



Registration of a Charge

Company Name: **COMFORT FILMS LTD**

Company Number: **13833426**



Received for filing in Electronic Format on the: **28/02/2022**

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Details of Charge

Date of creation: **25/02/2022**

Charge code: **1383 3426 0001**

Persons entitled: **COFILOISIRS S.A.**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **LEE & THOMPSON LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 13833426

Charge code: 1383 3426 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 25th February 2022 and created by COMFORT FILMS LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 28th February 2022 .

Given at Companies House, Cardiff on 2nd March 2022

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

25 February

2022

- 1. COFILOISIRS S.A.**
- 2. COMFORT FILMS LTD**

CHARGE AND DEED OF ASSIGNMENT
OVER THE FEATURE FILM PROVISIONALLY ENTITLED
"NORTHERN COMFORT"

LEE&THOMPSON

80 Charlotte Street
London
W1T 4DF

Tel: +44 (0)20 3073 7600
www.leeandthompson.com

PARTIES:

- (1) **COFILOISIRS S.A.** whose registered office is at Jean Mermoz – Paris 8th arrondissement, and which is registered in the Registre du Commerce de Paris (Paris Trade Register) under number B 722 037 983 (attention: Dominique Malet; email: Dominique.MALET@cofiloisirs.com) (**Lender**); and
- (2) **COMFORT FILMS LTD** (Company Number: 13833426) a company registered under the laws of England and Wales whose registered office is at Flat 10 Lister House 11-12 Wimpole Street, London, England, W1G 9ST (attention: Mike Goodridge; e-mail: mike@goodchaos.co.uk) (**UK FPC**).

RECITALS:

- (A) The Lender has agreed to provide Netop Films ehf. (the **Co-Producer**) with finance in relation to the Film (as defined below) pursuant to a loan agreement (**Loan Agreement**) entered into between the Lender and the Co-Producer and dated on or about the date hereof for the production and completion of the Film.
- (B) The UK FPC has agreed to execute this Charge as security for the repayment of the advances provided under the Loan Agreement, together with interest thereon and all other sums from time to time owing to the Lender from the Co-Producer and/or the UK FPC.

OPERATIVE PROVISIONS:

1 Interpretation

- 1.1 In this Charge, the following expressions shall have the following meanings unless the context otherwise requires:

| | |
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| Accounts | the Production Account, the Tax Credit Account and any other bank account which the UK FPC might have in relation to the Film; |
| Administrator | an Administrator appointed in accordance with Paragraph 14 of Schedule B1 of the Insolvency Act 1986 pursuant to this Charge which, by virtue of that section, is a qualifying floating charge; |
| Ancillary Rights | all ancillary rights in the Film which are owned or controlled at any time by the UK FPC, including all commercial tie-ups, sponsorship, branding, inter-active, computer assisted (including computer and video games), screenplay publication, novel publication, merchandising, music publishing and soundtrack rights in the Film (as all terms are customarily understood in the motion picture and television industry of the United Kingdom of Great Britain and Northern Ireland); |
| Approved Budget | the final budget for the Film approved by the Lender; |
| Approved Cashflow | the final financing and production cashflow schedules for the Film approved by the Lender; |
| Assigned Agreements | those agreements referred to in Clause 3.1.1.3 assigned by way of security to the Lender by the UK FPC pursuant to Clause 3.1.1 ; |

| | |
|-------------------------------|--|
| CAMA | the collection account management agreement to be entered into in relation to the Film between, inter alios, the collection agent for the Film, the Co-Producer and the Lender; |
| Charge | this charge and deed of assignment and any and all schedules, annexures and exhibits attached to it or incorporated by reference; |
| Charged Assets | to the extent of the UK FPC's right in and title to such assets, the Tax Credit Collateral, the Film, the Source Material, the Rights, the Sales Agency Agreement, the Presale Agreement(s), the Distribution Agreements and all property and assets charged, assigned and/or held on trust or to be charged, assigned and/or held on trust under this Charge in favour of the Lender and all other property and assets which at any time are or are required to be charged, assigned and/or held on trust in favour of the Lender under this Charge; |
| Collection Account | the collection account detailed in the CAMA in relation to the Film; |
| Distribution Agreement | any distribution agreement, licence agreement or other agreement entered into by the UK FPC or the Sales Agent or Rocket Science (or any other Person on behalf of the UK FPC) with a third party for the exploitation of the Film; |
| Distributor | any distributor approved by the Lender as a party to any of the Distribution Agreements and, together, the Distributors; |
| Event of Default | those events detailed at Schedule 2 ; |
| Film | the full length motion picture film provisionally entitled " Northern Comfort ", including the soundtrack, to be based on the Screenplay; |
| Film4 | Film4, a division of Channel Four Television Corporation of 124 Horseferry Road, London, SW1P 2TX; |
| Lender | includes persons deriving title under the Lender; |
| Loan Agreement | the loan agreement referred to in Recital (A) ; |
| Materials | the materials required to be delivered to the Sales Agent pursuant to the Sales Agency Agreement, the Presale Distributors pursuant to the Presale Agreements and the Distributors pursuant to the Distribution Agreements, together with all physical or digital properties or materials of every kind or nature of, or relating to, the Film whether now in existence or hereafter made and all versions thereof, including, without limitation, exposed film, developed film, positives, negatives, prints, answer prints, special effects, pre-print materials, soundtracks, sound recordings, scripts, musical scores, digital files, digital material, |

