



Registration of a Charge

Company name: **Soundcloud Limited**

Company number: **06343600**



X62OVSRD

Received for Electronic Filing: **21/03/2017**

Details of Charge

Date of creation: **10/03/2017**

Charge code: **0634 3600 0006**

Persons entitled: **ARES CAPITAL CORPORATION (AS SECURITY AGENT)
KREOS CAPITAL V (UK) LIMITED
DAVIDSON TECHNOLOGY GROWTH DEBT FUND**

Brief description: **N/A**

Contains fixed charge(s).

Authentication of Form

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

Authentication of Instrument

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

Certified by: **LAURA HOWARD**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6343600

Charge code: 0634 3600 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 10th March 2017 and created by Soundcloud Limited was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 21st March 2017 .

Given at Companies House, Cardiff on 22nd March 2017

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

10 March 2017

(1) SOUNDCLOUD LIMITED
as Pledgor

(2) ARES CAPITAL CORPORATION
as Security Agent and Present Pledgee

- and -

(3) THE FINANCIAL INSTITUTIONS LISTED IN SCHEDULE 1
as Original Lenders and Present Pledgees

**ACCOUNT PLEDGE
AGREEMENT**
(Kontoverpfändungsvertrag)
relating to
bank accounts



I CERTIFY THAT, SAVE FOR MATERIAL REDACTED
PURSUANT TO s859G OF THE COMPANIES ACT 2006,
THIS IS A TRUE, COMPLETE AND CORRECT COPY
OF THE ORIGINAL INSTRUMENT

DATE 21 March 2017

SIGNED DLA Piper UK LLP
DLA PIPER UK LLP

*Laura Howard
Solicitor*

DLA Piper UK LLP
Westhafenplatz 1
60327 Frankfurt am Main
Tel: +49 69 271 33 0
Fax: +49 69 271 33 100

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THIS ACCOUNT PLEDGE AGREEMENT (the "**Agreement**") is made on 10 March 2017

BETWEEN:

- (1) **SOUNDCLOUD LIMITED**, a limited liability company under English law, registered under number 6343600, England and Wales, as pledgor and borrower (the "**Pledgor**" and the "**Borrower**");
- (2) **ARES CAPITAL CORPORATION** as security agent, agent, mandated lead arranger and present pledgee (the "**Security Agent**"); and
- (3) **THE FINANCIAL INSTITUTIONS** listed in Schedule 1 (*Original Lenders*), as original lenders and present pledgees (the "**Original Lenders**").

BACKGROUND:

- A Pursuant to a \$ 70,000,000 senior facility agreement dated on or about the date hereof between, *inter alios*, the Borrower, the Original Lenders and the Security Agent (the "**Senior Facility Agreement**"), the Original Lenders have agreed to grant a term loan facility to the Borrower.
- B The terms of an intercreditor agreement dated on or about the date hereof between, *inter alios*, the Security Agent, the Original Lenders and the Borrower (the "**Intercreditor Agreement**") provide for a separate and independent obligation of any Obligor (as defined by reference below) to pay to the Security Agent an amount which is equal at any time to the aggregate of all amounts owed at that time by that Obligor (as defined below) to the Secured Parties (as defined below) (the "**Parallel Debt**"). The Security Agent will administer the security created under this Agreement as trustee (*Sicherheits-treuhänder*) under German law for the benefit of the other Secured Parties (as defined below) and on its own behalf in its capacity as creditor of the Parallel Debt, in each case in accordance with the terms of the Intercreditor Agreement.
- C It is a condition precedent under the Senior Facility Agreement that the Pledgor provides certain security interests to the Security Agent for the benefit of the Secured Parties (as defined below) to secure the Secured Obligations (as defined below).

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Capitalised terms used but not defined in this Agreement shall have the meaning given to them in the Senior Facility Agreement (including by reference); and:

"Account Banks" means the credit institutions with which the Accounts are held and maintained;

"Accounts" means all bank accounts (including current accounts (*Girokonten*)) and accounts for saving deposits (*Spareinlagen*), time deposits (*Termineinlagen*) or call money deposits (*Tagesgeldeinlagen*) which the Pledgor holds at present or may (at any time hereafter) open with any credit institution in Germany (including the accounts listed in Schedule 2: (*List of Accounts*)) and any sub-account (*Unterkonto*), renewal, redesignation or replacement thereof;

