



Registration of a Charge

Company name: **ACHILLE PRODUCTIONS (FALLING) LIMITED**

Company number: **11784280**



X81H8HWA

Received for Electronic Filing: **18/03/2019**

Details of Charge

Date of creation: **03/03/2019**

Charge code: **1178 4280 0001**

Persons entitled: **ACHILLE PRODUCTIONS LIMITED**

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 THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **STEPHEN DAILEY**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11784280

Charge code: 1178 4280 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 3rd March 2019 and created by ACHILLE PRODUCTIONS (FALLING) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 18th March 2019 .

Given at Companies House, Cardiff on 19th March 2019

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



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

DATED 3 March 2019

(1) ACHILLE PRODUCTIONS (FALLING) LIMITED

(2) ACHILLE PRODUCTIONS LIMITED

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

CONTENTS

1.	Interpretation	2
2.	Consideration	2
3.	Covenant to Pay and Indemnity	2
4.	Charges	3
5.	Assignment and Trust	4
6.	Warranty and Negative Pledge	5
7.	Default	5
8.	Exercise of Rights	5
9.	Indemnity and Interest	7
10.	Warranties, Representations and Covenants	8
11.	Nature of Security	9
12.	Grant of Time or Indulgence	9
13.	Protection of Third Parties	9
14.	Waivers, Remedies Cumulative	9
15.	Governing Law	9
16.	Further Assurance	10
17.	Notice of Default	10
18.	Power of Attorney	10
19.	Invalidity of any Provision	10
20.	No Partnership	10
21.	Assignment	10
22.	Release and Reassignment	10
23.	Notices	11
24.	Licence	12
SCHEDULE 1.....		13
Definitions		
SCHEDULE 2.....		17
Events of Default		17

THIS CHARGE AND DEED OF ASSIGNMENT IS DATED

3 March

2019

BETWEEN:

1. **ACHILLE PRODUCTIONS (FALLING) LIMITED** (Company Number: 11784280), a limited liability company incorporated under the laws of England and Wales whose registered office is at Malde & Co 99 Kenton Road, Kenton, Harrow, Middlesex, United Kingdom, HA3 0AN (the "Chargor"); and
2. **ACHILLE PRODUCTIONS LIMITED** (Company Number: 09363383), a limited liability company established in England and Wales whose registered office is at 15 Golden Square, London W1F 9JG (the "Chargee").

RECITALS

- A. Pursuant to the PSA, the Chargee has engaged the Chargor to provide certain production services in connection with the Film and the Chargee has agreed to pay the Budget Contribution pursuant to the terms of the Relevant Agreements.
- B. By way of security for the performance and discharge of its obligations under the PSA, and as third party security for the Distributor's obligations to the Chargee under the CDA, the Chargor has agreed to execute this Charge and Deed of Assignment as security for payment, satisfaction and discharge of the Secured Liabilities and has determined that it is in its commercial interests to do so.

NOW THIS DEED WITNESSES AS FOLLOWS:

1. **Interpretation**

- 1.1 In this Charge and Deed of Assignment capitalised terms shall have the meanings set out in Schedule 1 and in the list of parties above (as applicable). Any capitalised term used but not defined in this Charge and Deed of Assignment shall have the meaning ascribed to it in the CDA or the PSA as applicable.
- 1.2 In this Charge and Deed of Assignment (a) any reference to the parties includes a reference to their respective successors in title and permitted assigns; (b) any reference to a person includes any body corporate, unincorporated association, partnership or other legal entity; (c) the singular includes the plural and vice versa; (d) words imparting gender include the other gender; (e) Clause headings are for convenience only and shall not be taken into account in the construction or interpretation of this Charge and Deed of Assignment; (f) references to a "Clause" or a "Schedule" are references to a clause or a schedule, respectively, of this Charge and Deed of Assignment; (g) any references to an agreement, deed, instrument or document is to the same as amended, modified, supplemented or restated from time to time; (h) references to "copyright", "films", "sound recordings", "copies of films and sound recordings" and to all other rights therein mentioned shall (where the context requires or admits) be construed in accordance with the Copyright, Designs and Patents Act, 1988 (as amended); (i) the covenants implied by Sections 2(1) and 3(1) of the Law of Property (Miscellaneous Provisions) Act 1994 shall apply to the assignment hereby created provided that the operation of such covenants shall be extended by the omission of the words following "third parties" in Section 3(1)(b); and (j) notwithstanding the foregoing, wherever in this Charge and Deed of Assignment the word "Film" is used and the soundtrack is not expressly referred to, such word shall be deemed and construed to include the soundtrack of the Film.

2. **Consideration**

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

- (i) the Chargee agreeing to pay the Budget Contribution pursuant to the terms of the Relevant Agreements (which the Chargor acknowledges is of benefit to it); and
- (ii) the Chargee agreeing to the terms of the PSA and all other Relevant Agreements to which the Chargor is a party;
- (iii) the payment by the Chargee to the Chargor of £1 (the receipt and adequacy of which is hereby acknowledged by the Chargor).

3. **Covenant to Pay and Indemnity**

- 3.1 The Chargor hereby covenants with the Chargee to pay or discharge to the Chargee the Secured Liabilities on demand as and when they fall due in accordance with the terms of the Relevant Agreements and to duly and punctually perform and discharge all its respective obligations and

liabilities under the Relevant Agreements to which it is a party. The Chargor acknowledges to the Chargee that the entry by the Chargee into the CDA is of commercial benefit to it as it enables the Film to be financed and produced. Accordingly, if any sums expressed to be payable by the Distributor under the terms of the CDA or any other Relevant Agreement are not recoverable from the Distributor by reason of any invalidity or unenforceability of the CDA or such other Relevant Agreement, or any legal limitation, inability to pay, delay in paying when due or other incapacity of the Distributor or any other reason whatsoever, such sums shall nevertheless be recoverable by the Chargee from the Chargor as if it were a principal debtor under the CDA and other Relevant Agreements as a separate and independent obligation of the Chargor. The Chargor agrees to indemnify the Chargee on demand against any loss or liability arising from any such invalidity, inability to pay, delay in paying when due, unenforceability, legal limitation, incapacity or any other reason affecting the Secured Liabilities or the Distributor, as the case may be.

