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*insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Pursuant to section 395 of the Companies Act 1985

7

To the Registrar of Companies

For official use

Company number

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1622224

Name of company

* MUSIC COLLECTION INTERNATIONAL LIMITED (the "Chargor")

Date of creation of the charge

28th July, 1998.

Description of the instrument (if any) creating or evidencing the charge (note 2)

Composite Debenture (the "Deed") dated 28th July, 1998 among the Chargor, other chargors named therein (collectively, the "Obligors") and Paribas, as agent and trustee for the Finance Parties (the "Chargee").

Amount secured by the mortgage or charge

means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to any Finance Party under each Finance Document to which such Obligor is a party except for any obligation which, if it were so included, would result in the Deed contravening Section 151 of the Companies Act 1985 (the "Secured Liabilities").

Names and addresses of the mortgagees or persons entitled to the charge

Paribas, at 10 Harewood Avenue, London NW1 6AA.

Presentor's name address and
reference (if any):

Allen & Overy
One New Change
London

B2:126376

Time critical reference

For official use
Mortgage Section

Post room



KLO *K3LD48NK* 2922
COMPANIES HOUSE 11/08/98

Short particulars of all the property mortgaged or charged

The Chargor, with full title guarantee and as security for the payment of all the Secured Liabilities, charges in favour of the Agent:

(a) by way of a first legal mortgage:

(i) all estates or interests in any freehold or leasehold property now belonging to the Chargor;

(ii) all Group Shares held now or in the future by it and/or any nominee on its behalf and all Related Rights accruing to the Group Shares;

(b) by way of first fixed charge:

(i) (to the extent that they are not the subject of a mortgage under paragraph (a) above) all estates or interests in any freehold or leasehold property belonging to the Chargor;

(See Continuation Sheet 1)

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Particulars as to commission allowance or discount (note 3)

Signed

Allen & Overy

Date ~~8/8/98~~

10/8/98

A&O

On behalf of ~~company~~ ~~mortgagee~~ ~~chargee~~ †

† delete as appropriate

NOTES

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.

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Particulars of a mortgage or charge (continued)

Continuation sheet No 1
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

1622224

Name of Company

MUSIC COLLECTION INTERNATIONAL LIMITED (the "Chargor")

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

- (ii) all plant and machinery owned by the Chargor and its interest in any plant or machinery in its possession;
 - (iii) (to the extent that they are not the subject of a mortgage under paragraph (a) above) its interest in all the Shares and their Related Rights;
 - (iv) all moneys standing to the credit of any account (including the Security Accounts) with any person and the debts represented by them;
 - (v) all benefits in respect of the Insurances and all claims and returns of premiums in respect of them;
 - (vi) all of the Chargor's book and other debts, the proceeds of the same and all other moneys due and owing to the Chargor and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing;
 - (vii) (to the extent that they do not fall within any other sub-paragraph of paragraph (b)) all of the Chargor's rights and benefits, including without limitation rights to publish, market or distribute audio or audio-visual titles or products, books or software, under any distributorship or similar agreements entered into by it, any letters of credit issued in its favour and all bills of exchange and other negotiable instruments held by it;
 - (viii) any beneficial interest, claim or entitlement of the Chargor in any pension fund;
 - (ix) its goodwill;
 - (x) the benefit of all licences, consents and authorisations (statutory or otherwise) held in connection with the Chargor's business or the use of any Security Asset specified in any other sub-paragraph in this paragraph (b) and the right to recover and receive all compensation which may be payable to it in respect of them;
 - (xi) its uncalled capital; and
 - (xii) its Intellectual Property Rights; and
- (c) by way of first floating charge all its assets not otherwise effectively mortgaged or charged by way of fixed mortgage or charged by way of fixed mortgage or charge by (a) or (b) above,

PROVIDED THAT:

there shall be excluded from the charges created under (a), (b) and (c) above any rights and benefits of the Chargor under an agreement, the terms of which either preclude absolutely the Chargor from creating a charge over such property or over such rights and benefits or require the consent of any other party to such agreement before the creation of such charge.

NEGATIVE PLEDGE

The Chargor will not:

(a) create or permit to subsist any Security Interest on any Security Asset other than a Permitted Security Interest; or

(b) save for the creation of a Permitted Security Interest or with the prior written consent of the Majority Banks, either in a single transaction or in a series of transactions whether related or not and whether voluntarily or involuntarily, sell, transfer, licence, lend, lease or otherwise dispose of (and "disposal" and "dispose" in this sub paragraph (b) shall be construed accordingly) all or any part of its assets, business or undertaking except for the disposal in the ordinary course of business of any Security Asset subject to the floating charge created under Clause 3.1 (Creation of Floating Charge) of the Deed.