"BGB" means the German Civil Code (*Bürgerliches Gesetzbuch*);

"Enforcement Event" has the meaning given to such term in clause 8.1(a);

"Event of Default" means any event of default under the Senior Facility Agreement;

"Finance Documents" means the Senior Facility Agreement, any accession deed relating to the Senior Facility Agreement, any compliance certificate relating to the Senior Facility Agreement, any fee letters relating to the Senior Facility Agreement, the Intercreditor Agreement, any Transaction Security Document, any warrant instrument granted to any Lender, any utilisation request in relation to the Senior Facility Agreement and any other document designated as a *"Finance Document"* by the Agent and the Parent;

"Finance Party" means the Agent, the Arranger, the Security Agent or a Lender;

"Future Pledgee" means any person which becomes a pledgee under this Agreement by way of:

- (a) transfer of the Pledges by operation of law or otherwise following the transfer of any part of the Secured Obligations from a Present Pledgee to such person, and/or
- (b) accession to this Agreement pursuant to clause 2.2 (*Security Agent acting for Future Pledgees*) as pledgee;

"Group" means the Borrower and each of its Subsidiaries for the time being;

"Guarantors" are SoundCloud Limited, SoundCloud, Inc, SoundCloud Operations, Inc., any other person acceding to the Senior Facility Agreement in such capacity and any of their successor(s) from time to time unless it has ceased to be a Guarantor in accordance with the terms of the Senior Facility Agreement;

"InsO" means the German Insolvency Act (*Insolvenzordnung*);

"Lenders" means Ares Capital Corporation, Kreos Capital V (UK) Limited, Davidson Technology Growth Debt Fund and any other person becoming a lender under the Senior Facility Agreement and which in each case has not ceased to be a Lender in accordance with the terms of the Senior Facility Agreement;

"Obligor" means the Borrower and the Guarantors;

"Parties" means the Pledgees and the Pledgor;

"Pledges" shall have the meaning given to such term in clause 2.1(a);

"Pledgees" means the Present Pledgees and the Future Pledgees;

"Present Pledgees" means the Original Lenders and the Security Agent;

"Secured Obligations" means all present and future liabilities and obligations at any time due, owing or incurred by any member of the Group and by each Obligor to any Pledgee under the Finance Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity, including the obligations arising under the Parallel Debt, including any claims for the payment of principal, interest, costs, fees or damages based on contract, unjust enrichment (*ungerechtfertigte Bereicherung*) or tort

(*Delikt*), as well as any claims arising from the insolvency administrator's choice to fulfil mutual agreements according to section 103 InsO;

"Secured Party" means the Security Agent, any Receiver or Delegate (each as defined in the Intercreditor Agreement) and each of the Finance Parties from time to time but, in the case of each Finance Party, only if it is a party to the Intercreditor Agreement or has acceded to the Intercreditor Agreement, in the appropriate capacity, pursuant to clause 17.6 (Creditor Accession Undertaking) of the Intercreditor Agreement;

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"Subsidiary" means a subsidiary (*Tochterunternehmen*) for the purpose of section 290 German Commercial Code (*Handelsgesetzbuch - HGB*);

"Successor Security Agent" means a person appointed in accordance with a Finance Document as successor of the Security Agent in its capacity as security agent to the other Secured Parties; and

"Transaction Security Document" means this Agreement and any agreement or document creating, purporting to create or evidencing a Security, including any guarantee, indemnity, preferential arrangement or subordination arrangement, for and with regard to the Secured Obligations.

1.2 Interpretation

In this Agreement:

- (a) any reference to a **"clause"** or a **"schedule"** is a reference to a clause of, or a schedule to, this Agreement and schedules shall form an integral part of this Agreement;
- (b) **"include"**, **"including"** and **"in particular"** shall be construed without limitation;
- (c) any reference to a **"person"** includes any individual, firm, company, corporation, state or agency, any unincorporated association or body (including a partnership, trust, joint venture or consortium) or other entity (whether or not having separate legal personality);
- (d) **"promptly"** shall mean without undue delay (*ohne schuldhaftes Zögern*);
- (e) **"transfer"** shall, where used in connection with Secured Obligations, include assignment (*Abtretung*), assumption of contract (*Vertragsübernahme*), novation (*Schuldumschaffung*) and universal succession (*Gesamtrechtsnachfolge*);
- (f) where the context so admits, a reference to the singular includes the plural and *vice versa*;
- (g) an Event of Default is **"continuing"** if it has not been waived;
- (h) any reference to a defined document or provision of statutory law is a reference to that defined document or provision as amended, supplemented, restated or novated from time to time;

- (i) headings are for ease of reference only and shall be ignored in the construction of this Agreement;
- (j) where a German language term has been added to an English language term, such German term shall be decisive throughout; and
- (k) if there arises any conflict or inconsistency between this Agreement and any provision of the Intercreditor Agreement, then the provisions of the Intercreditor Agreement shall prevail unless thereby rendering this Agreement invalid or unenforceable.