- 3.2 The Chargor agrees that its obligations under this Clause 3 shall not be exhausted by any failure or omission or delay by the Chargee or any third party to exercise any right or remedy under the CDA or any of the Relevant Agreements. The Chargor agrees that any modification of the CDA or any of the Relevant Agreements shall not affect the obligations of the Chargor pursuant to this Clause 3.

4. Charges

- 4.1 The Chargor, as owner with full title guarantee and as security for the payment, satisfaction and discharge of the Secured Liabilities, charges in favour of the Chargee (subject only to the Chargee's obligation to release specified in Clause 22.1 hereof) by way of first fixed charge, all of the Chargor's right, title and interest (whether now owned or hereafter acquired), if any, in and to the following -

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

but, for the avoidance of doubt, excluding the Reserved Rights.

- 4.2 The Chargor, as owner with full title guarantee and as security for the payment, satisfaction and discharge of the Secured Liabilities, charges in favour of the Chargee by way of first floating charge all of the Chargor's undertaking, title, interest, rights and assets, whether now owned or hereafter acquired or created (including (without limitation) any assets expressed to be charged or assigned

pursuant to Clauses 4.1 and 5 to the extent the same are not for the time being effectively charged by way of first fixed charge or effectively assigned (whether at law or in equity) by way of security to the Chargee) but, for the avoidance of doubt, excluding the Reserved Rights. Paragraph 14, schedule B1 Insolvency Act 1986 (incorporated by schedule 16 Enterprise Act 2002) shall apply to any floating charge created pursuant to this Charge and Deed of Assignment, which floating charge is accordingly a qualifying floating charge for such purposes.

5. **Assignment and Trust**

5.1 The Chargor, as owner with full title guarantee and as security for the payment, satisfaction and discharge of the Secured Liabilities, assigns absolutely to the Chargee (subject only to the right of re-assignment in favour of the Chargor specified in Clause 22.1 hereof), all of the Chargor's right, title and interest (whether now owned or hereafter acquired or created), if any, in and to the following -

- 5.1.1 the Rights, the Distribution Rights and the Underlying Rights and any rights in and to the Film Assets; and
- 5.1.2 the entire copyright in the Film and any other films, programmes and any sound recordings made in the course of the production of the Film or pursuant to any right acquired in connection with, or arising from, the production of the Film; and
- 5.1.3 the benefit of all revenues accruing to the Chargor or to the Chargor's order or on the Chargor's behalf in respect of the exhibition, distribution and exploitation of the Film and/or of the Distribution Rights and/or of the Underlying Rights and/or of the Rights; and
- 5.1.4 all those rights of the Chargor in relation to all music composed and sketches and designs made for or used in the production of the Film including the following -
 - (a) the right to adapt the same for the purpose of and to reproduce the same in the form of the Film and any such other programmes and/or films as are mentioned in Clause 5.1.2 hereof; and
 - (b) the right (except for musical performing rights if the composer is a member of the Performing Rights Society Limited) to perform the same in public by exhibition of the Film and any such programmes and/or films as aforesaid; and
 - (c) such rights as the Chargor may own to broadcast the same by radio and television and to include it in cable programmes whether by live performance of living persons or by performances of the Film; and
- 5.1.5 the benefit of all agreements entered into or to be entered into by the Chargor (or its agent) relating to the Film (including without limitation the Security Documents and the CAMA) with all rights granted and all monies receivable thereunder and any interest thereon and the benefit of all subsisting undertakings, warranties, representations, covenants, agreements and acknowledgements therein contained; and
- 5.1.6 the benefit of any policy of insurance taken out and maintained in connection with the Film and any and all sums paid or payable thereunder; and
- 5.1.7 the Accounts (including all monies standing to the credit of each Account, all interest accrued on each Account and all debts represented by the foregoing); and
- 5.1.8 the UK Tax Credit Collateral;
- 5.1.9 the Canadian Tax Credit Collateral; and
- 5.1.10 the benefit of the Relevant Agreements; and
- 5.1.11 the proceeds of any or all of the foregoing.

5.2 The Chargor shall hold on trust for the Chargee (which trust the Chargor hereby declares) the Chargor's entire interest and benefit in and to the Collateral or any part thereof which cannot be charged or assigned by the Chargor together with all proceeds, money and other rights and benefits to which the Chargor is beneficially entitled in respect of such Collateral.

5.3 Where any asset, right, collateral or other thing is stated to be the subject of the fixed charge made pursuant to Clause 4.1 and the assignment made pursuant to Clause 5.1, such asset, right, collateral or other thing, to the extent it may be assigned by the Chargor and to the extent such assignment has been perfected at the material time, shall be the subject of such assignment and not of such fixed charge. To the extent such asset, right, collateral or other thing is not capable of being assigned by the Chargor or to the extent such assignment has not been perfected at the material time, such asset, right, collateral or other thing shall be the subject of such fixed charge and not of such assignment.

6. **Warranty and Negative Pledge**

6.1 Other than the Permitted Encumbrances (if any), there shall be no charges or other security interests, Encumbrance or arrangements having the effect of conferring security interests created by the Chargor or permitted by the Chargor to arise over the Collateral or over any other of the Chargor's property otherwise than in favour of the Chargee or with the Chargee's prior written consent. Notwithstanding anything to the contrary contained herein, if the Chargor charges or otherwise encumbers any of the Collateral in any manner contemplated by this Clause 6.1 the charges created in favour of the Chargee shall rank in priority to such other charges or Encumbrances whether they be fixed, floating or otherwise.

6.2 The Chargor hereby warrants and undertakes with the Chargee that it is or will be absolutely entitled to the benefit of those properties (subject to the Permitted Encumbrances (if any)) and of the agreements referred to in Clauses 4 and 5 hereof (as applicable) to which it is a party (subject to the terms of such agreements) and has full power, right and title to assign and/or charge the Collateral and is duly incorporated and validly existing and in good standing under the laws of England & Wales and has taken all action necessary to authorise the execution, performance and delivery of this Charge and Deed of Assignment.

