



**Registration of a Charge**

Company name: **NAPSTER GROUP PLC**

Company number: **05628362**



XA21XT7B

Received for Electronic Filing: **09/04/2021**

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**Details of Charge**

Date of creation: **01/04/2021**

Charge code: **0562 8362 0002**

Persons entitled: **DAVIS PARTNERSHIP, LP**

Brief description: **THE INSTRUMENT INCLUDES A CHARGE OVER ALL ASSETS OF THE CHARGOR, INCLUDING ANY LAND AND ALL INTELLECTUAL PROPERTY OF THE CHARGOR. FOR MORE DETAILS PLEASE REFER TO THE INSTRUMENT.**

**Contains fixed charge(s).**

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

**Contains negative pledge.**

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**Authentication of Form**

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

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**Authentication of Instrument**

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

Certified by: **NICK CROSS**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 5628362

Charge code: 0562 8362 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st April 2021 and created by NAPSTER GROUP PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th April 2021 .

Given at Companies House, Cardiff on 12th April 2021

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**

1 April

**2021**

**(1) NAPSTER GROUP PLC  
as Chargor**

I CERTIFY THAT SAVE FOR  
MATERIAL REDACTED  
PURSUANT TO S.859G OF THE  
COMPANIES ACT 2006 THIS  
INSTRUMENT IS A TRUE COPY  
OF THE ORIGINAL INSTRUMENT

*Nick Cross*

**- and -**

**(2) DAVIS PARTNERSHIP, LP,  
as Lender**

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**ENGLISH DEBENTURE AND GUARANTEE**

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# Bristows

Bristows LLP  
100 Victoria Embankment  
London  
EC4Y 0DH

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**THIS DEED** is dated 1 April 2021 and made between:

- (1) **NAPSTER GROUP PLC** a company registered in England & Wales with registration number 05628362 and whose registered office is at 55 Poland Street, London, England, W1F 7NN, (the **Chargor**); and
- (2) **DAVIS PARTNERSHIP, LP** a Delaware limited partnership whose office is at 3 Harbor Drive, Sausalito, CA 94965 (the **Lender**).

**THIS DEED WITNESSES** as follows:

## 1. DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

Defined terms used in this Deed, but not otherwise defined herein, shall have the meaning set out in the Credit Agreement. In addition, the words and expressions set out below shall have the following meanings when used in this Deed:

**Account** means any current, deposit or other account opened or maintained by the Chargor with any bank or financial institution or any other person (and any replacement account or subdivision or subaccount of that account) (including each relevant Designated Account).

**Administrator** means an administrator appointed to manage the affairs, business and property of the Chargor pursuant to Clause 11.9 (*Appointment of an Administrator*).

**Book Debts** means all present and future book and other debts, and monetary claims due or owing to the Chargor, and the benefit of all security, negotiable instruments, guarantees and all other rights, title, interest, benefit and proceeds of any nature enjoyed or held by the Chargor in connection with any of such assets.

**Business Day** means a day other than a Saturday, Sunday or other day on which the Lender is closed for business.

**Credit Agreement** means the credit agreement dated on or about the date hereof between Rhapsody International Inc. as Borrower (as defined therein), and the Lender.

**Delegate** means any person appointed by the Lender or any Receiver pursuant to Clause 16 (*Delegation*), and any person appointed as attorney of the Lender, Receiver or Delegate.

**Designated Account** means any present or future account of the Chargor (including any replacement account or any subdivision or subaccount of such account) nominated by the Lender as a designated account for the purposes of this Deed.

**Enforcement Event** means an Event of Default which is continuing.

**Equipment** means all present and future equipment, plant, machinery, tools, vehicles, computers furniture, fittings, installations, apparatus and other tangible moveable property or chattels for the time being owned by the Chargor (including any part of it and all spare parts, replacements, modifications and

additions) and all related rights, title, interest, benefit and proceeds in respect of them.

**Event of Default**

has the meaning given to it in the Credit Agreement.

**Financial Collateral**

has the meaning given to it in the Financial Collateral Regulations.

**Financial Collateral Regulations**

means the Financial Collateral Arrangements (No. 2) Regulations 2003 (*SI 2003/3226*).

**Insurance Policy**

means each present and future contract and policy of insurance effected or maintained by the Chargor from time to time in respect of its assets or business (including, without limitation, any contract or policy of insurance relating to the Properties or the Equipment) and all other rights, interest, title, benefit and proceeds arising in connection with such assets.

**Intellectual Property**

means the Chargor's present and future patents, trade marks, service marks, trade names, copyrights, database rights, design rights, domain names, moral rights, inventions, topographical or similar rights, confidential information and know-how and any present or future interest in any of these rights, whether or not registered, including all applications, rights to apply for registration, rights to use such assets, and all other rights, title, interest, benefits and proceeds (including, without limitation, fees and royalties) arising in connection with these rights.

**Investments**

means all present and future certificated stocks, shares, loan capital, debentures, securities, bonds, loans, certificates of deposit, interest in a collective investment scheme and other investments (whether or not marketable) for the time being owned (at law or in equity) by the Chargor (whether or not directly held by the Chargor or held on behalf of the Chargor by any trustee, nominee, fiduciary or clearing system), including, without limitation, the following:

- (a) any dividend, interest or other distribution paid or payable in relation to any of the Investments;
- (b) any right, money, shares or property accruing, offered or issued at any time in relation to any of such assets by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights, warrants or otherwise;
- (c) any rights against any trustee, nominee, fiduciary or clearing system holding such assets on the Chargor's behalf; and
- (d) all other rights, interest, title, benefit and proceeds arising in connection with any of the above.

**IA 1986**

means the Insolvency Act 1986.

**Loan Document**

has the meaning given in the Credit Agreement.



<b>LPA 1925</b>	means the Law of Property Act 1925.
<b>Material Agreement</b>	means any "Material Contract" in the Credit Agreement to which the Chargor is a party.
<b>Party</b>	means a party to this Deed.
<b>Properties</b>	means all freehold, leasehold, commonhold and immovable properties (whether registered or unregistered), now or in the future (and from time to time) owned by the Chargor and all related rights, benefits, interests or proceeds in respect of such property as described in Clause 1.5 ( <i>Nature of security over real property</i> ) and <b>Property</b> means any of them.
<b>Receiver</b>	means a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets appointed by the Lender under Clause 14 ( <i>Receiver</i> ).
<b>Related Rights</b>	means any: <ul style="list-style-type: none"> <li>(a) dividend, interest or other distribution paid or payable in relation to any Investment;</li> <li>(b) allotments, accretions, offers, options, rights, bonuses, benefits and advantages, money or property accruing, offered or issued at any time in relation to any Investment by way of redemption, substitution, preference, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise at any time;</li> <li>(c) the voting rights of any Investment; and</li> <li>(d) any proceeds of sale of any Investment.</li> </ul>
<b>Secured Assets</b>	means the assets, property and undertaking for the time being subject to any Security created by, or pursuant to, this Deed (and references to the Secured Assets shall include references to any part of them).
<b>Secured Obligations</b>	has the meaning given in the Credit Agreement.
<b>Secured Parties</b>	means the Finance Parties.
<b>Security Financial Collateral Arrangement</b>	has the meaning given to it in the Financial Collateral Regulations.
<b>Security</b>	means any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien (statutory or otherwise), assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having the practical effect of any of the foregoing or any preference, priority or other security agreement (including any conditional sale or other title retention agreement and any capital lease having the same economic effect as any of the foregoing).

**Security Period**

means the period starting on the date of this Deed and ending on the date on which the Lender is satisfied that all the Secured Obligations have been finally, unconditionally and irrevocably paid and discharged in full and no further Secured Obligations are capable of being outstanding.

