, contained in this Charge, including (a) reassigning to the Chargor the Chargor's right title and interest in and to the Assigned Property; (b) releasing to the Chargor the Chargor's right, title and interest in and to the Fixed Charge Property and the Floating Charge Property; and (c) releasing the Chargor from its obligation to hold the Collateral on trust for the Completion Guarantor pursuant to clause 3.2.

24.4 Where any release and discharge (whether in respect of the Secured Obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be repaid on bankruptcy, liquidation or otherwise, the security constituted by this Charge (and the liability of the Chargor in respect thereof) shall continue or shall be reinstated as if there had been no such discharge or arrangement. The Completion Guarantor shall be entitled to concede or compromise any claim that any such payment, security or other disposition is liable to avoidance or repayment.

24.5 PRIOR SECURITY INTERESTS

The Completion Guarantor may redeem any prior Prohibited Security Interest or any prior Security Interest and may settle and prove the accounts of the beneficiary of that prior Prohibited Security Interest or prior Security Interest, and accounts so settled and proved shall be conclusive and binding on the Chargor and the money so paid shall be a receivership expense and be secured by this Charge.

25 MISCELLANEOUS

25.1 COUNTERPARTS

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

25.2 ASSIGNMENTS

The Chargor may not assign any of its rights under this Charge. The Completion Guarantor may assign the benefit of this Charge.

25.3 SEVERABILITY

If any provision of this Charge is or becomes illegal, invalid or unenforceable in any jurisdiction, that shall not affect -

- (a) the validity or enforceability in that jurisdiction of any other provision of this Charge; or
- (b) the validity or enforceability in any other jurisdiction of that or any other provision of this Charge.

25.4 COMPLETION GUARANTOR'S RIGHTS

The rights of the Completion Guarantor under this Charge:

- (a) may be exercised as often as necessary;
- (b) are cumulative and not exclusive of its rights under the general law; and

(c) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any such right is not a waiver of that right.

25.5 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.

25.6 LIABILITY TO THIRD PARTIES

A person who is not a party to this Charge has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Charge (but this does not affect any right or remedy of a third party which exists or is available apart from that Act)

In Witness Whereof this Charge has been duly entered into and delivered the day and year first above written.

<p>DULY EXECUTED AND DELIVERED as a DEED by 2.9 FILM HOLDING LIMITED acting by its director in the presence of a witness</p> <p>Witness Signature: [Redacted]</p> <p>Witness Name: <u>Martin SUAREZ</u></p> <p>Witness Address: [Redacted]</p> <p>Witness Occupation: <u>Legal Department</u></p>	<p>[Redacted]</p> <p>Director signature: [Redacted]</p> <p><u>ELIZABETH CVERY</u> Director Name (Print Name)</p>
<p>DULY EXECUTED as a DEED by PROSIGHT SYNDICATE 1110 AT LLOYD'S OF LONDON</p> <p>By [Redacted] PROSIGHT SPECIALTY MANAGING AGENCY LIMITED acting as Managing Agent for ProSight Specialty (ECUCM) Limited for the 2015 and subsequent years of account of ProSight Syndicate 1110, on and subject to the terms of its appointment as agent in the presence of</p> <p>Witness Signature: [Redacted]</p> <p>Witness Name: <u>KAREN J. LEACH</u></p> <p>Witness Address: [Redacted]</p> <p>Witness Occupation:</p>	

APPENDIX

Name of Agreement	Parties
US law copyright mortgage	(1) Completion Guarantor (as chargee) (2) Little Dragon (as chargor)
English law Charge and Deed of Assignment	(1) Completion Guarantor (as chargee) (2) Little Dragon (as chargor)
English law Charge and Deed of Assignment	(1) Completion Guarantor (as chargee) (2) 2.9 Film Distribution Limited (as chargor)
Canadian law Deed of Hypothec	(1) Completion Guarantor (as chargee) (2) Kaibou Studio VII Inc. (as chargor)
Canadian law Deed of Hypothec	(1) Completion Guarantor (as chargee) (2) Studio D'Animation ON Montreal Inc. (as chargor)
Acte de Subrogation	(1) Completion Guarantor (as chargee) (2) EBB Productions (as chargor)