7. **Default**

On the happening of any Event of Default or at any time thereafter, the floating charge created by Clause 4.2 shall automatically be converted with immediate effect into a fixed charge, the obligation of the Chargee to advance monies under any Relevant Agreement shall immediately terminate, the security hereby created shall become enforceable and the Secured Liabilities shall immediately become due and payable.

8. **Exercise of Rights**

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

8.1.1 without prejudice to any other powers the Chargee may have by law, exercise all of the powers set out in the Law of Property Act 1925 and in Schedule 1 to the Insolvency Act 1986 and any other powers the Chargee may have by law and, in addition, all of the powers set out in Clause 8.2 below; and

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

8.1.3 appoint an administrator of the Chargor.

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

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

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

8.2.3 to assign, sell, lease, license (including, but not in limitation, by appointing a replacement distributor to distribute and exploit the Collateral in place of the Chargor), grant options to sell, deal with or manage or concur in assigning, selling, leasing,

licensing, granting options to sell, dealing with or managing and to vary, terminate or accept surrenders of leases, licences or tenancies of any of the Collateral in such manner and generally on such terms and conditions as the Chargee or he shall think fit and to carry any such transactions into effect in the name of and on behalf of the Chargor or otherwise;

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

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

- 8.3 In addition, but without prejudice, to the foregoing remedies if the security hereby created shall become enforceable the Chargee shall (without prejudice to the statutory power of sale conferred by

the Law of Property Act 1925 which is applicable to this Charge and Deed of Assignment) be entitled to sell the Collateral or any part or parts thereof or otherwise exploit or turn to account the Collateral for such price and in such manner as the Chargee in its absolute discretion may think fit, without notice to the Chargor or any other formality, all of which are hereby waived by the Chargor. The Chargee shall be entitled to repayment of all costs and charges in connection therewith including all costs fees and charges it may incur as a consequence of the enforcement hereof.

- 8.4 The restrictions contained in sections 93, 103 and 109 of the Law of Property Act 1925 shall not apply to the security hereby created.
- 8.5 The Chargee or the Receiver may enforce the security created by this Charge and Deed of Assignment in any order which the Chargee or the Receiver in their or its absolute discretion think(s) fit.
- 8.6 The Chargee may appoint more than one Receiver and in such event any reference in this Charge and Deed of Assignment to a Receiver shall apply to both or all of the Receivers so appointed and the appointment of Receivers so made shall be deemed to be a joint and several appointment and so that the rights, powers, duties and discretion vested in the Receivers so appointed may be exercised by them all jointly or severally by each of them.
- 8.7 The Chargee shall not nor shall the Receiver by reason of the Chargee or the Receiver entering into possession of the Collateral or any part thereof be liable to account as mortgagee in possession or for any default or omission of any nature whatsoever for which a mortgagee in possession might be liable, or be liable for any loss or damage occasioned by or upon realisation or diminution in value happening in or about the exercise of any power conferred hereby or by statute and the Chargor shall have no right or action or claim against the Chargee on the grounds that a better price could or might have been obtained on any such realisation, sale or disposal. The Chargee and the Receiver shall be entitled to all the rights, powers, privileges and immunities conferred by statute on mortgagees and receivers.
- 8.8 If the Chargor shall without the express written agreement of the Chargee thereto create or permit to arise or subsist any Encumbrance (other than the Permitted Encumbrances, if any) affecting the Collateral of which the Chargee shall receive notice, actual or constructive, the Chargee may open a new account for the Chargor in respect of the Collateral and if the Chargee does not in fact open such new account it shall nevertheless be treated as if it had done so at the time when it received such notice and as from that time all payments made by or on behalf of the Chargor to the Chargee shall be credited or be treated as having been credited to the new account, and such payments shall not operate to reduce the amount due from the Chargor to the Chargee at the said time until such payments may be indefeasibly so applied by the Chargee (but this Clause shall not prejudice any security which apart from this Clause the Chargee would have had but for the discharge by the Chargor of liabilities or obligations incurred after that time).
- 8.9 The Chargee may at any time without prior notice transfer, where the Chargee has more than one account for the Chargor in its books, all or any part of any balance standing to the credit of any such account to any other such account which may be in debt, combine and consolidate all or any of the accounts for the time being of the Chargor with the Chargee and/or in any event set off any monies or other assets which the Chargee may at any time hold for the account of the Chargor against the Chargor's liability under this Charge and Deed of Assignment and without prejudice to any other right of set-off or similar right to which the Chargee may be entitled in law.
- 8.10 All moneys received, recovered or realised by the Chargee under this Charge and Deed of Assignment may at the sole discretion of the Chargee be credited by the Chargee to any suspense or impersonal account pending the application from time to time of such moneys and accrued interest thereon at the rate if any agreed in writing between the Chargor and the Chargee from time to time (as the Chargee shall be entitled to do in their discretion) in or towards the payment of the Secured Liabilities.
- 8.11 The proceeds of any Collateral obtained or disposed of pursuant to this Charge and Deed of Assignment shall be applied first in payment of the Secured Liabilities and any and all expenses and fees (including, but not limited to, reasonable solicitor's fees) incurred by the Chargee in obtaining, taking possession of, removing, insuring, storing and disposing of the Collateral and any and all amounts incurred by the Chargee in connection therewith (including without limitation in connection with any proceedings brought in connection with any administration of the Chargor) and second in accordance with the recoupment schedule set out in the CAMA;

9. Indemnity and Interest

- 9.1 The Chargor indemnifies the Chargee, the Receiver and any administrator appointed by the Chargee in respect of, and agrees to keep the Chargee, the Receiver and any administrator appointed by the Chargee fully and effectively indemnified from and against, all liabilities and expenses properly incurred

in the execution or purported execution of any of the powers, authorities or discretion vested in the Chargee, the Receiver or any administrator appointed by the Chargee pursuant hereto and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted by the Chargor in any way relating to the Collateral and the Chargee, the Receiver and any administrator appointed by the Chargee may retain and pay all sums in respect of the same out of any moneys received under the powers hereby conferred.