| | |
|-----------------------------|--|
| | positive sound and visual material, audio and video tapes and discs of all types and gauges, cutouts, trims, sketches, designs and any and all other physical properties of every kind or nature of or relating to the Film in whatever state of completion, and all duplicates, drafts, versions, variations and copies of each thereof; |
| Netflix | Netflix Worldwide Entertainment, LLC of 5808 W. Sunset Blvd., 6th Floor Los Angeles, CA 90028; |
| Person | any natural person, corporation, firm, company, partnership, limited liability company, joint venture, association, trust, other business entity, body corporate, unincorporated body of persons or unincorporated organisation or any other legal entity, or a nation, state, government entity or any agency or political subdivision thereof and shall be construed to include that person's assignees, transferees or successors in title; |
| Presale Agreement(s) | those Distribution Agreements entered into on or around the date hereof and detailed at Schedule 1 ; |
| Presale Distributor | any Distributor party to a Presale Agreement; |
| Presale NoA | the notice and acceptance of assignment and irrevocable payment instructions and/or direction to pay issued by the UK FPC (or any Person on behalf of the UK FPC) to a Presale Distributor, in favour of the Lender; |
| Production Account | the production account in the name of the UK FPC in relation to the Film with the following details: Bank: Revolut Ltd; IBAN: GB49 REVO 0099 6997 3993 03; BIC: REVOGB21; |
| Receiver | any receiver or manager or administrative receiver appointed by the Lender either solely or jointly (and if more than one on the basis that they may act jointly and severally) under or by virtue of this Charge or any other security interest of the Lender or the Lender's statutory powers; |
| Relevant Agreements | this Charge, the Loan Agreement, the Sales Agency Agreement, the Presale Agreements, the Presale NOAs, the Distribution Agreements and all other agreements and documents entered into in connection with the Film or the production, financing or exploitation thereof; |
| Relevant Party | the UK FPC, the Co-Producer or any other Person who is a party to the Relevant Agreements other than the Lender or any such Person after such Person has paid all sums due and has complied with all its obligations under the applicable Relevant Agreement; |
| Rights | the following rights for the full period of copyright and thereafter (so far as is possible) in perpetuity: |

1. all rights to distribute, lease, license, sell or otherwise exploit or deal with the Film in all media (whether now known or hereafter invented or devised), including, without limitation, the rights in the Film;
2. all rights to exhibit and broadcast the Film;
3. the Ancillary Rights;
4. all such other rights in and to 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 1, 2 and 3 above;
5. all necessary rights to the music and musical compositions contained in the Film and all rights to the music and musical compositions created for the Film, including the lyrics and all rights to exploit the same and to produce, publish, reproduce or synchronise all or any of the same with the Film; and
6. all rights to distribute, lease, license, sell or otherwise exploit or deal with any of the rights referred to above.

Rights Documents

all those documents pursuant to which the UK FPC acquires any of the Rights;

Rocket Science

Rocket Science Industries Limited of 140 Wardour Street, London, W1F 8ZT;

Sales Agency Agreement

the sales agency agreement(s) in connection with the distribution of the Film pursuant to which the Sales Agent and/or Rocket Science are appointed to represent and sell certain rights in and to the Film;

Sales Agent

Charades of 17 Bd Jules Ferry, 75011 Paris, France;

Screenplay

the screenplay on which the Film is to be based, written by Tobias Munthe, Halldór Laxness Halldórsson and Hafsteinn Gunnar Sigurðsson dated January 2022, together with all revisions, amendments and polishes thereto, as approved by the Lender;

Secured Amounts

all monies, liabilities or obligations which shall for the time being (and whether on or at any time after demand) be due or owing to the Lender in relation to the Film, whether incurred by the UK FPC, the Co-Producer or any other party, whether due actually or contingently and whether due solely or jointly with any other person and whether as principal or surety, including interest, discount, commission or other lawful charges and expenses (including, without limitation, all costs and expenses incurred pursuant to **Clauses 13 and 17** in this Charge) which the Lender may in the course of its business charge in respect of any of the

matters aforesaid or for keeping the UK FPC's and/or the Co-Producer's account and so that interest shall be computed and compounded according to the usual mode of the Lender as well after as before any demand made or judgement obtained hereunder;

Source Material

to the extent of the UK FPC's right in and title to the following, all underlying literary, dramatic, lyrical, musical, artistic and other material including, without limitation, the format, Screenplay, music, all titles, trademarks, designs, and logos used in or in connection with the Film to enable it to be produced and exploited;

Tax Credit

the enhanced tax deduction with a payable cash element in respect of surrendered losses to which the UK FPC may be entitled in respect of the production costs of the Film, as set out in the Tax Credit Legislation;

