

M

CHWP000

Declaration of satisfaction in full or in part of mortgage or charge

403a

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Pursuant to section 403(1) of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block letteringTo the Registrar of Companies
(Address overleaf)

For official use

Company number

00950138

Name of company

* insert full name
of company

* Universal Music Operations Ltd (the "Company")

† delete as
appropriate# insert a description
of the instrument(s)
creating or
evidencing the
charge, eg
'Mortgage',
'Charge',
'Debenture' etcø the date of
registration may be
confirmed from the
certificate§ insert brief details
of propertyI, Abolante Abioye
of 1 Sussex Place, London W6 9XS[~~a director~~][the secretary][~~the administrator~~][~~the administrative receiver~~]† of the above company, do
solemnly and sincerely declare that the debt for which the charge described below was given has been
paid or satisfied in [full][part]† ✓Date and description of charge # The Subordination Agreement dated 29 January 2003 ✓Date of registration ø 7 February 2003 ✓Name and address of [chargee][~~trustee for the debenture holders~~]† Credit Lyonnais S.A. ✓
81 Rue de Richelieu, 75002, Paris, France (the "Senior Agent")Short particulars of property charged § PLEASE SEE CONTINUATION SHEETAnd I make this solemn declaration conscientiously believing the same to be true and by virtue of the
provisions of the Statutory Declarations Act 1835.Declared at 1 Sussex Place
London W6 9XS

Declarant to sign below

Bo Abioye

Day Month Year

on 09/09/2004before me CHERINE GHALIA Commissioner for Oaths or Notary Public or Justice of
the Peace or a Solicitor having the powers conferred on a
Commissioner for Oaths.Presentor's name address and
reference (if any):ORRICK HERRINGTON SUTCLIFFE
TOWER 42, LEVEL 35
25 OLD BROAD STREET
LONDON EC2N 1HQFor official Use (02/00)
Mortgage Section

Post room

LD4
COMPANIES HOUSE0456
10/09/04

Amount secured by the mortgage or charge

"Senior Facility Debt" being:

any and all indebtedness, obligations and/or liabilities (present or future, actual or contingent, joint or several) payable or owing by any Obligor to any Senior Finance Party under the Finance Documents including, without limitation:

- (a) any refinancing, novation, refunding, deferral or extension of any of those liabilities;
- (b) any further advances which may be made by a Senior Finance Party to an Obligor under any agreement expressed to be supplemental to any of the Finance Documents plus all interest, fees and costs in connection therewith payable by that Obligor;

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Short particulars of all the property mortgaged or charged

If at any time the Company receives a payment or distribution in cash or in kind in respect of, or on account of, or receipt of money in respect of, any Subordinated Intra Group Debt, or any Subordinated Intra Group Debt is discharged, in each case otherwise than in a manner permitted by Clauses 3 and 4.1 of the Subordination Agreement (each such payment or distribution being a "Turnover Receipt") the Company shall on demand pay to the Senior Agent for application as provided in clause 14.3 of the Subordination Agreement an amount determined by the Senior Agent, to be equal to the lessor of:

- (a) the outstanding balance of the Senior Debt; and
- (b) the amount of each Turnover Receipt.
- (c) any claim for damages or restitution in the event of rescission of any of those liabilities or otherwise in connection with the Finance Documents;
- (d) any claim against an Obligor arising from any recovery by an Obligor or any receiver or liquidator thereof or any other person of a payment or discharge in respect of any of those liabilities or debts on the grounds of preference or otherwise; and
- (e) any amounts (such as post-insolvency interest) which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings.

DEFINITIONS

"Accession Agreement" means a deed of accession in the form contained in the Subordination Agreement.

"Additional Chargor" means a member of the Group which becomes a Chargor after the date of the Senior Facility Agreement.

"Additional Guarantor" means a member of the Group which becomes a Guarantor after the date of the Senior Facility Agreement.

"Affiliate" means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company.

"Charge of Intercompany Loans" means the charge granted in favour of Crédit Lyonnais by the Subordinated Creditors over various Inter-Company Loans in the agreed form under a Security Document.

"Chargor" means an Original Chargor or an Additional Chargor.

Short particulars of all the property mortgaged or charged (continued)

"Chargors" means

Name of Chargor	Registered number
Go! Discs Limited	01768014
Go Holdings Limited	02376574
Mercury Records Limited	00586873
Polydor Limited	00880146
Universal-Island Records Limited	00723336
Universal Music Operations Limited	00950138
Universal-MCA Music (UK) Limited	00919424
A&M Records Limited	00951340
Universal Music (UK) Holdings Limited	03383881
Universal Music Leisure Limited	03384487
Centenary UK Limited	03478918
Island Entertainment Group Limited	02245537
210 South Street Property Company Limited	02699678
Deutsche Grammophon GmbH HRB	67951

and **"Chargor"** means any one of them.

"Facility Agent" means the Senior Agent.

"Fee Letter" means the letter dated on or around the date of the Senior Facility Agreement between the Company and the Facility Agent setting out the amount of the upfront fee.

"Finance Document" means:

- (a) the Senior Facility Agreement;
- (b) the Fee Letter;
- (c) a Security Document;
- (d) the Subordination Agreement;
- (e) the Letter of Intent
- (f) an Accession Agreement;
- (g) the VU Agreement;
- (h) a Transfer Certificate; or
- (i) any other document designated as such by the Facility Agent and the Company.