## 1.2 Construction

1.2.1 Unless a contrary indication appears, a reference in this Deed to:

- (a) the **Lender**, a **Chargor**, a **Party**, or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Loan Documents;
- (b) **asset, interest, property, right or title** includes all present and future, actual and contingent, legal or beneficial, assets, interests, properties, revenues and rights of every description, and any reference to a particular type or category of assets, interests, properties, revenues and rights includes any present or future assets interests, properties, revenues and rights of that type or category;
- (c) a **Clause** or **Schedule** is a reference to a Clause of, or Schedule to, this Deed;
- (d) **this Deed** includes the schedules which form part of this Deed for all purposes;
- (e) a **guarantee** means a guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, that obligation is assumed in order to maintain or assist the ability of that person to meet its indebtedness;
- (f) **include, includes** and **including** will be construed without limitation;
- (g) a **Loan Document** or any other agreement or instrument is a reference to that Loan Document or other agreement or instrument as amended, novated, supplemented, extended or restated from time to time (however fundamental that amendment, novation, supplement, extension or restatement may be, even if it involves increased, new, additional and/or replacement facilities or an increase in any other amount or rate);
- (h) a **person** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
- (i) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
- (j) "**continuing**" in relation to an Event of Default means an Event of Default that has not been remedied by the Chargor or otherwise or waived in writing by the Lender;
- (k) a reference to a "**holding company**" or a "**subsidiary**" means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Companies Act 2006;
- (l) a provision of law (including any regulation) is a reference to that provision as amended or re-enacted from time to time; and

(m) a time of day is a reference to Pacific time.

1.2.2 Clause and Schedule headings are for ease of reference only.

### 1.3 **Third party rights**

1.3.1 Other than a Receiver and any Delegate, save where the contrary appears, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**) to enforce or enjoy the benefit of any term of this Deed.

1.3.2 The consent of any person who is not a Party is not required to rescind or vary this Deed at any time.

### 1.4 **Clawback**

If the Lender considers that an amount paid by the Chargor in respect of the Secured Obligations is capable of being avoided or otherwise set aside on the liquidation or administration of the Chargor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.

### 1.5 **Nature of security over real property**

A reference in this Deed to a charge or mortgage of or over any Property includes:

1.5.1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) that are situated on or form part of that Property at any time;

1.5.2 the proceeds of the sale of any part of that Property and any other monies paid or payable in respect of or in connection with that Property;

1.5.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Chargor in respect of that Property, and any monies paid or payable in respect of those covenants; and

1.5.4 all rights under any licence, agreement for sale or agreement for lease in respect of that Property.

### 1.6 **Law of Property (Miscellaneous Provisions) Act 1989**

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Credit Agreement and of any side letters between any parties in relation to the Credit Agreement are incorporated into this Deed.

### 1.7 **Perpetuity period**

If the rule against perpetuities applies to any trust created by this Deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

### 1.8 **Schedules**

The Schedules form part of this Deed and shall have effect as if set out in full in the body of this Deed. Any reference to this Deed includes the Schedules.

### 1.9 **Deed**

It is intended that this document takes effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

## **2. COVENANT TO PAY AND GUARANTEE**

### **2.1 Covenant to pay**

The Chargor hereby covenants with the Lender as primary obligor and not merely as surety that it will pay and discharge the Secured Obligations when due in accordance with the terms of the Loan Documents.

### **2.2 Guarantee**

The Chargor unconditionally and irrevocably:

- 2.2.1 guarantees to the Lender the punctual performance by each other Loan Party of all Secured Obligations due, owing or incurred by such Loan Party;
- 2.2.2 undertakes with the Lender that whenever another Loan Party does not pay any Secured Obligations when due, it shall immediately on demand pay that amount as if it were the principal obligor;
- 2.2.3 agrees with the Lender that if any amount of Secured Obligations is or become unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Lender immediately on demand against any cost, loss or liability it incurs as a result of a Loan Party not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it in respect of Secured Obligations on the date when it would have been due. The amount payable by the Chargor under this indemnity will not exceed the amount it would have had to pay under this Clause 2.2 if the amount claimed had been recoverable on the basis of a guarantee provided in this Clause 2.2.

## **3. GRANT OF SECURITY**

### **3.1 Legal mortgage**

As a continuing security for the payment and discharge of the Secured Obligations, the Chargor with full title guarantee charges to the Lender, by way of first legal mortgage, all estates or interests in any freehold, leasehold or commonhold property now owned by it.

### **3.2 Fixed charge**

As a continuing security for the payment and discharge of the Secured Obligations, the Chargor with full title guarantee charges to the Lender by way of first fixed charge:

- 3.2.1 all Properties acquired by the Chargor in the future;
- 3.2.2 all present and future interests of the Chargor not effectively mortgaged or charged under the preceding provisions of this Clause 3 in, or over, freehold or leasehold Property;
- 3.2.3 all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property;
- 3.2.4 all licences, consents and authorisations (statutory or otherwise) held by the Chargor or required to be held by the Chargor in connection with the Chargor's business or the use of any Secured Asset, and all rights in connection with them;
- 3.2.5 all its present and future goodwill;
- 3.2.6 all its rights in respect of uncalled capital;
- 3.2.7 all the Equipment;

- 3.2.8 all the Intellectual Property;
- 3.2.9 all the Investments and the Related Rights;
- 3.2.10 all monies from time to time standing to the credit of each Account, together with all other debts, rights, benefits, title, interest and proceeds accruing in connection with such accounts;
- 3.2.11 all its rights in respect of each Insurance Policy, including, without limitation, all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy, to the extent not effectively assigned under Clause 3.3 (*Assignment*);
- 3.2.12 all its rights in respect of each Material Agreement to which it is a party and all other agreements, instruments and rights relating to the Secured Assets to which it is a party, to the extent not effectively assigned under Clause 3.3 (*Assignment*); and
- 3.2.13 to the extent not otherwise mortgaged, charged or assigned in this Deed, the benefit of all licences, consents, agreements and authorisations held or used in connection with its business or any of its assets.

### 3.3 **Assignment**

As a continuing security for the payment and discharge of the Secured Obligations, the Chargor with full title guarantee assigns to the Lender absolutely, (subject to a proviso for reassignment in accordance with Clause 21.1 (*Release of Security*)):

- 3.3.1 all its rights in each Insurance Policy in which it has an interest, including all claims, the proceeds of all claims and all returns of premium in connection with each such Insurance Policy; and
- 3.3.2 the benefit of each Material Agreement to which it is a party and the benefit of all other agreements, instruments and rights relating to the Secured Assets to which it is a party,

PROVIDED THAT, prior to an Enforcement Event, the Chargor shall be entitled to continue to deal with the counterparties to the Insurance Policies and each agreement referred to in clause 3.3.2 above, subject to the other provisions of this Deed and the Credit Agreement.

### 3.4 **Floating charge**

As a continuing security for the payment and discharge of the Secured Obligations, the Chargor with full title guarantee charges to the Lender, by way of first floating charge, all its undertaking, property, assets and rights held by it (including all the Book Debts) from time to time.

### 3.5 **Qualifying floating charge**

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to each floating charge created by Clause 3.4 (*Floating charge*).

### 3.6 **Automatic crystallisation of floating charge**

Each floating charge created by Clause 3.4 (*Floating charge*) shall automatically and immediately (without notice or any other step or formality) convert into a fixed charge over the assets subject to that floating charge if:

- 3.6.1 the Chargor:
  - (a) creates, or attempts to create, without the prior written consent of the Lender, a Security or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of the Loan Documents); or

(b) disposes, or attempts to dispose of, all or any part of the Secured Assets (other than as permitted under the Loan Documents);

3.6.2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets;

3.6.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Chargor; or

3.6.4 any person (who is entitled to do so) gives notice of its intention to appoint an administrator to the Chargor or files such a notice with the court.

### 3.7 **Crystallisation of floating charge by notice**

The Lender may, in its sole discretion, by written notice to the Chargor, convert the floating charge created under this Deed into a fixed charge as regards any part of the Secured Assets specified by the Lender in that notice if:

3.7.1 an Enforcement Event occurs (and for so long as the same is continuing);

3.7.2 the relevant assets are in danger of being seized or sold under any form of distress, attachment, execution or other legal process or are otherwise in jeopardy (in the reasonable opinion of the Lender); or

3.7.3 such conversion is necessary in order to protect the priority of the security constituted by this Deed (in the reasonable opinion of the Lender).

### 3.8 **Assets acquired after any floating charge has crystallised**

Any asset acquired by the Chargor after any crystallisation of the floating charge created under this Deed that, but for that crystallisation, would be subject to a floating charge under this Deed, shall (unless the Lender confirms otherwise to the Chargor in writing) be charged to the Lender by way of first fixed charge.