Tax Credit Account

the tax credit account established (or otherwise employed with the Lender's prior written consent) by the UK FPC for the purposes of receiving the Tax Credit Proceeds, and whose mandate is to be controlled by the Lender (unless otherwise approved in advance in writing by the Lender);

Tax Credit Collateral

the Tax Credit Proceeds, the UK FPC's interest in the Tax Credit Account and the right to claim and be paid the Tax Credit Proceeds;

Tax Credit Legislation

together:

1. the Guidance Notes to Schedule 1 to the Films Act 1985 for films starting principal photography on or after 1st April 2006 issued by DCMS in April 2006, as supplemented and amended by any later guidance notes relating to the UK Film Tax Credit;
2. the Films Act 1985;
3. Chapter 3 (Films and Sound Recordings), Schedule 4 (Taxation of Activities of Film Production Company) and Schedule 5 (Film Tax Relief: Further Provisions) of the Finance Act 2006; and
4. Part 15 of the Corporation Tax Act 2009;

each as the same may be supplemented, amended and implemented from time to time;

Tax Credit Proceeds

the maximum payable cash element in respect of surrendered losses, if any, receivable in respect of the Tax Credit; and

UK FPC

includes persons deriving title under the UK FPC or entitled to redeem this security.

- 1.2 For the purposes of this Charge, all capitalised expressions not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement.
- 1.3 Any reference in this Charge to any statute, statutory provision, document or agreement shall be construed as including a reference to that statute, statutory provision, document or agreement as from time to time amended, modified, novated, extended, replaced or re-enacted, whether before or after the date of this Charge, and to all statutory instruments, orders and regulations for the time being made pursuant to such statutes or statutory provisions or deriving validity from them.
- 1.4 Expressions used herein that are defined in The Copyright, Designs and Patents Act 1988, shall, unless the context otherwise requires, have the meaning attributed thereto in that Act.
- 1.5 Unless the context otherwise requires, words denoting the singular shall include the plural and vice versa and words denoting any one gender shall include all genders and words denoting persons shall include corporate entities, unincorporated associations and partnerships.
- 1.6 The clause headings in this Charge are for convenience and reference purpose only and shall not be deemed to govern or act in the interpretation of any provision of this Charge in any way.
- 1.7 This Charge is intended to be executed, delivered and to take effect as a deed by the UK FPC.
- 1.8 References to the word “include” or “including” (or any similar term) are not to be construed as implying any limitation and general words introduced by the word “other” (or any similar term) shall not be given a restrictive meaning by reason of the fact that they are preceded or followed by words indicating a particular class of acts, matters or things.

2 Covenant to Pay

- 2.1 In consideration of the Lender entering into the Loan Agreement and making the funds available to the Co-Producer in accordance with the terms thereof, the UK FPC covenants to pay and discharge to the Lender the Secured Amounts in accordance with the terms of the Loan Agreement.
- 2.2 The UK FPC acknowledges that the Lender entering into the Loan Agreement with the Co-Producer and providing funding to the Co-Producer thereunder is of commercial benefit to the UK FPC as it enables the Film to be financed and produced.
- 2.3 In respect of the UK FPC's obligations under this Clause, the UK FPC shall to the extent that it is not the principal debtor be deemed to be the principal debtor and not merely a surety.
- 2.4 If any sums expressed to be payable by the Co-Producer under the terms of the Loan Agreement are not recoverable from the Co-Producer by reason of any invalidity or unenforceability of the Loan Agreement, or any legal limitation, inability to pay or other incapacity of the Co-Producer, such sums shall nevertheless be recoverable by the Lender from the UK FPC as if it were a principal debtor under the Loan Agreement and as a separate and independent obligation of the UK FPC. The UK FPC agrees to indemnify the Lender on demand against any loss or liability arising from any such invalidity, inability to pay, unenforceability, legal limitation or capacity affecting the Secured Amounts or the Co-Producer, as the case may be.

3 Charge and Security Assignment

3.1 As continuing security for the payment to the Lender of the Secured Amounts and for the performance of the obligations of the Co-Producer under the Loan Agreement and the UK FPC under this Charge, the UK FPC, with full title guarantee:

3.1.1 assigns absolutely to the Lender throughout the world (and insofar as necessary by way of present assignment of future copyright pursuant to s.91 of the Copyright Designs and Patents Act 1988) all of the UK FPC's right, title and interest in and to:

3.1.1.1 all copyright and allied and ancillary rights in and to the Film and any other films, audiovisual and/or sound recordings made in the course of production of the Film or pursuant to any right acquired in connection with or arising from the production of the Film;

3.1.1.2 the Source Material and the Rights (subject to and with the benefit of the Assigned Agreements);

3.1.1.3 the Rights Documents, the Sales Agency Agreement, the Presale Agreement(s), and any Distribution Agreement which is from time to time, now or in the future, entered into by the Sales Agent and/or the UK FPC (all such agreements together being referred to as **Assigned Agreements**) and all of the UK FPC's right, title, benefit and interest to and in the same including, without limitation, any and all sums of money whatever payable to or on account of the UK FPC pursuant to the Assigned Agreements;