2. PLEDGES OVER ACCOUNTS

2.1 Grant of Pledge

- (a) The Pledgor herewith pledges to the Pledgees all present and future rights and claims (whether conditional or unconditional) arising against any Account Bank from or in connection with any of the Accounts, including:

- (i) all rights and claims in respect of present and future cash deposits (*Guthaben*) (including saving deposits (*Spareinlagen*), time deposits (*Termineinlagen*) (including fixed deposits (*Festgeldguthaben*) and termination monies (*Kündigungsgelder*)) and call money deposits (*Tagesgeldeinlagen*) standing from time to time to the credit of the Accounts, including all claims to interest payable;

- (ii) in respect of each Account maintained as a current account (*Girokonto*) at present or in the future:

- (A) any claims in respect of present and future credit balances (*positive Salden*);

- (B) any claims in respect of present and future credit entries (*gutgeschriebene Beträge*);

- (C) all claims to interest payable;

- (D) all other present and future monetary rights and claims arising under or in connection with the respective giro agreement (*Girovertrag*) (including all claims to the grant of a credit entry (*Gutschriftanspruch*)); and

- (iii) in respect of each Account maintained as a current account (*Kontokorrentkonto*) at present or in the future, all present and future rights and claims arising under or in connection with the respective current account agreement (*Kontokorrentabrede*), all claims to present and future current account balances (*Saldoforderungen*) and the right to terminate the current account relationship (*Kündigung des Kontokorrents*),

(the pledges constituted under this clause 2.1(a) collectively, the "Pledges").

- (b) The validity and effect of the Pledges shall be independent from the validity and effect of any other pledge or of any other security the Pledgees may now or in the future hold under a Transaction Security Document. In particular, the Pledges created

for the benefit of the Future Pledges shall in no way affect the validity of the Pledges created for the benefit of the Present Pledges. All Pledges shall be separate and individual and rank *pari passu* to the extent legally possible.

- (c) Each Present Pledgee hereby accepts the Pledges for itself and on its own behalf.
- (d) Insofar as additional declarations or further measures are necessary for the creation of the Pledges (or any of them), the Pledgor shall, subject to the Agreed Security Principles, at the Pledges' reasonable request, make such declarations and take such measures (in such form as the Pledges may reasonably require).

2.2 Security Agent acting for Future Pledges

- (a) The Security Agent hereby accepts the Pledges as representative without power of attorney (*Vertreter ohne Vertretungsmacht*) for and on behalf of each Future Pledgee. Each Future Pledgee ratifies (*genehmigen*) the declarations so made by the Security Agent on its behalf by accepting the transfer of any part of the Secured Obligations from a Pledgee. Upon such ratification such Future Pledgee becomes a party to this Agreement, it being understood that any future or conditional claim (*zukünftiger oder bedingter Anspruch*) of such Future Pledgee arising under any Finance Document shall be secured by the Pledges constituted hereunder.
- (b) Each of the Parties hereby irrevocably authorises the Security Agent to identify (*bestimmen*) each Future Pledgee with binding effect for all Parties. The Security Agent will inform the Pledgor of any such identification of a Future Pledgee promptly. The Pledgor herewith authorises the Security Agent to notify the identity of such Future Pledgee and the new pledges created pursuant to this clause 2.2 to each Account Bank. Upon request of the Security Agent, the Pledgor shall promptly give such notice and provide the Security Agent with a copy thereof.
- (c) All Parties hereby confirm that the validity of the Pledges shall not be affected by the Security Agent acting as representative without power of attorney for the Future Pledges.
- (d) For the avoidance of doubt, the Parties agree that nothing in this Agreement shall exclude a transfer of all or part of the Pledges created hereunder by operation of law upon the transfer of all or part of the Secured Obligations by any Pledgee to a Future Pledgee.