- 9.2 Any sums which are payable by the Chargor under this Charge and Deed of Assignment and which are paid by the Chargee or the Receiver or any administrator appointed by the Chargee, shall be repaid by the Chargor on demand together with interest at the Default Rate from the time of the same having been paid or incurred by the Chargee or, as the case may be, the Receiver or any administrator appointed by the Chargee to the time that payment is made in full by the Chargor (after as well as before judgment or demand therefor), and the payment of any such sum by the Chargee or the Receiver or any administrator appointed by the Chargee shall not constitute the Chargee or the Receiver or any administrator appointed by the Chargee a mortgagee in possession of the Collateral in respect of which such payment is made.

10. **Warranties, Representations and Covenants**

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

- 10.1.1 remain liable under the contracts and agreements (including, without limitation, all Relevant Agreements to which it is a party) charged or assigned or to be charged or assigned hereunder to perform all the obligations assumed by it thereunder and the Chargee shall not be under any obligations or liability under or in respect of any of such contracts and agreements;
- 10.1.2 not require the Chargee to enforce any term of any of the said contracts and agreements against any party (it being acknowledged that in no circumstances shall the Chargee have any obligation so to enforce);
- 10.1.3 duly perform its obligations under the said agreements, notify the Chargee of any material default by itself and institute and maintain all such proceedings (subject to the terms hereof) as may be necessary or expedient to preserve or protect the interest of the Chargee and itself in the said agreements;
- 10.1.4 not exercise any right or power conferred on it by or available to it under the said agreements (including, without limitation, the right of termination) if to do so might adversely affect the position of the Chargee unless and until requested to do so by the Chargee. Thereupon it will exercise such right or power as the Chargee may direct;
- 10.1.5 not accept or make any claim that the said agreements have been frustrated or have ceased to be in full force if to do so might adversely affect the position of the Chargee;
- 10.1.6 not assign or otherwise dispose of any of its rights under the said agreements save pursuant to the Permitted Encumbrances or as otherwise acknowledged and/or permitted pursuant to the PSA;
- 10.1.7 do all such things as are necessary to maintain its corporate existence in good standing (including without limitation the filing of all necessary returns); and
- 10.1.8 upon the request of the Chargee give written notice (in such form and to such persons as the Chargee may require) of the security hereby created.

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

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

10.2.2 it shall not assign or otherwise dispose of any of its copyright (if any) in the Collateral save pursuant to the Permitted Encumbrances or as otherwise acknowledged and/or permitted pursuant to the PSA.

10.3 The Chargor hereby repeats in favour of the Chargee the warranties, representations, undertakings and covenants set out in the PSA as if the same were set forth and incorporated herein.

11. **Nature of Security**

Subject to Clause 22, this Charge and Deed of Assignment shall be a continuing security to the Chargee notwithstanding any settlement of account or other act, omission, matter or thing whatsoever which but for this provision might operate to release or otherwise exonerate the Chargor from its obligations hereunder or affect such obligations or release or diminish the security conferred hereunder. Such security is in addition to, and shall not be merged into, or in any way prejudice any other security interest, charge document or right which the Chargee may now or at any time hereafter hold or have as regards the Chargor or any other person firm or corporation in respect of the Collateral and shall not in any way be prejudiced or affected thereby or by the invalidity thereof or by the Chargee now or hereafter dealing with, exchanging, releasing, modifying or abstaining from perfecting or enforcing any of the same or any rights which it now or hereafter has or by the Chargee giving time for payment or indulgence or compounding with any other person liable and this security shall remain in full force and effect as a continuing security unless and until the Chargee shall release and discharge this Charge and Deed of Assignment in accordance with Clause 22 hereof. The rights granted to the Chargee hereunder are in addition to, and in no way limit or restrict, the rights granted to the Chargee in the PSA or any other agreement. The exercise by the Chargee of its rights under this Charge and Deed of Assignment shall in no way affect or be in substitution for such other legal or equitable rights and remedies as the Chargee may have against the Chargor or any third party.

12. **Grant of Time or Indulgence**

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

13. **Protection of Third Parties**

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

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

14. **Waivers, Remedies Cumulative**

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

15. **Governing Law**

This Charge and Deed of Assignment (including any non-contractual obligation or liabilities arising from or in connection with it) shall be governed by and construed in accordance with the laws of England and Wales and the parties hereto submit to the non-exclusive jurisdiction of the English courts.

16. **Further Assurance**

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

16.2 Without limiting the generality of Clause 16.1 hereof in the event that any of the agreements relating to the Collateral are executed by the Chargor after the date of this Charge and Deed of Assignment, the Chargor will, at the request of the Chargee and the expense of the Chargor, execute supplementary charges and deeds of assignment in substantially the same form as this Charge and Deed of Assignment and execute all further documents reasonably required by the Chargee to give effect to such security and shall procure that the other party of any such agreements shall execute an acceptance of assignment of the benefit thereof in such form as may be required from time to time by the Chargee..

17. **Notice of Default**

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

18. **Power of Attorney**

18.1 The Chargor hereby irrevocably appoints the Chargee and, if any Receiver or an administrator has been appointed, each of the Chargee, the Receiver and any administrator appointed by the Chargee to be an attorney of it in its name and on its behalf to sign, execute and deliver all deeds and documents and do all acts and things which the Chargee, the Receiver or an administrator appointed by the Chargee may reasonably require or reasonably deem appropriate for the purpose of exercising any of its powers or for the perfection, protection or realisation of any security hereby constituted. The Chargor hereby acknowledges that such appointment shall be irrevocable (until this Charge and Deed of Assignment is released and reassigned under Clause 22).

18.2 This appointment shall operate as a power of attorney for the purposes of Clause 18.1 only made under Section 10 of the Powers of Attorney Act 1971 such appointment constituting a power coupled with an interest under English law. This power of attorney shall terminate without further notice on the release and discharge of this Charge and Deed of Assignment pursuant to sub-Clause 22.1 hereof but subject to sub-Clause 22.2 hereof.