"Group" means at the date of the Senior Facility Agreement Centenary UK Limited and the following companies:

Centenary UK Limited	Universal Music (UK) Holdings Limited
Universal Music Leisure Limited	Backcite Limited
Makeback Limited	A&M Records Limited
Universal Music Operations Ltd	Mercury Records Limited
Polydor Limited	Go! Holdings Limited
Go! Discs Limited	Go! Records Limited
Know Existence Limited	Universal – MCA Music (UK) Limited
Island Entertainment Group Ltd	Universal – Island Records Limited
Africa Fete Limited	Universal Music UK Limited
Britannia Music Company Limited	Motown (UK) Limited
Phonogram Limited	The Music Store Limited
Systematic Limited	

and thereafter each other Subsidiary of Centenary UK Limited which is acquired on or after the date of the Senior Facility Agreement unless Universal Music Operations Limited can demonstrate to the satisfaction of the Facility Agent (acting reasonably and in good faith) that the principal business activity of that Subsidiary is not primarily that set out in paragraph 2 of Schedule 14 of the Senior Facility Agreement.

"Guarantor" means an Original Guarantor or an Additional Guarantor.

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"Holding Company" means a holding company within the meaning of section 736 of the Companies Act 1985.

"Intercompany Creditor" means each company set out below in its capacity as a creditor in relation to, or to whom any Obligor may at any time have any liability or obligations (present or future, actual or contingent, joint or several) for or in respect of any Subordinated Intra Group Debt as at the date of the Subordination Agreement and thereafter any other member of the Group which accedes to the Subordination Agreement as an Intercompany Creditor in accordance with the Senior Facility Agreement.

"Intercompany Debtors" means each Obligor in its capacity as a debtor in relation to, or who is at any time liable for or in respect of, any Subordinated Intra Group Debt and any Additional Guarantor which becomes party hereto as an Intercompany Debtor in accordance with the Senior Facility Agreement.

"Inter-Company Loan" mean any loan granted by an Obligor to an Affiliate of the Company.

"Intra Group Loan Documents" means each Intra Group Loan Agreement which documents or otherwise relates to any Subordinated Intra Group Debt and any and all agreements and other instruments under or by which any Subordinated Intra Group Debt is, or any amount in respect thereof is, outstanding, evidenced, secured or guaranteed, in each case as and including any instrument pursuant to which the same is novated, varied, supplemented or amended from time to time.

"New Party" means a person who accedes to the Subordination Agreement as an Intercompany Creditor or any Intercompany Debtor or an assignee or transferee of any Senior Creditor or an Intercompany Debtor.

"Obligor" means an obligor under the Senior Facility Agreement.

"Original Guarantor" means the companies listed as original guarantors under the Senior Facility Agreement.

"Security Agreement" means a security agreement dated 29th January, 2003 between the Facility Agent and the Chargers.

"Security Document" means:

- (a) the Security Agreement;
- (b) the Charge of Intercompany Loans;
- (c) each Share Pledge; and
- (d) any other document evidencing or creating security over any asset of an Obligor to secure any obligation of any Obligor to a Finance Party under the Finance Documents.

"Senior Agent" means the Facility Agent.

"Senior Creditor" means a Senior Finance Party.

"Senior Debt" means the Senior Facility Debt.

"Senior Facility Agreement" means the £136,00,00 facility agreement entered into on 31st December, 2002 and restated on 29th January, 2003 between, amongst others, Universal Music Operations Limited as the Company, Crédit Lyonnais S.A. as Facility Agent as trustee for itself and certain lenders, as amended, supplanted, novated and restated from time to time.

"Senior Finance Party" means:

- (a) a lender;
- (b) the Facility Agent; and/or
- (c) any successor, transferee, replacement or assignee of any of the above.

"Share Pledge" means each share pledge entered into by each Chargor in favour of the Finance Parties on or about the date of the Subordination Agreement in the agreed form under the Security Agreement.

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"Subordinated Intra Group Debt" means any and all indebtedness, obligations and/or liabilities (present or future, actual or contingent or joint or several) payable or owing by any Intercompany Debtor to any Intercompany Creditor which constitute Inter-Company Debt from time to time, whether or not matured and whether or not liquidated, and including, without limitation, all those obligations and liabilities set out below under heading Subordinated Intra Group Debt) and/or in any Accession Agreement executed by any New Party and/or any list provided to the Senior Agent pursuant to the Senior Facility Agreement, together with:

(a) any refinancing, novation, refunding, deferral or extension of any of those liability or rights to the extent the same constitute or continue to constitute Subordinated Intra Group Debt for the purposes of the Senior Facility Agreement.

(b) any further advances which may be made by an Intercompany Creditor to any Intercompany Debtor under any agreement relating or supplemental to any Intra Group Loan Document, plus all interest, fees and costs in connection therewith payable or owing by that Intercompany Debtor;

(c) any claim for damages or restitution in the event of rescission of any of those liabilities or rights or otherwise in connection with the Intra Group Loan Documents;

(d) any claim flowing from any recovery by an Intercompany Debtor or any receiver or liquidator thereof or any other person of a payment or discharge in respect of any of those liabilities or debts on the grounds of preference or otherwise; and

(e) any amounts (such as post-insolvency interest) which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings.

"Subsidiary" means:

(a) a subsidiary within the meaning of section 736 of the Companies Act 1985; and

(b) unless the context otherwise requires, a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985.

"Transfer Certificate" means a certificate, in the agreed form, with such amendments as the Facility Agent may approve or reasonably require or any other form agreed between the Facility Agent and the Company.

"VU Agreement" means the agreement in the agreed form in favour of the Finance Parties from Vivendi Universal S.A. entered into on or about the date of the restatement of the Senior Facility Agreement.

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