3. SECURITY PURPOSE

The Pledges shall secure the prompt, complete and irrevocable discharge of the Secured Obligations. The Pledges shall also cover any future extension, prolongation or increase of the Secured Obligations. The Pledgor herewith explicitly consents to any such future extension, prolongation or increase. The principles of section 1210 subsection 1 sentence 2 BGB shall not apply.

4. NOTIFICATION OF ACCOUNT PLEDGE

- (a) The Pledgor shall promptly but in any event no later than five (5) Business Days from the date of this Agreement, notify each of the Account Banks of the Pledges. The notification shall be made by delivery of a notification substantially in the form set out in Schedule 3: (*Notification of Account Pledge*) Part 1 (*Form of Notification*) to each of the Account Banks by registered mail (*Einschreiben mit Rückschein*) or fax,

or email, in each case with confirmation of receipt (*Empfangsbestätigung*). The Pledgor shall promptly send a copy of each despatched notification letter and copies of the return receipts (*Rückschein*) or the confirmations of receipt (*Empfangsbestätigungen*) to the Security Agent. The Pledgor shall use its best endeavours to obtain the acknowledgement by the relevant Account Bank substantially in the form set out in Schedule 3: (*Notification of Account Pledge*) Part 2 (*Form of Acknowledgement by Account Bank*) within 20 Business Days of despatching the notification letter. The Pledgor shall provide to the Security Agent any such acknowledgement promptly upon its receipt from the respective Account Bank.

- (b) If the Security Agent does not receive acknowledgments of the relevant Account Bank within 20 Business Days after the date referred to in clause 4(a), the Security Agent shall be entitled to notify any Account Bank which have not provided the requisite acknowledgment and ask for such acknowledgment on behalf of the Pledgor.

5. PLEDGOR'S RIGHT OF DISPOSAL

- (a) At all times prior to the occurrence of an Event of Default, the Pledgor shall be entitled to exercise all rights and powers in respect of the Accounts in its ordinary course of business (*gewöhnlicher Geschäftsbetrieb*) (the "Authorisation") in accordance with the provisions of the Finance Documents.
- (b) The Pledges may revoke, restrict or impose conditions on the Authorisation upon the occurrence of a Default. Upon such revocation of the Authorisation, the Pledges are entitled to demand delivery of all documentation in relation to any Account.

6. REPRESENTATION AND WARRANTIES OF THE PLEDGOR

6.1 Representations and Warranties

The Pledgor represents and warrants to the Pledges in the form of an independent guaranty (*unabhängiges Garantieverprechen*) pursuant to section 311 BGB as of the date of this Agreement that:

- (a) it is the sole holder of each Account and may freely dispose of the present and future claims entitling it to demand payment of the credit balance of each of the Accounts including all interest payable thereon, together with ancillary rights and claims associated with such Accounts;
- (b) the Accounts are and will be governed by German law;
- (c) it holds the right to any monies in each of its Accounts and to all interest for monies in each of its Accounts;
- (d) each Account is free from any liens, encumbrances or any other rights of third parties (of any form) over each Account other than any pledges in favour of the Account Banks as a result of their general terms and conditions (*Allgemeine Geschäftsbedingungen*) or any other Permitted Security; and
- (e) the Accounts listed in Schedule 2 (*List of Accounts*) are all the bank accounts the Pledgor maintains at present in Germany and the information in relation to such Accounts set out in Schedule 2 (*List of Accounts*) is complete and correct.

6.2 Repeating Representations

The representations and warranties under clause 6.1 (*Representations and Warranties*) shall be repeated by the Pledgor by way of delivery of each account statement and each Account List, in each case by reference to the facts and circumstances then existing.

7. UNDERTAKINGS BY THE PLEDGOR

The Pledgor undertakes to the Pledgees:

- (a) to procure that, as of the date of signing of this Agreement, all its present and future receivables from its debtors are duly paid to an Account or to another account subject to a Security for the benefit of the Security Agent or any other Secured Party;
- (b) to notify the Pledgees promptly of any new bank accounts opened which are not listed in Schedule 2 (*List of Accounts*), to provide a new List of Accounts to the Pledgees and to notify the respective Account Bank of the Pledges in accordance with clause 4 (*Notification of Account Pledge*) within five (5) Business Days after the opening of such account. For the avoidance of doubt, the Pledgor is aware that any new bank account opened in Germany will become an Account in the meaning of this Agreement upon notice to the Account Bank and will be subject to the Pledges and the obligations assumed by the Pledgor hereunder without any further agreement;
- (c) to deliver to the Pledgees, within five (5) Business Days after the end of each calendar quarter, and at any time upon request of the Pledgees (acting reasonably), up-to date account statement sheets (*Kontoauszüge*) showing the balance on each of the Accounts;
- (d) to promptly deliver to the Pledgees upon their request any documents or other information concerning the Accounts required for the maintenance or enforcement of the Pledges;
- (e) with regard to any savings bank books (*Sparbücher*) and any other documents which are necessary to dispose over any of the Accounts, the Pledgor undertakes to promptly deliver the originals of such documents to the Pledgees if the Pledgees have given a revocation notice pursuant to clause 5 (*Pledgor's Right of Disposal*);
- (f) to contact and request each Account Bank to acknowledge the notification of the relevant Pledge towards the Security Agent as set out in clause 4 (*Notification of Account Pledge*), to contact and to use its best endeavours that each Account Bank waives to the benefit of the Pledgees its pledge under the general business conditions or subordinates such pledge to the Pledges created under this Agreement;
- (g) not to do anything or cause or permit anything to be done which will, or could be expected to, affect the validity of the Pledges;
- (h) to notify the Pledgees promptly of any event or circumstances which may have a material adverse effect on the validity or the enforceability of this Pledge;
- (i) to promptly inform the Pledgees of any attachments (*Pfändung*) or of any third person measure which may materially impair or jeopardise the Pledgees' rights to the Pledges or parts thereof. In such event it shall provide the Pledgees with a copy of the attachment order (*Pfändungsbeschluss*), any transfer order (*Überweisungsbeschluss*) or any documents necessary or reasonably expedient for a defence against such

measures. In addition the Pledgor shall inform such third person promptly in writing of the Pledgees' Security in the respective Account;

- (j) subject to the Agreed Security Principles, to confirm or re-execute, upon reasonable request of the Pledgees, on the same terms as contained herein, the Pledges created hereunder in order to ensure that any Future Pledgee shall receive the benefit of such Pledges.
- (k) at its own reasonable cost and expense, to execute and do all such assurances, acts and things as the Pledgees may reasonably require for:
 - (i) perfecting, protecting and enforcing the security intended to be created by this Agreement; and
 - (ii) if this Agreement has become enforceable, for facilitating the realisation of all or any part of the Pledges and the exercise of all powers, authorities and discretions vested with the Pledgees; and
- (l) to notify the Pledgees promptly if any representation or warranty made in this Agreement is or becomes untrue or misleading at any time.

8. ENFORCEMENT

8.1 Right of realisation

- (a) Upon the occurrence of an Event of Default which is continuing in respect of which the Security Agent has exercised its rights under clause 23.19 of the Senior Facility Agreement and upon the requirements set forth in sections 1273 et seq., 1204 et seq. and 1228 subsection 2 BGB with regard to the enforcement of the Pledges are met (*Pfandreife*) (an "**Enforcement Event**"), the Pledgees (or any of them) shall be entitled to enforce their rights under this Agreement and to realise (*verwerten*) the Pledges (wholly or partly) and to avail themselves of all other rights and remedies a pledgee is entitled to under the laws of Germany.
- (b) Section 1277 BGB notwithstanding, the Pledgees shall be entitled to exercise their rights without obtaining enforceable judgment or other instrument (*vollstreckbarer Titel*).
- (c) The Pledgor shall render at its own cost all necessary and lawful assistance in order to facilitate the enforcement of this Agreement (or parts thereof) in the event the Pledgees (or any of them) seek the enforcement in accordance with the terms of this Agreement and the provisions of statutory law. The Pledgees may take all measures and enter into all agreements, in particular seek advice from surveyors, accountants, other counsel and/or legal advice whenever at their sole discretion it seems advisable to enforce this Agreement.
- (d) For the purpose of realising the Pledges (wholly or partly), the Pledgor shall, upon a Pledgee's request, promptly furnish such Pledgee with all relevant documents and shall render all reasonable assistance which is necessary or reasonably expedient in respect of the realising of the Pledges.