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

19. **Invalidity of any Provision**

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

20. **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.

21. **Assignment**

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

22. **Release and Reassignment**

22.1 Upon unconditional and indefeasible payment, satisfaction and discharge to the Chargee of the Secured Liabilities in full, the Chargee will, at the written request of the Chargor and at the expense of the Chargor -

22.1.1 release the Collateral charged pursuant to Clause 4 hereof;

- 22.1.2 re-assign to the Chargor or any third party continuing to have a security interest in the Collateral, the Collateral assigned pursuant to Clause 5 hereof (but not any sums by then paid to the Chargee and retained to satisfy the Secured Liabilities in respect thereof); and
- 22.1.3 execute such documents and do such things as the Chargor shall reasonably require to give effect to sub-Clauses 22.1.1 and 22.1.2 hereof.

22.2 Where any release and discharge (whether in respect of the Secured Liabilities 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 Deed of Assignment (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 Chargee shall be entitled to concede or compromise any claim that any such payment, security or other disposition is liable to avoidance or repayment.

23. Notices

23.1 Manner of giving notices

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

- 23.1.1 delivering it by hand;
- 23.1.2 sending it by mail, postage prepaid;
- 23.1.3 sending it by facsimile transmission; or
- 23.1.4 sending it by email

to the other party at the addresses given in Clause 23.5 or 23.6.

23.2 Notices sent by hand or by post

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

23.3 Notices sent by fax

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

23.4 Notices sent by email

Any notice or other information sent by email shall be deemed to have been duly given: (a) at the start of the next Business Day in the case of emails sent during business hours at the place of receipt; or (b) at the start of the second Business Day in the case of emails sent outside of business hours at the place of receipt; provided in either case that any email which produces an automated response reporting a failure to deliver, delayed delivery to the intended recipient or "out of office" reply, shall be deemed not to have been delivered.

23.5 Notices to the Chargee

Any notice or other communication required to be given to the Chargee under this Charge and Deed of Assignment shall be sent to the Chargee to the person and at the address detailed at the top of this Charge and Deed of Assignment or such other address, facsimile number and/or for such other attention as may be notified by the Chargee and a copy of such notice shall be sent to Ingenious Capital Management Limited, 15 Golden Square, London W1F 9JG (fax +44 (0) 20 7319 4076) for the attention of the Director - Legal and Business Affairs, Media or to such other address, facsimile number and/or for

such other attention as may be notified by the Chargee to the Chargor in accordance with this Clause 23.

23.6 Notices to the Chargor

Any notice or other communication required to be given to the Chargor under this Charge and Deed of Assignment shall be sent to the Chargor to the person and at the address detailed at the top of this Charge and Deed of Assignment or such other address, facsimile number and/or for such other attention as may be notified by the Chargor to the Chargee with a copy to Nicki Parfitt, email: nickiparfitt@leeandthompson.com.

23.7 Notice on a business day

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

24. Licence

24.1 The Chargee hereby grants to the Chargor a licence, revocable only in accordance with Clause 24.2, to produce the Film in accordance with the Relevant Agreements.

24.2 The Chargee may terminate the licence granted pursuant to Clause 24.1 above upon the happening of an Event of Default after notice thereof to the Chargor.

25. Notices of Charge and Acknowledgement

The Chargor hereby undertakes to ensure that proper notice is given to any relevant third party of the security interest granted to the Chargor hereunder in a form approved by the Chargee and in particular the Chargor must:

25.1 in respect of the Accounts, as soon as practicably possible give notice to the Accounts Bank of this Charge in a form approved by the Chargee and to use reasonable endeavours to procure that the Account Bank acknowledges such notice in a form approved by the Chargee; and

25.2 in respect of the insurance policies, taken out in relation to the Film as soon as practicably possible give notice to the Insurers of this Charge in a form approved by the Chargee and to use reasonable endeavours to procure that the Insurers acknowledge such notice in a form approved by the Chargee.

26. Counterparts

This Charge and Deed of Assignment may be executed in counterparts. A counterpart of this Charge and Deed of Assignment executed by a party and sent by facsimile or transmitted electronically in either Tagged Image Format File (TIFF) or Portable Document Format (PDF) to the other shall be treated as an original, fully binding and with full legal force and effect, and each of the parties waives any right it may have to object to such treatment.

SCHEDULE 1

Definitions

Accounts means any accounts opened and maintained by the Chargor in connection with the Film;

Accounts Bank means each and any bank at which each and any of the Accounts are held;

Budget Contribution has the meaning given to it in the PSA;

CAMA means the collection account management agreement relating to the Film dated on or about the date hereof, between among others the Chargee, the Distributor, the Sales Agent and Collection Agent;

Canadian Company means Falling Films Inc. of 298 Markham Street, Unit 1, Toronto, ON M6J 2G6;

Canadian Laboratory means Urban Post Production of 22 Boston Ave, Toronto, ON M4M 2T9 or such other laboratory as may be approved in writing by the Distributor from time to time;

Canadian Production Accounts has the meaning given to it in the PSA;

Canadian Tax Credit means all accounts receivable, book accounts, book debts, debts, claims, monies, revenues, incomes, loans receivable, demands, refunds, reassessment, choses in action and any other amounts which now are, or which may at any time in the future be payable, accrued, due or owing to the Canadian Company from any municipal, provincial, state or federal authority, including without limitation with respect to the Income Tax Act (Canada), the Taxation Act (Ontario) or any other tax act of any province, state or territory in respect of the Film or the tax returns, refundable and/or film, services, production or investment tax credits payable in connection with the Film stemming from the certification of the Film by the Ontario Media Development Corporation as a production eligible for the Ontario Film and Television Tax Credit or certification by the Canadian Audio Visual Certification Office (CAVCO) a production eligible for the Canadian Film or Video Production Tax, and all of the right title and interest in and to any of the foregoing;

Canadian Tax Credit Applications means the applications submitted by the Canadian Company for the Canadian Tax Credit in relation to the Film;