### 3.9 **Independent security**

This Deed shall be in addition to, and independent of, any other security or guarantee that the Lender may hold for any of the Secured Obligations at any time. No prior security held by the Lender over the whole or any part of the Secured Assets shall merge with the security created by this Deed.

### 3.10 **Continuing security**

This Deed and the security created by this Deed shall remain in full force and effect, as a continuing security for the Secured Obligations, despite any settlement of account, or intermediate payment or discharge in whole or in part, and shall extend to the ultimate balance due at any time from the Chargor to the Secured Parties under the Loan Documents.

### 3.11 **Consolidation**

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this Deed.

## 4. **LIABILITY OF THE CHARGOR**

### 4.1 **Liability not discharged**

The Chargor's liability under this Deed in respect of any of the Secured Obligations shall not be discharged, prejudiced or affected by any act, omission, matter or thing which, but for this provision, might operate to impair, affect or discharge such liability or security, in whole or in

part, including, and whether or not known to or discoverable by the Chargor, the Lender, any Loan Party or any other person:

- 4.1.1 any time, waiver or consent granted to, or composition with, any Loan Party or other person;
- 4.1.2 the release of any Loan Party or any other person under the terms of any composition or arrangement with any creditor of any Loan Party;
- 4.1.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Loan Party or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- 4.1.4 any incapacity or lack of power, authority or legal personality of, or any dissolution or change in the members or status of, any Loan Party or any other person;
- 4.1.5 any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Loan Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Loan Document or other document or security;
- 4.1.6 any unenforceability, illegality or invalidity of any obligation of any person under any Loan Document or any other document or security;
- 4.1.7 any act, omission or circumstance which but for this Clause 4.1, might operate to discharge, release, extinguish, impair or otherwise affect any of the obligations of the Chargor under this Deed or any of the rights and remedies of the Lender or any security; or
- 4.1.8 any insolvency, dissolution, liquidation, amalgamation, reconstruction or reorganisation of any Loan Party or any other person.

#### 4.2 **Immediate recourse**

The Chargor waives any right it may have to require the Lender to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this Deed against the Chargor.

### 5. **REPRESENTATIONS AND WARRANTIES**

#### 5.1 **Representations and warranties**

The representations and warranties set out in this Clause 5 are made by the Chargor to the Lender on the date of this Deed and are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

#### 5.2 **Secured Assets**

- 5.2.1 Schedule 1 (*Investments*) identifies all of the Investments in respect of which the Chargor has an interest in at the date of this Deed.
- 5.2.2 Schedule 2 (*Accounts*) identifies all Accounts in respect of which any Chargor has an interest in at the date of this Deed.
- 5.2.3 It is the sole legal and beneficial owner of its Secured Assets.

- 5.2.4 Its Secured Assets are free from any Security other than the Security created by the Security Documents or permitted by Section 7.03 (*Liens*) of the Credit Agreement.
- 5.2.5 It has not received, or acknowledged notice of, any adverse claim by any person in respect of its Secured Assets or any interest in them that could reasonably have a material and adverse effect on any of its Security Assets.
- 5.2.6 There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever, that materially and adversely affect any of its Secured Assets.
- 5.2.7 There is no breach of any law or regulation which materially and adversely affects any of its Secured Assets.
- 5.2.8 No facility necessary for the enjoyment and use of its Secured Assets is subject to terms entitling any person to terminate or curtail its use.
- 5.2.9 Nothing has arisen, has been created or is subsisting, that would be an overriding interest in any of its Property.
- 5.2.10 No Security expressed to be created under this Deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Chargor or otherwise.
- 5.2.11 This Deed is effective to create a valid and enforceable first priority fixed charge over the Secured Assets of the Chargor in favour of the Lender ranking in priority to the interests of any of its creditors or any liquidator (or similar officer) appointed in respect of it.

### 5.3 **Investments**

- 5.3.1 The Investments charged by it are fully paid and are not subject to any option to purchase or similar rights.
- 5.3.2 The Investments charged by it represent the whole of the issued share capital of the relevant issuer and no person has any option, warrant or other similar right to subscribe for any equity interests of any such issuer.
- 5.3.3 No constitutional document of an issuer of an Investment, nor any other agreement:
  - (a) restrict or inhibit, or require any consent for, any transfer of any Investment on creation or enforcement of the security constituted by this Deed; or
  - (b) contain any rights of pre-emption in relation to such Investments on creation or enforcement of the security constituted by this Deed.

### 5.4 **Insurance Policies**

- 5.4.1 The documents comprising the Insurance Policies as provided to the Lender on or before the date of this Deed, evidence all material terms of the relevant Insurance Policies, and there are no other documents, agreements or arrangements that may materially affect the operation or enforceability of any Insurance Policy.
- 5.4.2 No Insurance Policy is void, voidable or otherwise unenforceable.
- 5.4.3 The Chargor is not in breach of its obligations under any Insurance Policy and nothing has occurred:
  - (a) which is, or would constitute (with the giving of notice or passage of time or both), an event of default (however described) under any Insurance Policy; or
  - (b) which would entitle a person to terminate or rescind an Insurance Policy.



**5.5 Material Agreements**

- 5.5.1 No Material Agreement is void, voidable or otherwise unenforceable.
- 5.5.2 No Chargor is in breach of its obligations under any Material Agreement and nothing has occurred:
- (a) which is, or would constitute (with the giving of notice or passage of time or both), an event of default (however described) under any Material Agreement by the Chargor; or
  - (b) which would entitle a person to terminate or rescind a Material Agreement.

**6. COVENANTS****6.1 Negative pledge and disposal restrictions**

The Chargor shall not at any time, except with the prior written consent of the Lender or except to the extent permitted by the Credit Agreement:

- 6.1.1 create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this Deed;
- 6.1.2 sell, assign, transfer, lease, license, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Secured Assets;
- 6.1.3 create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party;
- 6.1.4 grant or vary or accept any surrender or cancellation or disposal of any lease, tenancy, licence, consent or other right to occupy in relation to any of the Secured Assets; or
- 6.1.5 allow any person any right to use or occupy or to become entitled to assert any proprietary interest in or right over the Secured Assets.

**6.2 Preservation of Secured Assets**

The Chargor shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Lender, or diminish the value of any of the Secured Assets or the effectiveness of the security created by this Deed.

**6.3 Enforcement of rights**

The Chargor shall use reasonable endeavours to:

- 6.3.1 procure the prompt observance and performance of the covenants and other obligations imposed on the Chargor's counterparties (including each counterparty in respect of a Material Agreement and each insurer in respect of an Insurance Policy); and
- 6.3.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets that the Lender may require from time to time.

**6.4 Notice of misrepresentations and breaches**

The Chargor shall, promptly on becoming aware of any of the same, notify the Lender in writing of:

6.4.1 any representation or warranty set out in Clause 5 (*Representations and warranties*) which is incorrect or misleading in any material respect when made or deemed to be repeated; and

6.4.2 any breach of any covenant set out in this Deed.

## 6.5 Documents

The Chargor shall, on written request from the Lender, deliver to the Lender, or such person as the Lender may direct:

6.5.1 all deeds and documents of title relating to its Secured Assets that are in the possession or control of the Chargor (and if these are not within the possession or control of the Chargor, the Chargor undertakes to obtain possession of all these Deeds and documents of title);

6.5.2 all its Insurance Policies and any other insurance policies relating to any of its Secured Assets that the Chargor is entitled to possess;

6.5.3 all deeds and documents of title (if any) relating to the Book Debts owed to it as the Lender may specify from time to time; and

6.5.4 true and complete copies of all the Material Agreements to which it is a party.

## 6.6 Notices to be given by the Chargor

6.6.1 The Chargor shall:

(a) within three (3) Business Days of receipt of written notice from the Lender requiring the Chargor to do the same:

(i) give notice to one or more counterparties to (i) a Material Agreement and/or (ii) an agreement in respect of any Book Debt to which it is a party, substantially in the form set out in Part 1 of Schedule 3 (*Notice and acknowledgement – Material Agreement*); and

(ii) use reasonable endeavours to procure that each such counterparty promptly provides to the Lender an acknowledgement of the notice substantially in the form set out in Part 2 of Schedule 3 (*Notice and acknowledgement – Material Agreement*); and

(b) in respect of any Account in existence on the date hereof, on the execution of this Deed and upon the opening of any account by the Chargor at any time after the execution of this Deed, within three (3) Business Days of such account being opened:

(i) give notice to the relevant bank, financial institution or other person with whom the Chargor holds such account substantially in the form set out in Part 1 of Schedule 4 (*Notice and acknowledgement – bank account*); and

(ii) use reasonable endeavours to procure that each such bank, financial institution or other person promptly provides to the Lender an acknowledgement of the notice substantially in the form of Part 2 of Schedule 4 (*Notice and acknowledgement – bank account*) or such other form as the Lender may agree in writing.