3.1.1.4 any other agreements for the provision of any goods, services, facilities or finance for the Film,

3.1.1.5 the benefit of all policies of insurance now or in the future taken out in respect of the Film and/or the Rights;

3.1.1.6 the benefit of all revenues accruing to it or to its order or on its behalf in respect of the exhibition, distribution and exploitation of the Film and/or the Rights; and

3.1.1.7 the Tax Credit Collateral;

3.1.2 charges by way of first fixed charge to the Lender the UK FPC's right, title and interest (whether now owned or hereafter acquired) in and to the following:

3.1.2.1 all of those assets detailed at Clause 3.1.1 above to the extent that they are not effectively assigned pursuant to that Clause;

3.1.2.2 the Film (as both presently existing and to be created or acquired by the UK FPC, either separately or jointly with any or all of the other entities connected with the Film);

3.1.2.3 the Materials;

3.1.2.4 the proceeds of all policies of insurance now or in the future taken out by the UK FPC in respect of the Film and/or the Rights;

- 3.1.2.5 all sums from time to time standing to the credit of the UK FPC in the Accounts;
 - 3.1.2.6 all sums from time to time standing to the credit of the Collection Account to which the UK FPC is entitled pursuant to the CAMA or otherwise;
 - 3.1.2.7 any other assets of the UK FPC in relation to the Film; and
 - 3.1.2.8 the proceeds of any or all of the foregoing;
- 3.1.3 charges by way of a first floating charge all of its present and future assets and undertakings including, but not limited to any and all of the UK FPC's rights and interest detailed in sub-Clause 3.1.2 above if and to the extent that the first fixed charge may fail for any reason to operate as a fixed charge or fail to be assigned (whether at law or in equity) by way of security to the Lender. Paragraph 14 of Schedule B1 of the Insolvency Act 1986 incorporated by Schedule 16 of the Enterprise Act 2002 shall apply to any floating charge created pursuant to this Charge so that this Charge is a qualifying floating charge.
- 3.2 The UK FPC will hold in trust for the Lender the UK FPC's entire interest and benefit in and to the Charged Assets and all other assets intended to be subject to a security interest under this Charge including, without limitation, any part of the Charged Assets which cannot be charged or assigned by the UK FPC together with, without limitation, all proceeds, money and other rights and benefits to which the UK FPC is beneficially entitled in respect of such Charged Assets.
- 3.3 This Charge shall remain in force as a continuing security to the Lender notwithstanding any settlement of account or any other act, event or matter whatever, except only for the execution by the Lender of an absolute and unconditional release, or the execution by or on behalf of the Lender of a receipt for all, and not part only, of the Secured Amounts and/or the obligations of the Co-Producer under the Loan Agreement and of the UK FPC under this Charge, and this Charge shall not prejudice or affect any other security which the Lender may now or at any time hereafter hold in respect of the Secured Amounts or any of them or any part thereof respectively.
- 3.4 Notwithstanding the provisions of Clause 3.1.2.5 hereof, the UK FPC may draw from the Production Account from time to time any and all monies required to satisfy the proper costs of production of the Film in accordance with the Approved Cashflow and the Approved Budget unless and until an Event of Default occurs.
- 3.5 The Lender hereby grants to the UK FPC an exclusive licence to undertake and complete the production, post-production, completion and delivery of the Film, subject in all respects to the security hereby created, and the UK FPC hereby agrees that the Lender may terminate such licence if the security created under this Charge becomes enforceable for any reason whatsoever.
- 4 Conversion of Floating Charge and Automatic Crystallisation**
- 4.1 The Lender may at any time, by notice in writing to the UK FPC, convert the floating charge created under this Charge into a fixed charge in relation to the assets specified in such notice.
- 4.2 Upon the occurrence of any Event of Default the floating charge created under this Charge will (in addition to the circumstances in which the same will occur under the general law)

immediately and automatically, without any requirement for notice by the Lender, convert into a fixed charge over all the assets of the UK FPC that are the subject of the floating charge **PROVIDED THAT** solely for the purposes of this Clause, the obtaining of a moratorium under Schedule A1 or Part A1 of the Insolvency Act 1986 or any action with a view to obtaining such a moratorium shall not cause the floating charge to automatically crystallise.