Canadian Tax Credit Auditor's Opinion means the opinion in relation to the quantum of the Canadian Tax Credit payable in connection with the Film and the status of the Canadian Company as the qualifying company for the Canadian Tax Credit, issued by an auditor approved by the Chargee (Gemma Davis of Sierra Accounting being pre-approved) in favour of the Chargee;

Canadian Tax Credit Bank Mandates means the bank mandates relating to the accounts opened by the Canadian Company for the payment of the Canadian Tax Credit Receipts;

Canadian Tax Credit Collateral means the Canadian Tax Credit Receipts, the right to make a claim for and receive the Canadian Tax Credit and all sums standing to the credit of it and any other rights and benefits relating to the Canadian Tax Credit for the Film;

Canadian Tax Credit Documentation means the Canadian Tax Credit Applications, the Canadian Tax Credit Interim Certificates, the Canadian Tax Credit Undertakings, the Canadian Tax Credit POAs, the Canadian Tax Credit Bank Mandates, the Canadian Auditor's Opinion, the Co-Production Agreement, the Interparty Agreement and any other document referred to therein or required and agreed by the Chargee and the Distributor in relation to the Canadian Tax Credits for the Film and the payment of the Canadian Tax Credit Receipts;

Canadian Tax Credit Interim Certificates means the provisional certificates issued in respect of the Canadian Tax Credit;

Canadian Tax Credit POAs means the powers of attorney granted to the Chargee in relation to the Canadian Tax Credit for the Film;

Canadian Tax Credit Receipts means the actual amounts of the Canadian Tax Credit for the Film which are received by/attribution to paid to the Canadian Company;

Canadian Tax Credit Undertakings means the Film's individual producers undertakings to the Chargee in relation to the Canadian Tax Credit;

CDA means the commissioning and distribution agreement in respect of the Film dated on or about the date hereof pursuant to which the Distributor has commissioned the Chargee to produce the Film;

Co-Production Agreement means the co-production agreement for the Film between the Chargor and the Canadian Company dated on or about the date hereof;

Collateral means the Chargor's right, title and interest in and to the property charged pursuant to Clauses 4.1 and 4.2 hereof and the property assigned pursuant to Clause 5 hereof;

Collection Agent means Freeway CAM B.V. or any other collection agent appointed by the parties to the Interparty Agreement;

Company Event of Default means a breach of any term of, or any other default under, the PSA by the Chargor;

Completion Agreement means the completion agreement relating to the Film between among others, the PSC, the Chargee and the Completion Guarantor;

Completion Guarantee means the guarantee of completion and delivery of the Film between, among others, the Completion Guarantor and the Chargee;

Completion Guarantor means Film Finances Canada, Ltd. Inc. whose office is at 250 The Esplanade, Suite 204, Toronto, Ontario M5A 1J2;

Default Rate means 12.5 per cent. per annum, calculated on the basis of the number of days elapsed and a year of 365 days;

Delivery Materials means all the film materials to be created and delivered by the Chargor to Chargee pursuant to and subject to the terms of the PSA;

Distribution Agreements means the Sales Agency Agreement and those agreements granting Distribution Rights in respect of the Film entered into by or on behalf of the Distributor prior to or after the date of the CDA and including, for the avoidance of doubt, any agreement granting Distribution Rights in Canada;

Distribution Rights means all rights of exploitation and distribution of the Film by all means and in all media throughout the universe, together with all such rights in and to the Film Assets as are necessary solely to exploit such rights, including all rights, if any, to authorise, prohibit and/or control and collect revenues from the rental, lending, private copying, fixation, reproduction and/or other exploitation of the Film by any means and/or media now known or hereafter devised as may be conferred under applicable laws, regulations and/or directives, including any so-called "Rental and Lending Rights" pursuant to any directives and/or implementing law enacted in any jurisdiction and including without limitation all allied and ancillary rights in and to the Film including without limitation all format, merchandising, commercial tie-in, literary publishing, music publishing, soundtrack album, non broadcast (including videogram, airline and ship rights), on-line rights and all other ancillary rights whether now known or hereafter invented;

Distributor means Perceval Pictures Limited (Company number: 11829880), a limited liability company incorporated under the laws of England and Wales whose registered office is at Clay Barn Ipsley Court, Berrington Close, Redditch, Worcestershire, United Kingdom, B98 0TJ;

Distributor Default means a breach of any of the terms of, or any other default under, the CDA by the Distributor;

Encumbrance means any mortgage, charge, lien, pledge, assignment, hypothecation or security interest or arrangement having similar effect;

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

Film means the feature film provisionally entitled "Falling";

Film Assets means the Rights, the Delivery Materials and all other rights and materials with respect to the same as may be necessary for the production and/or exploitation of the Film;

Intellectual Property Rights means trade marks, service marks, trade names, design rights, copyright (including rights in computer software and databases), patents, rights in know-how, confidential information and other intellectual property rights, in each case whether registered or unregistered and including applications for and the right to apply for registration for, the grant of any of the foregoing and all rights or forms of protection having equivalent or similar effect to any of the foregoing which may subsist anywhere in the universe, in each case only to the extent relating solely to the Film;

Interparty Agreement means the interparty agreement relating to the Film dated on or about the date hereof and entered into between, among others, the Distributor, the Chargor and the Chargee;

Intermediate Licensor means any intermediate licensor the Distributor may appoint (whether directly or indirectly) in relation to the onward distribution of the Film in the Territory by such entity;

Intermediate Licensor Charges means the security agreements dated on or about the date hereof in relation to the Film between each Intermediate Licensor as chargor and the Chargee as chargee;

LA Services Agreement means the production services agreement entered into between the Company and the LA Services Company in relation to certain services to be provided on the Film;

LA Services Company means collectively Baral Way Productions, Inc, Salt Spring Media, Inc and Pepper Mill Productions, Inc.;

Laboratory means the Canadian Laboratory and/or the UK Laboratory, or such other laboratory as may be approved in writing by the Chargee from time to time;