6.6.2 If at any time after the execution of this Deed, the Lender (acting reasonably), determines, taking into account (i) the type of policy; (ii) the nature of the asset, interest or liability insured; and (iii) market practice in the relevant insurance market, that it is

necessary in order to protect its security interests under this Deed for the Chargor to notify the relevant insurer of its security interest under this Deed, then it may instruct the Chargor to serve notice on the relevant insurer in respect of such Insurance Policy, in such form as the Lender may reasonably require. The Chargor shall within three (3) Business Days of receipt of such instruction from the Lender, give notice to the relevant insurer under its Insurance Policies in such form as the Lender may reasonably require.

- 6.6.3 If the Chargor is instructed by the Lender to serve a notice in accordance with Clause 6.6.2 above, it shall following such notice being served, use reasonable endeavours to procure that each such insurer promptly provides to the Lender an acknowledgement of the notice in such form as the Lender may reasonably require.

## 6.7 **Payment of outgoings**

The Chargor shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of its Secured Assets and, on demand, produce evidence of payment to the Lender.

## 7. **PROPERTY COVENANTS**

### 7.1 **Registration at the Land Registry**

- 7.1.1 The Chargor consents to an application being made by the Lender to the HM Land Registry for the following restriction in Form P to be registered against its title to each of its Properties:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the charge dated [DATE] in favour of Davis Partnership, LP (as "Lender") referred to in the charges register (Form P)."

- 7.1.2 The Chargor consents to an application being made by the Lender to the HM Land Registry for a notice that the Lender may be required to make further advances on the terms and subject to the conditions of the Loan Documents and the security created by the charge dated [DATE] in favour of Davis Partnership, LP (as "Lender") has been created for the purpose of securing such further advances.

### 7.2 **Further advances**

- 7.2.1 Subject to the terms of the Loan Documents, if the Lender is under an obligation to make further advances to the Chargor then that obligation will be deemed to be incorporated into this Deed as if set out herein.
- 7.2.2 The Chargor consents to an application (in such form as is satisfactory to the Lender) being made to the HM Land Registry to enter the obligation to make further advances on the charges register of any registered land forming part of the Secured Assets by means of Form CH2.

### 7.3 **Application to HM Land Registry (including the HM Land Registry, Land Charges Department)**

The Chargor hereby consents to applications (in such form as is satisfactory to the Lender) being made: (i) to enter a restriction (Form RX1) in the proprietorship register of any registered land at any time forming part of any Property of the Chargor located in England and Wales, (ii) to register any first legal mortgage granted herein on the charges register of any registered land at any time forming part of any Property of the Chargor; (iii) to enter a notice concerning any first fixed charge over registered land granted herein on the title register of any registered land at any time forming part of any Property of the Chargor, and (iv) to register any Class C(i), C(iii)

and C(iv) land charges in relation to any first legal mortgage and any first fixed charge granted herein over unregistered land at any time forming part of any Property of the Chargor.

#### **7.4 Registration of mortgages**

In the case of any Property, title to which is or will be registered under the Land Registration Act 2002, acquired by or on behalf of the Chargor after the execution of this Deed, the Chargor shall promptly notify the Lender of the title number(s) and, contemporaneously with the making of an application to HM Land Registry for the registration of the Chargor as the registered proprietor of such property, make an application (in such form as is satisfactory to the Lender) to HM Land Registry to register the first legal mortgage on the title register of such Property (Form AP1).

### **8. INVESTMENTS COVENANTS**

#### **8.1 Deposit of title documents**

8.1.1 The Chargor shall:

- (a) on the execution of this Deed, deliver to the Lender, or as the Lender may direct, all stock or share certificates and other documents of title or evidence of ownership relating to any Investments owned by the Chargor at that time; and
- (b) promptly upon the purchase or acquisition by it of Investments after the date of this Deed, deposit with the Lender, or as the Lender may direct, all stock or share certificates and other documents of title or evidence of ownership relating to those Investments.

8.1.2 At the same time as depositing documents with the Lender, or as the Lender may direct, in accordance with Clause 8.1.1 above, the Chargor shall also deposit with the Lender, or as the Lender may direct:

- (a) stock transfer forms relating to the relevant Investments duly completed and executed by or on behalf of the Chargor, but with the name of the transferee, the consideration and the date left blank; and
- (b) any other documents (in each case duly completed and executed by or on behalf of the Chargor) that the Lender may request to enable it or any of its nominees, or any purchaser or transferee, to be registered as the owner of, or otherwise obtain a legal title to, or to perfect its security interest in any of the relevant Investments,

so that the Lender may, after an Enforcement Event, complete and present those stock transfer forms and other documents to the issuer of the Investments for registration.

#### **8.2 Nominations**

8.2.1 The Chargor shall terminate with immediate effect all nominations it may have made (including, without limitation, any nomination made under section 145 or section 146 of the Companies Act 2006) in respect of any of its Investments and, pending that termination, procure that any person so nominated:

- (a) does not exercise any rights in respect of any such Investments without the prior written approval of the Lender; and
- (b) immediately on receipt by it, forward to the Lender all material communications or other information received by it in respect of any Investments for which it has been so nominated.

- 8.2.2 The Chargor shall not, during the Security Period, exercise any rights (including, without limitation, any rights under sections 145 and 146 of the Companies Act 2006) to nominate any person in respect of any of its Investments.

**8.3 Pre-emption rights and restrictions on transfer**

The Chargor shall:

- 8.3.1 obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer of any of its Investments, for the transfer of its Investments to the Lender or its nominee, or to a purchaser on enforcement of the security constituted by this Deed; and
- 8.3.2 procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) under the articles of association, other constitutional document or otherwise of each issuer of its Investments in any manner that the Lender may require in order to permit the transfer of such Investments to the Lender or its nominee, or to a purchaser on enforcement of the security constituted by this Deed.

**8.4 Dividends and voting rights before enforcement**

- 8.4.1 Before an Enforcement Event, the Chargor may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of its Investments.
- 8.4.2 Before an Enforcement Event, the Chargor may exercise all voting and other rights and powers in respect of its Investments provided that it shall not do so in any way that would breach any provision of the Loan Documents or for any purpose inconsistent with the Loan Documents.
- 8.4.3 The Lender shall not, by exercising or not exercising any voting rights or otherwise, be construed as permitting or agreeing to any variation or other change in the rights attaching to or conferred by any of the Investments that the Lender considers prejudicial to, or impairing the value of, the security created by this Deed.

**8.5 Dividends and voting rights after enforcement**

After an Enforcement Event:

- 8.5.1 all dividends and other distributions paid in respect of the Investments and received by the Chargor shall be held by the Chargor on trust for the Lender and immediately paid into a Designated Account or, if received by the Lender, shall be retained by the Lender; and
- 8.5.2 all voting and other rights and powers attaching to the Investments shall be exercised by, or at the direction of, the Lender and the Chargor shall, and shall procure that its nominees shall, comply with any directions the Lender may give, in its absolute discretion, concerning the exercise of those rights and powers.

**8.6 Calls on Investments**

Notwithstanding the security created by this Deed, the Chargor shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any of its Investments. The Chargor acknowledges that the Lender shall not be under any liability in respect of any such calls, instalments or other payments.

**8.7 No alteration of constitutional documents or rights attaching to Investments**

The Chargor shall not, without the prior written consent of the Lender, amend, or agree to the amendment of:

8.7.1 the memorandum or articles of association, or any other constitutional documents, of any issuer of its Investments that is not a public company; or

8.7.2 the rights or liabilities attaching to, or conferred by, all or any of its Investments.