8.2 Enforcement notice

The Pledgees (or any of them) shall notify the Pledgor at least five (5) Business Days prior to any enforcement (which notification can be effected simultaneously with the notice of an Event of Default). No further notice or other requirements (including those set forth in section 1234 BGB) shall be necessary. Prior notice is not required if:

- (a) the Pledgor has generally ceased to effect payments (*Zahlungseinstellung*);
- (b) an application has been filed for the commencement of insolvency proceedings (*Antrag auf Eröffnung des Insolvenzverfahrens*) over the assets of the Pledgor by the Pledgor or any of its creditors (in the latter case only if it was not a fraudulent or frivolous application which is dismissed within 15 (fifteen) Business Days of filing);
- (c) insolvency proceedings have been opened (*Eröffnung eines Insolvenzverfahrens*) against the Pledgor;
- (d) similar proceedings under applicable laws have been opened in relation to the Pledgor; or
- (e) it is otherwise inappropriate (*untunlich*) in the meaning of Section 1234 para. 1 BGB.

8.3 Application of proceeds

The Pledgees (or any of them) shall use any proceeds received with regard to the Pledges towards discharge of the Secured Obligations. Any amount exceeding the Secured Obligations will be paid to the Pledgor, upon complete and irrevocable discharge of all Secured Obligations. The Pledgees may deduct from the proceeds any tax, expenses, fees and any other amount reasonably incurred in connection with the realisation of the Pledges.

8.4 Selection of security

The Pledgees may, at their sole discretion, determine which Security (created under this Agreement or other agreements), shall be realised to discharge the Secured Obligations. The Pledgor hereby expressly agrees that section 1230 sentence 2 BGB shall not apply.

8.5 Waiver of defences

- (a) The Pledgor hereby expressly waives all defences of revocation (*Einrede der Anfechtbarkeit*) and set-off (*Einrede der Aufrechnung*) pursuant to sections 770, 1211 BGB. Such waiver shall not apply to set-off with counterclaims that are (i) uncontested (*unbestritten*) or (ii) based on an unappealable court decision (*rechtskräftig festgestellt*).
- (b) The Pledgor hereby expressly waives its defences based on defences any Obligor may have against any of the Secured Obligations (*Einreden des Hauptschuldners*) pursuant to section 1211 para. 1 sentence 1 alternative 1 BGB.
- (c) The Pledgees are not required to proceed against or enforce any other rights or security before enforcing the security created hereunder.
- (d) Unless or until all the Secured Obligations have been unconditionally and irrevocably discharged in full, section 1225 BGB (legal subrogation of claims to a pledgor - *Forderungsübergang auf den Verpfänder*) shall not apply and no rights of the

Pledges (or any of them) shall pass to the Pledgor by subrogation or otherwise. Further, the Pledgor shall not at any time before, on or after an enforcement of the Pledges, and as a result of the Pledgor entering into this Agreement, be entitled to demand indemnification or compensation from an Obligor or any affiliate of an Obligor or assign any of these claims until the complete and unconditional discharge of the Secured Obligations.

9. SECURITY AGENT ACTING FOR PLEDGEEES

- (a) Any rights, claims, remedies, powers and discretions of the Pledgees (or any of them) shall be exercised by the Security Agent.
- (b) Any notice, consent or other communication to be made by the Pledgor under or in connection with this Agreement shall be made to the Security Agent and shall be only deemed duly made if received by it. Any right or claim or any obligation of the Pledgor under or in connection with this Agreement shall be exercised or fulfilled to the Security Agent.

10. RELEASE OF PLEDGES

- (a) The Parties are aware that upon complete and unconditional discharge of the Secured Obligations, the Pledges will cease to exist by operation of mandatory German law and the Pledgees shall, upon the Pledgor's request, confirm such release as a matter of record.
- (b) At any time when the total value of the aggregate Security granted to secure the Secured Obligations (the "**Relevant Security**") which can be expected to be realised in the event of an enforcement of the Relevant Security (*realisierbarer Wert*) exceeds 110% of the Secured Obligations (the "**Limit**") not only temporarily (*nicht nur zeitweilig*), the Pledgees shall on written demand of the Pledgor release such part of the Relevant Security (*Sicherheitenfreigabe*) as the Pledgees may select so as to reduce the realisable value of the Relevant Security to the Limit. In selecting the Relevant Security to be released, the Pledgees shall take into account the legitimate interests (*berechtigten Interessen*) of the Pledgor and of the other grantors of Relevant Security.
- (c) In calculating the realisable value of the Relevant Security, no assets or their value shall be double-counted.
- (d) In case the realisable value of the Relevant Security has decreased below the Limit (or would decrease below this amount upon a drawdown permitted under a Finance Document) and provided the Security Agent has prior to such decrease released Relevant Security, the Pledgor shall, upon request by the Security Agent, promptly re-grant (or procure to be granted) such Security previously released as the Security Agent may in its reasonable discretion determine so as to increase the realisable value of the Relevant Security up to the Limit.
- (e) All reasonable costs and expenses in relation to any retransfer, re-granting or valuation (irrespective of its result) pursuant to this clause 14 shall be borne by the Pledgor.