Laboratory Notice and Acknowledgement means the notices and acknowledgements of charge to the laboratory between, among others, each Laboratory, the Chargee, the Chargor, the Distributor and the Sales Agent;

Licensee means the Sales Agent, Intermediate Licensor and each party to the Distribution Agreements other than the licensor under those Distribution Agreements;

Notices of Assignment means the notices and acknowledgements of assignment dated on or about the date hereof between, among others, the Distributor, the Chargee and each Licensee in relation to the Film and any notices and acceptances of assignment entered into hereafter by the Chargor and any Licensee;

Notices of Charge means the notices of charge dated on or about the date hereof between, among others, the Chargee, the Chargor, the Completion Guarantor and Coutts & Co (in relation to the UK Production Accounts) or Royal Bank of Canada (in relation to the Canadian Production Accounts) in respect of the Production Accounts;

Permitted Encumbrances means the security interests permitted pursuant to the terms of the Interparty Agreement;

Production Account has the meaning given to it in the PSA;

PSA means the production services agreement in respect of the Film dated on or about the date hereof pursuant to which the Chargee has engaged the Chargor to render certain production services in connection with the Film;

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

Relevant Agreements means this Charge and Deed of Assignment, the CDA, the PSA, the LA Services Agreement, the Co-Production Agreement, the Distribution Agreements, the Security Documents, the CAMA, the UK Tax Credit Documentation, the Canadian Tax Credit Documentation, the Laboratory Notice and Acknowledgment, the Completion Agreement, the Completion Guarantee, the Notices of Assignment, the Intermediate Licensor Charges, the Notices of Charge, the Interparty Agreement and any other agreements to which the Chargor is a party in relation to the Film;

Relevant Parties means any of the Chargor, each Licensee and the Distributor and each party to a Relevant Agreement (other than the Chargee) and each is a **Relevant Party**;

Reserved Rights means all rights reserved to Viggo Mortensen under the script acquisition agreement in relation to the Screenplay between Perceval Pictures Limited and Viggo Mortensen dated with effect from 24 January 2019 including without limitation all rights to develop, produce, present, distribute, and otherwise turn to account all subsequent productions of any kind and nature based upon the Screenplay;

Rights means:

(a) the entire copyright and all other rights whether vested or contingent, in and to the Film and all material created therefor, whether included in the final version or not;

(b) all allied and ancillary rights in and to the Film including, without limitation, all format, merchandising, commercial tie-in, literary publishing, music publishing, soundtrack album, non broadcast (including videogram, airline and ship rights), on-line rights and all other ancillary rights whether now known or hereafter invented;

(c) all rights of copyright, Intellectual Property Rights and any and all other rights, whether vested or contingent, present or future, in all literary, dramatic, musical and artistic material commissioned or otherwise acquired solely in connection with the production, distribution and exploitation of the Film;

(d) all property and ownership in all Delivery Materials to be created or acquired in connection with the Film including the Source Material, the master negative and all materials held at any laboratory or facilities house from time to time;

(e) the benefit of all contracts and agreements entered into relating to the acquisition of rights by or provision of goods or services in connection with and solely in so far as this relates to the Film including all warranties and indemnities given therein; and

(f) the entire remaining benefit of all grants, licences or rights, waivers, consents, covenants, warranties, undertakings and/or representations in all of the licences and agreements solely as necessary for the production and exploitation of the Film;

Sales Agency Agreement means the sales agency agreement in respect of the Film dated on or about the date hereof between the Sales Agent and the Distributor;

Sales Agent means Hanway Films Limited (Company No: 03663618) whose registered office is at 24 Hanway Street, London, W1T 1UH;

Secured Liabilities means all or any money and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to the Chargee by the Chargor in relation to the Film whether actually or contingently, solely or jointly and whether as principal or surety (or guarantor), including any money and liabilities of the Chargor owed to a third party which have been assigned or novated or otherwise vested in the Chargee and whether pursuant to the PSA, the CDA, the Interparty Agreement, the CAMA or otherwise.

Screenplay has the meaning given to it in the CDA;

Security Documents has the meaning given to it in the PSA;

Source Material means any and all literary, dramatic, musical and artistic material incorporated in the Film, including the Screenplay and all underlying material upon which such screenplay is based;

UK Laboratory means Lip Sync Post Limited of 8 Dean Street, London W1D 3RL or such other laboratory as may be approved in writing by the Distributor from time to time;

UK Production Accounts has the meaning given to it in the PSA;

UK Tax Credit means the payable cash element constituting a tax credit pursuant to Part 15 of the Corporation Tax Act 2009 receivable by the Chargor on behalf of the Chargee in respect of the qualifying expenditure for the Film which satisfies the requirements of Part 15 of the Corporation Tax Act 2009 (as amended from time to time);

UK Tax Credit Collateral means the UK Tax Credit Receipts, the right to make a claim for and receive the UK Tax Credit and all sums standing to the credit of it and any other rights and benefits relating to the UK Tax Credit for the Film;

UK Tax Credit Documentation means any document required and agreed by the Chargee in relation to the UK Tax Credit for the Film and the payment of the UK Tax Credit Receipts;

UK Tax Credit Receipts means the actual amount of the UK Tax Credit for the Film which is received by and/or attributable to the Chargor; and

Underlying Rights means any and all rights of copyright, trade mark, patents or other intellectual property rights or other rights of whatsoever nature in the Source Material, but, for the avoidance of doubt, excluding the Reserved Rights.