5 Enforcement

- 5.1 The security interests created under this Charge shall become enforceable at any time after the occurrence of an Event of Default.
- 5.2 On or at any time after this Charge has become enforceable (and without prejudice to the statutory power of sale conferred by the Law of Property Act 1925 which is applicable to this Charge), the Lender shall be entitled to sell the Charged Assets or any part or parts of them or otherwise exploit them or turn them to account for such price and in such manner as the Lender in its absolute discretion may think fit.
- 5.3 The Lender shall, on receipt of any proceeds resulting from any of the acts of enforcement referred to in Clause 5.2, apply the same in or towards repayment of any part of the Secured Amounts as the Lender decides. The Lender shall be entitled to the repayment of all costs, fees and charges it may incur as a consequence of the enforcement of this Charge.
- 5.4 If, on enforcement of this Charge, there shall remain any sum of money after all Secured Amounts have been paid in full, such sum of money shall be made available to the UK FPC or other person entitled thereto.
- 5.5 The Law of Property Act 1925 Section 103 and the restrictions contained in Sections 93, 103 and 109 of that Act shall not apply to the security created by this Charge.
- 5.6 In addition to the foregoing provisions of this Clause, the Lender may, at any time after an Event of Default is declared, appoint in writing a Receiver or Receivers, or an Administrator pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986, in respect of the Charged Assets or any part of them on such terms as to remuneration and otherwise as it shall think fit, and may from time to time remove any Receiver and appoint another in his or their stead, **PROVIDED THAT**, solely for the purposes of this Clause, the obtaining of a moratorium under Schedule A1 or Part A1 of the Insolvency Act 1986 or any action with a view to obtaining such a moratorium, shall not of itself (but without prejudice to the Lender's rights should other Events of Default then exist) entitle the Lender to appoint a Receiver.
- 5.7 If a Receiver is appointed, such Receiver shall be the agent of the UK FPC and have all the powers set out in Schedules 1 and B1 to the Insolvency Act 1986 and, in addition, shall have the power to:
 - 5.7.1 take possession of, get in, realise and/or enforce the Charged Assets;
 - 5.7.2 take any steps that may be necessary or desirable to effect compliance with any or all of the agreements charged or assigned pursuant to this Charge and to carry on, manage or concur in carrying on and managing the business of the UK FPC or any part of the same in relation to the Film, and, for any of those purposes, to raise or borrow from the Lender or otherwise any money that may be required upon the security of the whole or any part of the Charged Assets;

- 5.7.3 institute proceedings and sue in the name of the UK FPC and appoint managers, agents and employees at such salaries as the Receiver may determine;
 - 5.7.4 assign, sell, lease or license or concur in assigning, selling, leasing or licensing the interest of the UK FPC in the Charged Assets or otherwise deal therewith and on such terms in the interest of the Lender as the Receiver thinks fit;
 - 5.7.5 appoint and discharge managers, advisers, officers, agents, contractors, workmen and employees for any of the aforesaid purposes for such remuneration and on such other terms as the Lender or the Receiver shall think fit;
 - 5.7.6 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 the Receiver lawfully may or can do; and
 - 5.7.7 make any arrangement or compromise and enter into any contract or do any other act or make any omission which the Receiver shall think expedient in the interest of the Lender and to do any other act or thing which a Receiver appointed under the Law of Property Act 1925 or the Insolvency Act 1986 would have power to do subject to the provisions of this Charge, **PROVIDED ALWAYS THAT** nothing contained in this Charge shall make the Lender liable to such Receiver as aforesaid in respect of the Receiver's remuneration, costs, charges or expenses or otherwise for which, together with the Receiver's acts, contracts, defaults and omissions, the UK FPC shall alone be liable.
- 5.8 At any time after the security created hereunder becomes enforceable, the Lender or a Receiver may (but shall not be obliged to) do all such things and incur all such expenditure as the Lender or such Receiver shall in its sole discretion consider necessary or desirable to remedy such default or protect or realise the Charged Assets or its interests under this Charge and, in particular (but without limitation), may enter upon the UK FPC's property and may pay any monies which may be payable in respect of any of the Charged Assets, and any monies expended in so doing by the Lender or the Receiver shall be deemed an expense properly incurred and paid by the Lender, and the UK FPC shall reimburse the same on demand to the Lender.
- 5.9 If an Administrator is appointed such Administrator will have all the powers conferred on them by statute including all the powers set out at Schedule 1 of the Insolvency Act 1986.

6 Covenants and Warranties

- 6.1 The UK FPC warrants, undertakes and agrees with the Lender as follows:
- 6.1.1 that it is the sole, absolute legal owner of the Charged Assets and that none of the Charged Assets are the subject of any mortgage, charge, lien, pledge, encumbrance or security interest other than any such arising in favour of the Lender;
 - 6.1.2 that the execution of this Charge by the UK FPC will not violate, conflict with or cause a breach of any agreement, instrument or mortgage previously executed by the UK FPC;
 - 6.1.3 not, without the prior written consent of the Lender, to sell, transfer, dispose of or part with possession or control of or attempt to sell, transfer or dispose of the Charged

Assets or any part of them or any interest in them, nor directly or indirectly create or permit to exist or be created any mortgage, charge, lien, pledge, encumbrance or security interest upon or in the Charged Assets or any part of them;