(See Continuation Sheet 2)

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Particulars of a mortgage or charge (continued)

Continuation sheet No 2
to Form No 395 and 410 (Scot)

CHA 116

Please complete
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Company Number

1622224

Name of Company

MUSIC COLLECTION INTERNATIONAL LIMITED (the "Chargor")

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

For the purposes of this Form 395:

"Additional Guarantor" means a member of the Group which accedes to the Credit Agreement as a Guarantor having executed a Guarantor Accession Agreement.

"Agent" means Paribas.

"Arranger" means Paribas.

"Banks" means the financial institutions listed in Part IV of Schedule 1 to the Credit Agreement.

"Bank Guarantee" means a guarantee issued or to be issued under the Credit Agreement in the form, or substantially in the form set out in Schedule 6 to the Credit Agreement as provided under Clause 6.3(b) of the Credit Agreement and includes a Fronted Guarantee.

"Borrower" means VCI plc.

"Credit Agreement" means the credit agreement dated 28th July, 1998 and made among the Borrower, the Agent, the Original Guarantors, the Arranger, the Banks and the Agent.

"Fee Letter" means the letter dated 28th July, 1998 between the Arranger and the Chargor.

"Finance Documents" means the Credit Agreement, the Fee Letter, a Novation Certificate, the Intercreditor Agreement, the Deed, any Guarantor Accession Agreement, a Bank Guarantee, or any other document designated as such in writing by the Agent and the Chargor.

"Finance Party" means the Arranger, a Bank or the Agent.

"Fronted Guarantee" means a guarantee issued in accordance with Clause 6.5 (Issue of Fronted Guarantee) of the Credit Agreement in similar form to the form of the Bank Guarantee after making such changes as the Agent and the Issuing Bank shall agree to reflect the fact that the Bank Guarantee is given by a fronting bank.

"Guarantor Accession Agreement" means an accession agreement to be executed by an Additional Guarantor in accordance with Clause 19.11 (Additional Guarantors) of the Credit Agreement and in the form of Schedule 7 to the Credit Agreement.

"Group" means the Chargor and its Subsidiaries.

"Group Shares" means Shares in any member of the Group.

"Insurances" means all contracts and policies of insurance taken out by or on behalf of the Chargor or (to the extent of such interest) in which the Chargor has an interest.

"Intellectual Property Rights" means all know how, patents, trade marks, service marks, designs, business names, topographical or similar rights, copyrights and other intellectual property monopoly rights and any interests (including by way of licence) in any of the foregoing (in each case whether registered or not and including all applications for the same).

"Intercreditor Agreement" means the intercreditor agreement dated 29th July, 1998 and made among the Borrower, the Chargee and Nationwide.

"Issuing Bank" means a Bank which becomes an issuing bank pursuant to Clause 6.3(d) (Issue of Bank Guarantees) of the Credit Agreement for the purpose of issuing Fronted Guarantees.

(See Continuation Sheet 3)

"Nationwide" means Nationwide Building Society.

"Novation Certificate" has the meaning given to it in Clause 29.3
(Procedure for novations) of the Credit Agreement.

"Original Guarantors" means the Chargee, and certain of its Subsidiaries
listed in Part I of the Credit Agreement as guarantors.

"Related Rights" means any dividend or interest paid or payable in
relation to any Share and any rights, moneys or property accruing or
offered at any time in relation to any Shares by way of redemption,
substitution, exchange, bonus or preference, under option rights or
otherwise.

"Security Assets" means all assets of the Chargor the subject of any
security created by the Deed.

"Shares" means the Group Shares and any other stocks, shares,
debentures, bonds or other securities and investments.

"Subsidiary" means:-

(a) a subsidiary within the meaning of Section 736 of the Companies
Act 1985, as amended by Section 144 of the Companies Act 1989; and

(b) unless the context otherwise requires, a subsidiary undertaking
within the meaning of Section 21 of the Companies Act 1989.

B2: 126343

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 01622224

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A COMPOSITE DEBENTURE DATED THE 28th JULY 1998 AND CREATED BY MUSIC COLLECTION INTERNATIONAL LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY AND/OR ALL OR ANY OF THE OTHER COMPANIES NAMED THEREIN TO PARIBAS, AS AGENT AND TRUSTEE FOR THE FINANCE PARTIES (AS DEFINED) ON ANY ACCOUNT WHATSOEVER UNDER EACH FINANCE DOCUMENT (AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 11th AUGUST 1998.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 13th AUGUST 1998.

M. Ikram Dar
M. IKRAM DAR.

for the Registrar of Companies

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C O M P A N I E S H O U S E