SCHEDULE 2

Events of Default

An Event of Default means any of the following:

1. a Distributor Default;
2. a Company Event of Default;
3. default shall be made in the payment, satisfaction and/or discharge of the Secured Liabilities or any instalment of the Secured Liabilities, on the due date and in the currency and at the place in which or at which it is expressed to be payable;
4. any breach, default, failure or refusal or neglect of any Relevant Party to observe or perform any of the terms of the Relevant Agreements or any amendment to the Relevant Agreements or any event of default occurs pursuant to any of such agreements and/or documents;
5. if any of the Relevant Agreements shall be terminated or become unenforceable;
6. if any of the warranties and representations given by any Relevant Party under any of the Relevant Agreements shall at any time prove to be incorrect or false;
7. if it becomes illegal for the parties or any Relevant Party to perform their respective obligations under any of the Relevant Agreements or if any of the Relevant Agreements becomes void, invalid or unenforceable or ceases to be in full force and effect;
8. any consent, authorisation, licence, filing, registration, notarisation or other requirement of any governmental, judicial or public body or authority required or advisable in connection with the execution, delivery, performance, validity, admissibility in evidence or enforceability of the Relevant Agreements or performance by a Relevant Party of its obligations under the Relevant Agreements is modified in a manner unacceptable to the Chargee or is not granted or is revoked or terminated or expires;
9. a material adverse change in the business or financial condition of a Relevant Party or in relation to any person guaranteeing any of the Secured Liabilities or in relation to any assets, rights or monies over which a Relevant Party has security;
10. any meeting of creditors of a Relevant Party being held or any arrangement or steps being taken by a Relevant Party with a view to proposing or implementing (under any enactment or otherwise) any kind of scheme of arrangement, compromise or composition with or for the benefit of its creditors (including any voluntary arrangement as defined in the Insolvency Act 1986);
11. a trustee, liquidator, provisional liquidator, supervisor, receiver, administrator (in bankruptcy or otherwise), administrative receiver or other encumbrancer taking possession of or being appointed over or any distress, execution or other process being levied or enforced (and not being discharged within seven (7) days) over the whole or any substantial part of the assets of a Relevant Party or the directors or officers of a Relevant Party requesting any person to appoint such a trustee, liquidator, supervisor, receiver, administrator, administrative receiver or other encumbrancer;
12. a Relevant Party ceasing or threatening to cease to carry on business or being or becoming unable to pay its debts within the meaning of section 123 Insolvency Act 1986 (on the basis that, in relation to sections 123(1)(e) and 123(2) Insolvency Act 1986 the words "if it is proved to the satisfaction of the court that" are omitted) or suspending or threatening to suspend making payments with respect to all or any class of its debts;
13. a Relevant Party obtaining a moratorium or other protection from its creditors;
14. a petition being presented, or steps being taken, or a meeting being convened for the purpose of considering a resolution for the making of an administration order, the winding-up, bankruptcy or dissolution of a Relevant Party;
15. an application being presented for the making of an administration order, or there is served on any person a notice of intention to appoint an administrator or any such appointment is made in relation to any

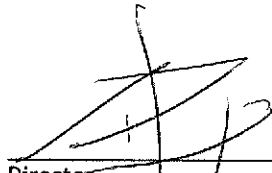
Relevant Party, or a meeting being convened for the purpose of considering a resolution for the making of such an application or the service of such a notice;

16. a decision being taken for a Relevant Party to cease to trade or any Relevant Party ceases to trade;
17. any Relevant Party changing or threatening to change the nature or scope of its business, or suspending or threatening to suspend all or a substantial part of its business operations;
18. the taking of a decision without the prior consent of the Chargee by a Relevant Party that the whole or a part of the undertaking or assets of a Relevant Party be sold, transferred or otherwise disposed of (whether or not for full consideration);
19. any indebtedness or guarantee, indemnity or similar obligation of a Relevant Party not being paid when due or called upon, or any such indebtedness or obligation being declared due prior to its stated maturity;
20. the occurrence of any event which would result in the crystallisation of any floating charge over the whole or any part of the undertaking and assets of a Relevant Party;
21. any Encumbrance which may affect any assets of any Relevant Party becoming enforceable;
22. any Encumbrance or any guarantee or indemnity given by any Relevant Party ceasing to be in full force and effect;
23. the occurrence of any event or the receipt by the Chargee of any information or the coming to the attention of the Chargee of any matter or thing which causes the Chargee to believe that all or any part of the Collateral is in danger of seizure, distress or other legal process or that all or any part of its security is otherwise for any reason in danger;
24. any Relevant Party has a written demand for the payment of sums due served upon it in accordance with section 123(1)(a) Insolvency Act 1986 or otherwise (which is not settled or disputed);
25. any Relevant Party is struck off the register of companies or otherwise ceases to exist;
26. if any event, which is in the opinion of the Chargee analogous to or having a similar effect or result to any of the events described above, shall happen in any jurisdiction to any Relevant Party; and
27. the Chargee determines (in its sole and absolute discretion) that the rights of any Relevant Party with respect to the Collateral are materially adversely affected as a result of any claim and/or claims asserted by any third party.

EXECUTION PAGE TO ACHILLE PRODUCTIONS LIMITED CHARGE OVER ACHILLE PRODCUTIONS (FALLING) LIMITED
"FALLING"

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

EXECUTED and unconditionally delivered as a)
deed by)
ACHILLE PRODUCTIONS LIMITED)
acting by a Director)



Director
Authorised Signatory

in the presence of:

Witness Name: Sam Hill

Witness Signature: [Signature]

Witness Address: 15 Golden Square
London W1F 9JG

Witness Occupation: Paralegal

-

EXECUTED and unconditionally delivered as a)
deed by)
ACHILLE PRODUCTIONS (FALLING) LIMITED)
acting by an authorised attorney/Director)

Authorised Attorney/Director

in the presence of:

Witness Name:

Witness Signature:

Witness Address:

.....

Witness Occupation:

EXECUTION PAGE TO ACHILLE PRODUCTIONS LIMITED CHARGE OVER ACHILLE PRODUCTIONS (FALLING) LIMITED
"FALLING"

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

EXECUTED and unconditionally delivered as a
deed by
ACHILLE PRODUCTIONS LIMITED
acting by a Director

Director

In the presence of:


Witness Name:

Witness Signature:

Witness Address:

Witness Occupation:

EXECUTED and unconditionally delivered as a
deed by
ACHILLE PRODUCTIONS (FALLING) LIMITED
acting by an authorised attorney/Director


Authorised Attorney/Director

In the presence of:

Witness Name: JULIET DOWLING

Witness Signature: 

Witness Address: 11 NASSINGTON ROAD
LONDON NW3 2TX

Witness Occupation: PRODUCER