- 6.1.4 immediately to notify the Lender of any material loss, theft, damage or destruction to the Materials and/or breach of the Rights or any part of them;
 - 6.1.5 to give the Lender such information concerning the location, condition, use and operation of the Materials as the Lender may reasonably require, and to permit any persons designated by the Lender at all reasonable times to inspect and examine the Materials and the records maintained in connection with them;
 - 6.1.6 that each of the Assigned Agreements to which it is a party constitutes valid and binding obligations on the parties thereto and are in full force and effect and have not been varied or modified in any way or cancelled and no party to any such agreement is in default;
 - 6.1.7 that it will in a timely manner perform its obligations under the Assigned Agreements to which it is a party and will comply with all laws and regulations from time to time relating to the Assigned Agreements or affecting their enforceability;
 - 6.1.8 that it will do or permit to be done each and every act or thing which the Lender may from time to time reasonably require for the purpose of enforcing the Lender's rights under this Charge and the Assigned Agreements to which it is a party and will allow its name to be used as and when required by the Lender for that purpose;
 - 6.1.9 that it shall procure that all sums charged or assigned to the Lender hereunder shall be paid to the Lender or as the Lender may direct from time to time.
- 6.2 The Lender shall not be obliged to make any enquiry as to the nature or sufficiency of any payment made under any of the Assigned Agreements or to make any claim or take any other action to collect any money or to enforce any rights and benefits assigned to the Lender or to which the Lender may at any time be entitled under this Charge.

7 Set-Off

- 7.1 In addition, and without any prejudice, to any lien or right to which the Lender may be entitled by law, the Lender may at any time and without prior notice, set off the whole or any part of the Secured Amounts against any deposit or credit balance on any account of the UK FPC with the Lender (whether or not that deposit or balance is due to UK FPC).
- 7.2 Despite any term to the contrary in relation to any deposit or credit balance on any account of the UK FPC with the Lender, that deposit or balance will not be repayable to the UK FPC before all the Secured Amounts have been discharged, but the Lender may without prejudice to this Charge permit the UK FPC to make withdrawals from time to time.

8 Grant of Time or Indulgence

- 8.1 The security created by this Charge shall not be affected or prejudiced in any way by the Lender giving time or granting any indulgence to the UK FPC or accepting any composition from or compounding with or making any other arrangement with the UK FPC or any other person, firm or company in respect of the Secured Amounts and the Lender may enforce the security created

by this Charge and any other security it may hold in respect of such Secured Amounts against the UK FPC in any order which it may in its absolute discretion think fit.

9 Assignment

- 9.1 The Lender shall be entitled to assign, participate, transfer, charge, sub-charge or otherwise grant security over or deal in all or any of its rights, title and interest in this Charge to any third party in which event it shall remain binding on the UK FPC.

10 Protection of Third Parties

- 10.1 No purchaser, mortgagee or other third party dealing with the Lender and/or any Receiver shall be concerned to enquire whether any of the powers which they have exercised or purported to exercise has arisen or become exercisable or whether the Secured Amounts 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 or other person and the position of such a person shall not be prejudiced by reference to any of those matters.
- 10.2 The receipt of the Lender or any Receiver shall be an absolute and conclusive discharge to any such purchaser, mortgagee or third party, and shall relieve such person of any obligation to see to the application of any sums paid to or by the direction of the Lender or any Receiver.

11 Protection of the Lender and Receiver

- 11.1 Neither the Lender nor the Receiver shall be liable to the UK FPC in respect of any loss or damage which arises out of the exercise or the attempted or purported exercise of or the failure to exercise any of their respective powers.
- 11.2 Without prejudice to the generality of Clause 11.1, entry into possession of the Film or the Rights or any part of them shall not render the Lender or any Receiver liable to account as mortgagee in possession, and if and whenever the Lender or any Receiver enters into possession of the Film or the Rights or any part of them they may at any time go out of such possession.

12 Power of Attorney

- 12.1 The UK FPC hereby irrevocably and by way of security appoints the Lender and, if any Receiver has been appointed, the Lender and Receiver jointly and severally, as its attorney and/or attorneys to sign, execute and do all acts, things and documents which the UK FPC is obliged or which a Receiver is empowered to execute or do under this Charge.
- 12.2 This appointment shall operate as a general power of attorney made under Section 10 of the Powers of Attorney Act 1971 such appointment constituting a power coupled with an interest under English law. This power of attorney shall terminate without further notice on the release, discharge and re-assignment provided under Clause 19 hereof.
- 12.3 The UK FPC hereby covenants with the Lender that, on request, it will ratify and confirm all documents, acts and things and all transactions entered into by the Lender or by the UK FPC at the instance of the Lender in the exercise or purported exercise of the aforesaid powers.