## 8.8 **Preservation of Investments**

The Chargor shall ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer of its Investments that is not a public company shall not refuse to register any transfer of any of the Investments that may be lodged with it for registration by, or on behalf of, the Lender or the Chargor in accordance with this Deed.

## 9. **BOOK DEBTS COVENANTS**

### 9.1 **Realising Book Debts**

9.1.1 After an Enforcement Event:

- (a) The Chargor shall as an agent for the Lender, collect in and realise all Book Debts owed to it, pay the proceeds into a Designated Account immediately on receipt and, pending that payment, hold those proceeds in trust for the Lender.
- (b) The Chargor shall not, without the prior written consent of the Lender, withdraw any amounts standing to the credit of any Designated Account.
- (c) The Chargor shall, if called on to do so by the Lender, execute a legal assignment of the Book Debts owed to it to the Lender on such terms as the Lender may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred.

### 9.2 **Preservation of Book Debts**

The Chargor shall not (except as provided by Clause 9.1 (*Realising Book Debts*) or with the prior written consent of the Lender or otherwise in the ordinary course of its business) release, exchange, compound, set-off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Book Debts owed to it.

## 10. **INTELLECTUAL PROPERTY COVENANTS**

### 10.1 **Preservation of rights**

The Chargor shall take all commercially reasonable action to safeguard and maintain present and future rights in, or relating to, its Intellectual Property that is material to the use and operation of the Secured Assets including (without limitation) by observing all covenants and stipulations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings.

### 10.2 **Registration of Intellectual Property**

The Chargor shall use commercially reasonable efforts to register applications for the registration of any of its Intellectual Property that is material to the use and operation of the Secured Assets, and shall keep the Lender informed of all matters relating to each such registration.

### 10.3 **Maintenance of Intellectual Property**

The Chargor shall not permit any of its Intellectual Property that is material to the use and operation of the Secured Assets to be abandoned, cancelled or to lapse except to the extent that the Chargor determines in its reasonable business judgment that the maintenance thereof

is no longer necessary to the conduct of the Chargor's business or if any of its Intellectual Property is at the end of its natural term.

#### 10.4 **Registration of Charge**

10.4.1 In the event that it applies for a registration of a trade mark in the United Kingdom after the date of this Deed, the Chargor shall:

- (i) at the time of making such application, provide notice to the Controller General of Patents, Designs and Trade Marks of the charge created by Clause 3.2.8 pursuant to the provisions of the Trade Marks Act 1994; and
- (ii) take such steps as necessary to ensure that the charge created by Clause 3.2.8 is registered upon the registration of Trade Mark pursuant to the provisions of section 25 of the Trade Marks Act 1994,
- (iii) pay all fees necessary to make the registrations required to be made under this Clause before the latest time provided for payment.

10.4.2 The Chargor acknowledges the right of the Lender, or any duly authorised agent of the Lender, to apply to the Comptroller-General of Patents, Designs and Trade Marks to register the charge created by Clause 3.2.8 pursuant to the provisions of sections 25 and 27 of the Trade Marks Act 1994 on or after any failure by the Chargor to register the charge pursuant Clause 10.4.1

10.4.3 The covenant set out in section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to the provisions set out in this Clause 10.4

### 11. **POWERS OF THE LENDER**

#### 11.1 **Power to remedy**

11.1.1 The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Chargor of any of its obligations contained in this Deed.

11.1.2 The Chargor irrevocably authorises the Lender and its agents to do all things that are necessary or desirable (in the opinion of the Lender, acting reasonably and in good faith) for that purpose.

#### 11.2 **Exercise of rights**

11.2.1 The rights of the Lender under Clause 11.1 (*Power to remedy*) are without prejudice to any other rights of the Lender under this Deed, at law or otherwise.

11.2.2 The exercise of any rights of the Lender under this Deed shall not make the Lender liable to account as a mortgagee in possession.

#### 11.3 **Power to dispose of chattels:**

11.3.1 At any time after the security constituted by this Deed has become enforceable, the Lender or any Receiver may, as agent for the Chargor, dispose of any chattels or produce found on any Property.

11.3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under Clause 11.3.1 above, the Chargor shall indemnify the Lender and any Receiver against any liability arising from any disposal made under Clause 11.3.1 above.

#### 11.4 **Lender has Receiver's powers**

To the extent permitted by law, any right, power or discretion conferred by this Deed on a Receiver may, after an Enforcement Event, be exercised by the Lender in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

#### **11.5 No duties**

The Lender shall not, in respect of any of the Secured Assets, have any duty or incur any liability for:

11.5.1 ascertaining or taking action in respect of any calls, instalments, conversions, exchanges, maturities, tenders or other matters relating to any Secured Assets or the nature or sufficiency of any payment whether or not the Lender has or is deemed to have knowledge of such matters; or

11.5.2 taking any necessary steps to preserve rights against prior parties or any other rights relating to any of the Secured Assets.

#### **11.6 Conversion of currency**

In order to apply any sum held or received by the Lender or a Receiver in or towards payment of the Secured Obligations, the Lender or such Receiver may purchase an amount in another currency and at the rate of exchange to be used shall be that at which, at such time as it considers appropriate, the Lender or such Receiver is able to effect such purchase.

#### **11.7 New accounts**

11.7.1 If the Lender receives, or is deemed to have received, notice of any subsequent Security, or other interest, affecting all or part of the Secured Assets, the Lender may open a new account for the Chargor in the Lender's books. Without prejudice to the Lender's right to combine accounts, no money paid to the credit of the Chargor in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Obligations.

11.7.2 If the Lender does not open a new account immediately on receipt of the notice, or deemed notice, under Clause 11.7.1 above, then, unless the Lender gives express written notice to the contrary to the Chargor, all payments made by the Chargor to the Lender shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations, as from the time of receipt or deemed receipt of the relevant notice by the Lender.

#### **11.8 Indulgence**

The Lender may, at its discretion, grant time or other indulgence or make any other arrangement, variation or release with any person not being a party to this Deed (whether or not such person is jointly liable with the Chargor) in respect of any of the Secured Obligations or of any other security for them without prejudice either to this Deed or to the liability of the Chargor for the Secured Obligations.

#### **11.9 Appointment of an Administrator**

11.9.1 The Lender may, without notice to the Chargor, appoint any one or more persons to be an Administrator of the Chargor pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this Deed becomes enforceable.

11.9.2 Any appointment under this Clause 11.9 shall:

- (a) be in writing signed by a duly authorised signatory of the Lender; and



- (b) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.

11.9.3 The Lender may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this Clause 11.9 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

## **12. WHEN SECURITY BECOMES ENFORCEABLE**

### **12.1 Enforcement Event**

The security constituted by this Deed shall become immediately enforceable if an Enforcement Event occurs.

### **12.2 Discretion**

After an Enforcement Event, the Lender may, in its absolute discretion, enforce all or any part of the security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Secured Assets.

## **13. ENFORCEMENT OF SECURITY**

### **13.1 Enforcement powers**

13.1.1 For the purposes of all powers implied by statute, the Secured Obligations are deemed to have become due and payable within the meaning of section 101 of the LPA 1925 on the date of this Deed.

13.1.2 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Deed) shall be immediately exercisable at any time after the security constituted by this Deed has become enforceable under Clause 12.1 (*Enforcement Event*).

13.1.3 Sections 93(1) and 103 of the LPA 1925 (restricting the power of sale) shall not apply to the security constituted by this Deed or to any exercise by the Lender of its right to consolidate mortgages or its power of sale.

### **13.2 Extension of statutory powers of leasing**

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Lender and any Receiver, at any time after the security constituted by this Deed has become enforceable, whether in its own name or in that of the Chargor, to:

13.2.1 grant a lease or agreement to lease;

13.2.2 accept surrenders of leases; or

13.2.3 grant any option of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Chargor, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Lender or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

### **13.3 Access on enforcement**

13.3.1 At any time after the Lender has demanded payment of the Secured Obligations or after an Enforcement Event, the Chargor will allow the Lender or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Lender or a Receiver reasonably believes a Secured Asset to be situated) without incurring any liability to the Chargor for, or by any reason of, that entry.

13.3.2 The Chargor must use its best endeavours to allow the Lender or its Receiver access to any premises for the purpose of Clause 13.3.1 above (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

#### 13.4 **Prior Security**

At any time after an Enforcement Event, or after any powers conferred by any Security having priority to this Deed shall have become exercisable, the Lender may:

13.4.1 redeem that or any other prior Security;

13.4.2 procure the transfer of that Security to it; and/or

13.4.3 settle and pass any account of the holder of any prior Security.

The settlement and passing of any such account passed shall, in the absence of any manifest error, be conclusive and binding on the Chargor. All monies paid by the Lender to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Lender, be due from the Chargor to the Lender on current account and shall bear interest at the Default Rate and be secured as part of the Secured Obligations.

#### 13.5 **Protection of third parties**

13.5.1 No purchaser, mortgagee or other person dealing with the Lender, any Receiver or Delegate shall be concerned to enquire:

- (a) whether any of the Secured Obligations have become due or payable, or remain unpaid or undischarged;
- (b) whether any power the Lender, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable;
- (c) how any money paid to the Lender, any Receiver or any Delegate is to be applied; or
- (d) about the propriety or regularity of any sale by or other dealing with the Lender, any Receiver or any Delegate.

13.5.2 All of the protections to purchasers contained in Sections 104 and 107 of the LPA and section 42(3) of the IA 1986 shall apply to any person purchasing from or dealing with a Receiver of the Lender as if the Secured Obligations had become due and the statutory powers of sale and the appointment of a Receiver in relation to the Charged Assets had arisen on the date of this Deed.

#### 13.6 **Privileges**

Each Receiver and the Lender is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

#### 13.7 **No liability as mortgagee in possession**

Neither the Lender, any Receiver nor any Delegate shall be liable to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Secured Assets for which a mortgagee in possession might be liable as such.

### 13.8 **Conclusive discharge to purchasers**

The receipt of the Lender or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Lender, and every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

### 13.9 **Right of appropriation**

13.9.1 To the extent that:

- (a) the Secured Assets constitutes Financial Collateral; and
- (b) this Deed and the obligations of the Chargor under it constitutes a Security Financial Collateral Arrangement,

the Lender shall have the right, at any time after an Enforcement Event, to appropriate all or any of those Secured Assets in or towards the payment and discharge of the Secured Obligations in any order that the Lender, in its absolute discretion, may from time to time determine.

13.9.2 The value of any Secured Assets appropriated in accordance with this Clause 13.9 shall be determined by any method that the Lender may select, including independent valuation.

13.9.3 The Chargor agrees that the method of valuation provided for in this Clause 13.9 is commercially reasonable for the purposes of the Financial Collateral Regulations.

## 14. **RECEIVER**

### 14.1 **Appointment**

Without prejudice to any statutory or other powers of appointment of the Lender under the LPA 1925 as extended by this Deed or otherwise, at any time after an Enforcement Event, or at the request of the Chargor, the Lender may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets.

### 14.2 **Removal**

The Lender may, without further notice (subject to section 45 of the IA 1986 in the case of an administrative receiver), from time to time, by way of Deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

### 14.3 **Remuneration**

The Lender may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the Receiver shall be a debt secured by this Deed, to the extent not otherwise discharged.

### 14.4 **Power of appointment additional to statutory powers**

The power to appoint a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Lender under the IA 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

#### 14.5 **Power of appointment exercisable despite prior appointments**

The power to appoint a Receiver (whether conferred by this Deed or by statute) shall be, and remain, exercisable by the Lender despite any prior appointment in respect of all or any part of the Secured Assets.

#### 14.6 **Agent of the Chargor**

Any Receiver appointed by the Lender under this Deed shall be the agent of the Chargor and the Chargor shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Chargor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Lender.

### 15. **POWERS OF RECEIVER**

#### 15.1 **General**

15.1.1 Any Receiver appointed by the Lender under this Deed shall, in addition to the powers conferred on him by statute, have the powers set out in Clause 15.2 (*Repair and develop Properties*) to Clause 15.26 (*Incidental powers*) (inclusive).

15.1.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

15.1.3 Any exercise by a Receiver of any of the powers given by this Clause 15 may be on behalf of the Chargor, the directors of the Chargor or himself.

#### 15.2 **Repair and develop Properties**

A Receiver may undertake or complete any works of repair, building or development on the Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

#### 15.3 **Surrender leases**

A Receiver may grant, or accept surrenders of, any leases or tenancies affecting any Property and may grant any other interest or right over any Property on any terms, and subject to any conditions, that he thinks fit.

#### 15.4 **Make VAT elections**

A Receiver may make, exercise or revoke any value added tax option to tax as he thinks fit.

#### 15.5 **Manage or reconstruct the Chargor's business**

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Chargor.

#### 15.6 **Sever fixtures and fittings**

A Receiver may sever and sell separately any fixtures or fittings from any Property without the consent of the Chargor.

**15.7 Sell Book Debts**

A Receiver may sell and assign all or any of the Book Debts in respect of which he is appointed in any manner, and generally on any terms and conditions, that he thinks fit.

**15.8 Improve the Equipment**

A Receiver may make substitutions of, or improvements to, the Equipment as he may think expedient.

**15.9 Make calls on the Chargor's members**

A Receiver may make calls conditionally or unconditionally on the members of the Chargor in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Chargor on its directors in respect of calls authorised to be made by them.

**15.10 Insure**

A Receiver may, if he thinks fit, but without prejudice to the indemnity in Clause 18 (*Costs and indemnity*), effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Chargor under this Deed.

**15.11 Employ personnel and advisers**

A Receiver may provide services and employ, or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Receiver may discharge any such person or any such person appointed by the Chargor.

**15.12 Remuneration**

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Lender may prescribe or agree with him.

**15.13 Realise Secured Assets**

A Receiver may collect and get in the Secured Assets or any part of them in respect of which he is appointed, and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Secured Assets with like rights.

**15.14 Dispose of Secured Assets**

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which he is appointed in any manner (including by public auction or private sale) and generally on any terms and conditions as he thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

**15.15 Valid receipts**

A Receiver may give valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets.

**15.16 Make settlements**

A Receiver may make any arrangement, settlement or compromise between the Chargor and any other person that he may think expedient.

**15.17 Bring proceedings**

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as he thinks fit.

**15.18 Powers under LPA 1925**

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule 1 to the IA 1986.

**15.19 Borrow**

A Receiver may, for any of the purposes authorised by this Clause 15, raise money by borrowing from the Lender (or from any other person) either unsecured or on the security of all or any of the Secured Assets in respect of which he is appointed on any terms that he thinks fit (including, if the Lender consents, terms under which that security ranks in priority to this Deed).

**15.20 Redeem prior Security**

A Receiver may redeem any prior Security and settle and pass the accounts to which the Security relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Chargor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

**15.21 Uncalled Capital**

A Receiver may make calls on the shareholders of the Chargor in respect of any of its uncalled capital.

**15.22 Subsidiaries**

A Receiver may form a subsidiary or subsidiaries of the Chargor and transfer, lease or license to it or them any other person the Charged Assets on such terms as he may think fit.

**15.23 Compliance with this Deed**

A Receiver may comply with and perform all or any of the acts, matters, omissions or things undertaken to be done or omitted by the Chargor under this Deed.

**15.24 Delegation**

A Receiver may delegate his powers in accordance with this Deed.

**15.25 Absolute beneficial owner**

A Receiver may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Secured Assets or any part of the Secured Assets.

**15.26 Incidental powers**

A Receiver may do any other acts and things that he:

15.26.1 may consider desirable or necessary for realising any of the Secured Assets;

15.26.2 may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this Deed or law; or

15.26.3 lawfully may or can do as agent for the Chargor.

## **16. DELEGATION**

### **16.1 Delegation**

The Lender or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this Deed (including the power of attorney granted under Clause 20.1 (*Appointment of attorneys*)).

### **16.2 Terms**

The Lender and each Receiver may delegate on any terms and conditions (including the power to sub-delegate) that it thinks fit.

### **16.3 Liability**

Neither the Lender nor any Receiver shall be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate unless such loss or liability is caused by the fraud or gross negligence of any Delegate.

## **17. APPLICATION OF PROCEEDS**

All monies received by the Lender, a Receiver or a Delegate pursuant to this Deed, after an Enforcement Event, shall (subject to payment of any claims having priority to this Security and by way of variation of the provisions of the LPA 1925) be applied in the order of priority set out in Section 8.03 of the Credit Agreement.