13 Indemnity

- 13.1 The UK FPC shall, on demand, pay to the Lender all those expenses (including legal and out-of-pocket expenses) incurred by it in connection with the negotiation, preparation or completion of this Charge and all expenses (including legal and out-of-pocket expenses) incurred by it in connection with any variation or consent or approval relating to this Charge or in connection with the preservation, enforcement or the attempted preservation or enforcement of its rights under this Charge.
- 13.2 The UK FPC covenants with the Lender to fully indemnify the Lender and the Receiver at all times from and against all actions, proceedings, claims, demands, costs (including, without prejudice to the generality of the foregoing, legal costs of the Lender or the Receiver on a solicitor and own client basis), awards and damages howsoever arising which the Lender or the Receiver may incur (in the case of the Lender, whether before or after a demand has been made for payment or discharge of the Secured Amounts):
- 13.2.1 in consequence of anything done or purported to be done by the Lender or the Receiver under this Charge, the Loan Agreement or any other document relating thereto, or of any failure by the UK FPC to comply with its obligations to the Lender thereunder or otherwise in connection therewith; or
- 13.2.2 in consequence of any payment in respect of the Secured Amounts (whether made by the UK FPC, or any other party) being impeached or declared void for any reason whatsoever.
- 13.3 The amounts payable under Clauses 13.1 and 13.2 shall carry interest in accordance with the terms of the Loan Agreement from the date on which they were paid or incurred by the Lender or the Receiver (as the case may be), and such amounts and interest may be debited by the Lender to any account of the UK FPC at the Lender, but shall in any event form part of the Secured Amounts and accordingly be secured on the Charged Assets.

14 Further Assurance

- 14.1 The UK FPC shall on demand do all acts and execute all such documents as the Lender may reasonably specify for perfecting any security created or intended to be created by this Charge or which the Lender or the Receiver may specify with a view to facilitating the exercise, or the proposed exercise, of any of their powers.

15 Other Security

- 15.1 This security is in addition to, and shall not be merged in or in any way prejudice or be prejudiced by, any other security, interest, document or right which the Lender may now or at any time hereafter hold or have as regards the UK FPC or any other person in respect of the Secured Amounts.

16 Waivers, Remedies Cumulative

- 16.1 The powers which this Charge confers on the Lender are cumulative and without prejudice to its powers under general law, and may be exercised as often as the Lender deems appropriate. The rights of the Lender and the Receiver (whether arising under this Charge 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 Lender or the Receiver any of these 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 Lender or the Receiver or on its or their behalf shall in any way preclude either the Lender or the Receiver from exercising any such right or constitute a suspension or variation of any such right.

17 Lender's Costs and Expenses

- 17.1 All costs, charges and expenses incurred hereunder by the Lender and all other monies paid by the Lender in relation to any actions or proceedings for or in relation to the protection or enforcement of the security constituted under this Charge or for obtaining payment of the Secured Amounts (and so that any taxation of the Lender's costs, charges and expenses shall be on the basis of solicitor and own client) shall be recoverable from the UK FPC as a debt and may be debited to any account of the UK FPC and shall bear interest accordingly and shall be charged on the Charged Assets, and the charge hereby conferred shall be in addition to (and without prejudice to) any and every other remedy, lien or security which the Lender may have or, but for the said charge, would have for the Secured Amounts or any part thereof.

18 Power of Sale

- 18.1 The power of sale conferred on mortgagees by the Law of Property Act 1925 shall apply to the security hereby created, but without the restrictions contained in the said Act as to giving notice or otherwise, and the statutory power of sale shall, as between the Lender and a purchaser or other person dealing with the Lender or a Receiver, arise on and be exercisable at any time after the execution of this Charge, provided that the Lender shall not exercise the said power of sale until payment of the Secured Amounts has been demanded or the Receiver has been appointed, but this proviso shall not affect such a purchaser or other person or put him upon enquiry whether such demand or appointment has been made.

19 Discharge and Re-Assignment

- 19.1 Upon indefeasible repayment in full to the Lender of the Secured Amounts and provided always that the Lender has no further, actual or contingent, obligation to advance any amounts in respect of the Film, the Lender will, at the request and expense of the UK FPC, discharge this Charge and re-assign the UK FPC's rights in and to the assets assigned pursuant to Clause 3 hereof, including, without limitation, the Assigned Agreements.

20 Notices

- 20.1 All notices, demands or other communications given, made or required to be served under this Charge shall be in writing and may be served by personal delivery, email or by first class post on the parties at their addresses as set out in this Charge or such other address as may be notified hereunder by that party from time to time for this purpose and shall be effectual notwithstanding any change of address not so notified. Unless the contrary is provided notices shall be deemed to have been served if sent by personal delivery, at the time of delivery and, if sent within the United Kingdom by first class post within 2 business days after posting and within 5 business days where sent by first class post abroad. Where notices are sent by email they will be deemed sent at the time the email is sent provided the sender is not in receipt of a notification of failure of delivery and has complied with any instructions received in an automatic "*out of office*" or similar bounce back.

21 Invalidity of Any Provision

- 21.1 If at any time any one or more of the provisions of this Charge becomes invalid, illegal or unenforceable in any respect under any law or for any other reason whatsoever, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

22 Counterparts

- 22.1 This Charge may be entered into in any number of counterparts each of which when so executed and delivered shall be an original. A counterpart signature page of this Charge executed by a party and sent by facsimile or transmitted electronically in either Tagged Image Format Files (**TIFF**) or Portable Document Format (**PDF**) (or other readable electronic format) shall be treated as an original, fully binding and with full legal force and effect, and the parties waive any rights they may have to object to such treatment but, for the avoidance of doubt, this Charge shall not be binding upon the parties until it has been signed by all the parties.

23 Governing Law

- 23.1 This Charge and any related dispute or claim (whether contractual or non-contractual) shall be governed by and construed in accordance with the laws of England and Wales. Each party irrevocably submits for all purposes in connection with this Charge (including any disputes or claims) to the exclusive jurisdiction of the English courts.

SCHEDULE 1
PRESALE AGREEMENTS

| | DISTRIBUTION AGREEMENT | PARTIES | |
|---|--------------------------------|---------|-----|
| 1 | Film4 Distribution Agreement | UK FPC | (1) |
| | | Film4 | (2) |
| 2 | Netflix Distribution Agreement | UK FPC | (1) |
| | | Netflix | (2) |

SCHEDULE 2
EVENTS OF DEFAULT

- 1 Any of the following happening to a Relevant Party:
 - 1.1 any order being made or an effective resolution passed or a petition presented or other steps taken for the winding up, dissolution or liquidation of a Relevant Party (other than for the purpose of a reconstruction or amalgamation the terms of which have previously been approved by the Lender in writing) or the making of an administration order against a Relevant Party or a Relevant Party entering into administration; or
 - 1.2 a liquidator, administrator, (whether appointed pursuant to the Enterprise Act 2002 or otherwise), receiver, trustee, supervisor, sequestrator or similar officer being appointed in respect of all or any of the assets of a Relevant Party, or any legal procedure is commenced or other steps taken with a view to the appointment of any such aforementioned officer; or
 - 1.3 any other steps are taken to enforce any charge or other security over any of the property of a Relevant Party; or
 - 1.4 a distress, execution or other legal process being levied against any of the assets of a Relevant Party and not being discharged or paid within 7 days; or
 - 1.5 a Relevant Party suspending payment of its debts or being deemed under section 123 of the Insolvency Act 1986, or any other statutory modification or re-enactment thereof or any equivalent legislation thereto, to be unable to pay its debts, or otherwise becoming insolvent or announcing an intention to suspend payment of its debts; or
 - 1.6 a Relevant Party selling, transferring or otherwise disposing of the whole or a substantial part of its undertaking or assets, whether by a single transaction or a number of transactions, without the prior consent in writing of the Lender; or
 - 1.7 any indebtedness of a Relevant Party becoming immediately due and payable, or capable of being declared so due and payable, prior to its stated maturity, by reason of a default on the part of any person; or
 - 1.8 a Relevant Party failing to discharge any indebtedness on its due date (other than a liability which the Relevant Party shall then be contesting in good faith), or repayment of any such indebtedness being due on demand and not being paid in full forthwith on such demand being made; or
 - 1.9 any steps being taken to repossess any goods in the possession of a Relevant Party under any hire purchase, conditional sale, leasing, retention of title or similar agreement; or
 - 1.10 any analogous event to any of the above occurring in any other jurisdiction; or
- 2 the UK FPC and/or the Co-Producer ceasing, or threatening to cease, to carry on business; or
- 3 the production of the Film is abandoned or the UK FPC and/or the Co-Producer fails to complete and deliver (or to procure the completion and delivery of) the Film; or
- 4 any representation or warranty made by any Relevant Party hereunder or in any of the Relevant Agreements being incorrect in any material respect as of the date on which it is made or deemed to be made, or there being any material adverse change in the position as set out in such

representation or warranty and which, in the reasonable opinion of the Lender, may prejudice the ability of the UK FPC and/or the Co-Producer to discharge the Secured Amounts; or

- 5 there is a material uncured breach by any Relevant Party of any Relevant Agreement which, in the reasonable opinion of the Lender, may prejudice the ability of the UK FPC and/or the Co-Producer to discharge the Secured Amounts; or
- 6 any necessary consent of any governmental or other regulatory body being withheld, withdrawn or modified which in the reasonable opinion of the Lender is necessary for the production of the Film or its delivery in accordance with the Relevant Agreements; or
- 7 control of the UK FPC and/or the Co-Producer passing without the prior written consent of the Lender to any Person, acting either individually or in concert; or
- 8 any event designated as an event of default (or "*cas de défaut*") pursuant to the Loan Agreement.

EXECUTION PAGE

THIS AGREEMENT has been executed as a deed by the UK FPC on the date stated on the front page

Executed and delivered as a deed by
COMFORT FILMS LTD
acting by a duly authorised director

[Redacted Signature]

Director

in the presence of

[Redacted Signature]

Witness

Name and address of Witness (Print):
James Bowsher

[Redacted Address]

Executed and delivered by
COFILOISIRS S.A.
acting by a duly authorised signatory

Authorised Signatory

EXECUTION PAGE

THIS AGREEMENT has been executed as a deed by the UK FPC on the date stated on the front page

Executed and delivered as a deed by
COMFORT FILMS LTD
acting by a duly authorised director

Director

in the presence of

Witness

Name and address of Witness (Print):

Executed and delivered by
COFILOISIRS S.A.
acting by a duly authorised signatory



Authorised Signatory

Dominique MALET
Directeur

Sylvie EL SAYEGH
Directeur