## **18. COSTS AND INDEMNITY**

### **18.1 Costs**

The Chargor shall, within five (5) Business Days of demand, pay to, or reimburse, the Lender and any Receiver, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including legal, printing and out-of-pocket expenses) reasonably incurred by the Lender, any Receiver or any Delegate in connection with:

18.1.1 this Deed or the Secured Assets;

18.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Lender's, a Receiver's or a Delegate's rights under this Deed; or

18.1.3 taking proceedings for, or recovering, any of the Secured Obligations,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration of the Chargor) at the rate and in the manner specified in the Credit Agreement.

### **18.2 Indemnity**

The Chargor shall indemnify the Lender, each Receiver and each Delegate, and their respective employees and agents against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and

all other professional costs and expenses) suffered or incurred by any of them arising out of or in connection with:

- 18.2.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this Deed or by law in respect of the Secured Assets;
- 18.2.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this Deed; or
- 18.2.3 any default or delay by the Chargor in performing any of its obligations under this Deed.

Any past or present employee or agent may enforce the terms of this Clause 18.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

## **19. FURTHER ASSURANCE**

### **19.1 Further assurance**

The Chargor shall, at its own expense, take whatever action the Lender or any Receiver may reasonably require for:

- 19.1.1 creating, perfecting or protecting the security intended to be created by this Deed;
- 19.1.2 facilitating the realisation of any of the Secured Assets;
- 19.1.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Lender or any Receiver in respect of any of the Secured Assets; or
- 19.1.4 conferring on the Lender equivalent or corresponding security over any property and assets of the Chargor located in any jurisdiction outside England and Wales to the extent the grant of such security is required by the terms of this Deed,

including (if the Lender or Receiver thinks it expedient) the execution of any assignment, mortgage, charge, supplemental debenture, transfer, conveyance, notice, instructions, letter or other document (each in form and substance satisfactory to the Lender) in respect of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Lender or to its nominee) and the giving of any notice, order or direction and the making of any registration or filings.

## **20. POWER OF ATTORNEY**

### **20.1 Appointment of attorneys**

By way of security, the Chargor irrevocably appoints the Lender, every Receiver and every Delegate separately to be the attorney of the Chargor and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

- 20.1.1 the Chargor is required to execute and/or do under this Deed (including, without limitation, the execution and delivery of any notice required to be given by the Chargor under Clause 6.6); and/or
- 20.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this Deed or by law on the Lender, any Receiver or any Delegate.

### **20.2 Exercise of power of attorney**

The Lender may only exercise the power of attorney granted by the Chargor pursuant to Clause 20.1 (*Appointment of attorneys*) following the occurrence of an Enforcement Event.



**20.3 Ratification of acts of attorneys**

The Chargor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in Clause 20.1 (*Appointment of Attorneys*).

**21. RELEASE AND RETENTION OF SECURITY****21.1 Release of Security**

Subject to Clauses 21.2 (*Reinstatement*) and 21.3 (*Retention of Security*), on the expiry of the Security Period, and at the request and cost of the Chargor, the Lender shall release, discharge and re-assign this security to the Chargor (or as they shall direct), at all times without recourse, representation or warranty and the rights of any person having prior rights over those assets.

**21.2 Reinstatement**

21.2.1 Any release, settlement, discharge, reassignment or arrangement (in this Clause 21.2, a **release**) made by the Lender on the faith of any assurance, security or payment shall be conditional on that assurance, security or payment not being avoided, reduced, clawed back or ordered to be repaid under any law relating to insolvency, bankruptcy, winding up, administration, receivership or otherwise.

21.2.2 If any avoidance, reduction or clawback occurs or order is made as referred to in Clause 21.2.1 above, then the release given by the Lender shall have no effect and shall not prejudice the right of the Lender to enforce this security in respect of the Secured Obligations. As between the Chargor and the Lender, this security shall (notwithstanding the release) be deemed to have remained at all times in effect and held by the Lender as security for the Secured Obligations.

**21.3 Retention of Security**

The Lender may retain this security, the documents of title and other documents relating to the Secured Assets and its other rights under this Deed as security for the Secured Obligations until the expiry of the Security Period.

**21.4 Redemption**

The Lender may at any time while an Enforcement Event has occurred and is continuing:

21.4.1 redeem, or procure the transfer to itself of, any prior security over any Secured Assets; or

21.4.2 settle and pass the accounts of the holder of any prior security, and any accounts so settled and passed shall be conclusive and binding on the Chargor.

**22. NOTICES**

22.1 Any communication to be made under or in connection with this Deed (including any notices, waivers, consents or other documents) shall be made or provided in English and be made in writing and, unless otherwise stated, may be made by email or letter.

22.2 The address and email address of each Party for any communication or document to be made or delivered under or in connection with this Deed is that identified with its name below or any substitute address, email address, fax number as the Party may notify to the other Parties by not less than five Business Days' notice:

**Chargor:**

**Address:** 55 Poland Street, London, England W1F 7NN, Attn: Anthony Matchett

**Email:** [REDACTED]

**Lender:**

**Address:** 3 Harbor Drive, Sausalito, CA 94965, Attn: Lansing Davis

**Email:** [REDACTED]

with a copy (which shall not constitute notice) to:

**Address:** Foley Hoag LLP, 155 Seaport Blvd., Boston, MA 02210-, Attn: Thomas B. Draper

**Email:** [REDACTED]

22.3 Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:

22.3.1 if by way of email, when received in readable form; or

22.3.2 if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address.

22.3.3 any communication or document which becomes effective, in accordance with Clause 22.3 above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

22.4 Any communication to be made or provided to the Lender will be effectively made or provided only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer specified as part of its address detailed provided under this Clause 22 (*Notices*).

**23. CALCULATIONS AND CERTIFICATES**

23.1.1 In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Lender are *prima facie* evidence of the matters to which they relate.

23.1.2 Any certification or determination by the Lender of a rate or amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

**24. PARTIAL INVALIDITY**

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of that provision under the law of any other jurisdiction will in any way be affected or impaired.

**25. REMEDIES AND WAIVERS**

25.1.1 No failure to exercise, nor any delay in exercising, on the part of the Lender, any right or remedy under this Deed shall operate as a waiver of that right or remedy or constitute an election to affirm this Deed.

25.1.2 No election to affirm this Deed on the part of the Lender shall be effective unless it is in writing.

25.1.3 No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy.

25.1.4 The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

## **26. SET-OFF**

After an Enforcement Event, the Lender may set off any matured obligation due from the Chargor under the Loan Documents in accordance with Section 9.06 of the Credit Agreement.

## **27. ASSIGNMENT AND TRANSFER**

27.1.1 The Lender has the right, without the consent of or notice to the Chargor, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, the Lender's obligations, rights, and benefits under this Deed. Notwithstanding the foregoing, prior to the occurrence of an Event of Default, the Lender shall not assign any interest in this Deed to an operating company which is a direct competitor of the Chargor or any of its subsidiaries.

27.1.2 The Lender shall be entitled to disclose such information concerning the Chargor and this Deed in accordance with the terms of the Credit Agreement.

27.1.3 The Chargor may not assign or transfer all or any of its rights and obligations under this Deed.

## **28. AMENDMENTS AND WAIVERS**

28.1.1 The provisions of this Agreement may only be amended in writing by agreement by all Parties to this Agreement.

28.1.2 No waiver of any provision of this Agreement shall be valid unless given in writing by the Party giving such waiver,.

## **29. COUNTERPARTS**

29.1.1 This Deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute one Deed.

29.1.2 Transmission of the executed signature page of a counterpart of this Deed by e-mail (in PDF) shall be a valid method of delivery of an executed counterpart of this Deed. Without prejudice to the validity of the Deed thus made, each Party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

29.1.3 No counterpart shall be effective until each Party has executed and delivered at least one counterpart.

## **30. GOVERNING LAW**

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

## **31. ENFORCEMENT**

### **31.1 Jurisdiction of English courts**

31.1.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or

termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a **Dispute**).

31.1.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

31.1.3 This Clause 31.1 is for the benefit of the Lender only. As a result, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

This document has been executed as a Deed and is delivered and takes effect on the date stated at the beginning of it.

Schedule 1 – The Investments

Name of company in which Investments are held	Class of Equity Interests*	No. and class of Shares / Interest	Percentage Ownership
MelodyVR Limited	Ordinary shares	9597 Ordinary shares of £1 each	100%

Schedule 2– Accounts

Napster PLC Accounts

Bank Name	Account Number	Sort Code
Metro Bank Plc		
Metro Bank Plc		
Metro Bank Plc		

**Schedule 3– Notice and acknowledgement - Material Agreement****Part 1 – Form of notice**

*[On the letterhead of the Chargor]*

[NAME OF COUNTERPARTY]  
[ADDRESS LINE 1]  
[ADDRESS LINE 2]  
[POSTCODE]

[DATE]

Dear Sirs,

**Debenture (Debenture) dated [DATE] between [CHARGOR] and [LENDER]**

We refer to the [DESCRIBE MATERIAL AGREEMENT] (the **Contract**).

This letter constitutes notice to you that under the Debenture we have assigned, by way of security, to [LENDER] (Lender) all our rights in respect of the Contract.

We confirm that:

- We will remain liable under the Contract to perform all the obligations assumed by us under the Contract.
- None of the Lender, any delegate appointed by the Lender or any receiver will at any time be under any obligation or liability to you under or in respect of the Contract.

Neither the Debenture nor this notice releases, discharges or otherwise affects your liability and obligations in respect of the Contract.

Subject to the above, we will remain entitled to exercise all our rights, powers and discretions under the Contract and you may continue to deal with us in relation to the Contract and give notices under the Contract to us unless and until you receive written notice from the Lender that an "Enforcement Event" has occurred. Thereafter, all such rights, powers and discretions shall be exercisable by, and notices shall be given to, the Lender or as it directs and we will cease to have any right to deal with you in relation to the Contract and you must deal only with the Lender.

Please note that we have agreed that we will not amend or waive any provision of or terminate the Contract without the prior written consent of the Lender.

The instructions in this notice may only be revoked or amended with the prior written consent of the Lender.

Please confirm that you agree to the terms of this notice, and to act in accordance with its provisions, by sending the attached acknowledgement to the Lender at [ADDRESS], with a copy to us.

This notice, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by and construed in accordance with the law of England and Wales.

Yours faithfully,

.....

[NAME OF CHARGOR]

**Part 2 – Form of acknowledgement**

*[On the letterhead of the counterparty]*

[NAME OF LENDER]  
[ADDRESS LINE 1]  
[ADDRESS LINE 2]  
[POSTCODE]

[DATE]

Dear Sirs,

**Debenture (Debenture) dated [DATE] between [CHARGOR] and [LENDER]**

We confirm receipt from [CHARGOR] (Chargor) of a notice (Notice) dated [DATE] of an assignment, by way of security, of all the Chargor's rights under [DESCRIBE MATERIAL AGREEMENT] (the **Contract**).

Terms defined in the Notice shall have the same meaning when used in this acknowledgement.

We confirm that:

- We accept the confirmations and instructions contained in the Notice and agree to comply with the Notice.
- There has been no amendment, waiver or release of any rights or interests in the Contract since the date of the Contract.
- We will not cancel, avoid, release or otherwise allow the Contract to lapse without giving the Lender at least 30 days' prior written notice.
- We have not, as at the date of this acknowledgement, received notice that the Chargor has assigned its rights under the Contract to a third party, or created any other interest (whether by way of security or otherwise) in the Contract in favour of a third party.
- The Lender will not in any circumstances have any liability in relation to the Contract.
- The Contract shall not be rendered void, voidable or unenforceable by reason of any non-disclosure by the Lender.

This letter, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by and construed in accordance with the law of England and Wales.

Yours faithfully,

.....

[COUNTERPARTY]



**Schedule 4– Notice and acknowledgement - bank account****Part 1 – Form of notice**

[On the letterhead of the Chargor]

[BANK, FINANCIAL INSTITUTION OR OTHER PERSON]

[ADDRESS]

[DATE]

Dear Sirs,

**Debenture (Debenture) dated [DATE] between [CHARGOR] and [LENDER]**

- 1 We refer to the following accounts we hold with you, as they may from time to time be re-designated or re-numbered:

Sort Code	Account Number
-----------	----------------

(each a **Current Account** and together the **Current Accounts**).

- 2 We are writing to give you notice of certain rights in respect of the Current Accounts that we have granted to Davis Partnership, LP (the **Lender**).
- 3 Under the Debenture we have charged to the Lender all amounts standing to the credit of each Current Account from time to time (each a **Deposit** and together the **Deposits**) and all of our right, title and interest in, and relating to, each Current Account.
- 4 We notify you that:
- (a) after you have received notice from the Lender under paragraph 6 below, we may not withdraw any moneys from any Current Account without first obtaining the prior written consent of the Lender;
  - (b) there is a prohibition in the Debenture on the creation of any further security interest over any Current Account; and
  - (c) you are authorised to disclose information relating to the Current Accounts to the Lender on the request of the Lender.
- 5 After you have received notice from the Lender under paragraph 6 below, we irrevocably authorise and instruct you to:
- (a) hold all moneys from time to time standing to the credit of each Current Account to the order of the Lender; and
  - (b) pay all or any part of those moneys to the Lender (or as it may direct) promptly following receipt of written instructions from the Lender to that effect.
- 6 We are permitted to withdraw or transfer amounts from the Current Accounts until such time as the Lender provides written notification to you that such permission is withdrawn..

We acknowledge that you may comply with the instructions in this letter without any further permission from us.

The instructions in this letter may not be revoked or amended without the prior written consent of the Lender.

This letter is governed by English law.

Please confirm your agreement to the above by sending an acknowledgement to the Lender in the form attached, with a copy to ourselves.

Yours faithfully,

Signed.....

Part 2 - Form of acknowledgement

[On the letterhead of the bank, financial institution or other person]

[LENDER]

[ADDRESS LINE 1]  
[ADDRESS LINE 2]  
[POSTCODE]

[DATE]

Dear Sirs,

Debenture (Debenture) dated [DATE] between [CHARGOR] and [LENDER]

We confirm receipt from [CHARGOR] (the **Chargor**) of a notice (the **Notice**) dated [DATE] of a charge (on the terms of the Debenture) over all monies from time to time standing to the credit of the accounts detailed below (the **Current Accounts**), together with all other rights and benefits accruing to or arising in connection with the Current Accounts (including, but not limited to, entitlements to interest).

We confirm that we:

- Accept the instructions contained in the Notice and agree to comply with the Notice.
- Permit any amount to be withdrawn from the Current Accounts until we receive written notification from you to the contrary.
- Have not received notice of the interest of any third party in the Current Accounts.
- Have neither claimed nor exercised, nor will claim or exercise any security interest, set-off, counter-claim or other right in respect of the Current Accounts.

The Current Accounts are:

Sort Code	Account Number
-----------	----------------

This letter, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by and construed in accordance with the law of England and Wales.

Yours faithfully,

Signed.....

[NAME OF BANK, FINANCIAL INSTITUTION OR OTHER PERSON]

SIGNATURE PAGE TO THE ENGLISH DEBENTURE AND GUARANTEE

The Chargor


EXECUTED as a deed by  
NAPSTER GROUP LIMITED


acting by Anthony Matchett

and

Steven Hancock

each a Director

) DocuSigned by:  
)   
) .....  
) Director

) DocuSigned by:  
)   
) .....  
) Director

The Lender

EXECUTED as a DEED by DAVIS PARTNERSHIP, LP

By: DAVIS CAPITAL PARTNERS, LLC

its: General Partner

By: \_\_\_\_\_

Name: Lansing Davis

Title: Managing Member

SIGNATURE PAGE TO THE ENGLISH DEBENTURE AND GUARANTEE

The Chargor

EXECUTED as a deed by  
NAPSTER GROUP LIMITED

acting by \_\_\_\_\_

and

\_\_\_\_\_

each a Director


)  
)  
) .....  
) Director  
  
)  
) .....  
) Director

The Lender

EXECUTED as a DEED by DAVIS PARTNERSHIP, LP

By: DAVIS CAPITAL PARTNERS, LLC

its: General Partner

By: \_\_\_\_\_  
DocuSigned by: 

Name: Lansing Davis

Title: Managing Member