11. TRANSFER

- (a) The Pledgor shall not assign or transfer any of its rights, claims or obligations under or in connection with this Agreement without prior consent of the Pledgees.
- (b) The Pledgees may at any time assign and transfer their rights, claims and obligations, including by way of assumption of contract (*befreiende Vertragsübernahme*), under or in connection with this Agreement but only together with the transfer of the Secured Obligations in accordance with the Senior Facility Agreement. The Pledgor hereby consents to any such transfer.
- (c) A Successor Security Agent shall become a party to this Agreement as Security Agent *in lieu* of and as successor to the Security Agent and each of the Parties hereby consents to the Successor Security Agent becoming a party to this Agreement.
- (d) Each of the Parties hereby irrevocably authorises the Security Agent, under exemption from the restrictions of section 181 BGB or similar provisions applicable, to execute, on its behalf and its name, any declarations which the Security Agent reasonably determines to be necessary or expedient to ensure that a Future Pledgee or Successor Security Agent validly becomes a party to this Agreement.

12. LIABILITY AND INDEMNITY

12.1 Liability for damages

The Pledgees shall not be liable for any losses, damages, costs, expenses, actions, claims, demands and liabilities suffered or incurred by or made against the Pledgor except in case of wilful misconduct (*Vorsatz*) or gross negligence (*grobe Fahrlässigkeit*) of any of the Pledgees.

12.2 Indemnification

The Pledgor shall indemnify the Pledgees and keep the Pledgees indemnified against any losses, damages, costs, expenses, actions, claims, demands and liabilities which may be incurred by or made against the Pledgees for anything done or omitted in the exercise or purported exercise of the powers contained herein and occasioned by any breach of the Pledgor of any of its obligations or undertakings hereunder other than to the extent that such losses, damages, expenses, actions, claims, demands and liabilities are incurred or made against the Pledgees as a result of the wilful misconduct or gross negligence of any of the Pledgees.

13. COSTS AND EXPENSES

All costs, charges, (legal) fees and expenses reasonably incurred in connection with this Agreement, in particular:

- (a) the preparation, execution, translation, administration or modification of this Agreement; and
- (b) the enforcement, attempted enforcement or preservation of any right or remedy under this Agreement,

shall be borne by the Pledgor and the Pledgor shall promptly upon demand pay to the Pledgees any such amounts (including any VAT thereon).

14. DURATION AND INDEPENDENCE

- (a) This Agreement shall remain in full force and effect until complete discharge of the Secured Obligations.
- (b) This Agreement shall create a continuing security and no change, amendment, or supplement whatsoever in any Finance Document or in any document or agreement related to any of the Finance Documents shall affect the validity or the scope of this Agreement or the obligations of the Pledgor under it unless this does not conflict with the accessory nature of the Pledges.
- (c) This Agreement is independent from any other security or guarantee which may have been or will be granted to any Secured Party in relation to the Secured Obligations (or parts thereof). No such other security or guarantee shall prejudice, shall be prejudiced by, or shall be merged in any way with this Agreement.
- (d) Waiving the provisions of section 418 BGB, the Pledgor hereby agrees that the security created hereunder shall not be affected by any transfer of the Secured Obligations to any third person.

15. PARTIAL INVALIDITY, WAIVERS

15.1 Invalidity

If any provision of this Agreement should be or become invalid or unenforceable in whole or in part, this shall indisputably (*unwiderlegbar*) not affect the validity of the remaining provisions of this Agreement. The invalid or unenforceable provision shall be deemed replaced by such provision which best meets the intent and the economic purpose of the invalid or unenforceable provision. The same shall apply *mutatis mutandis* in case of omissions (*Vertragslücken*).

15.2 Waiver

No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right or remedy hereunder shall operate as a waiver of such right or remedy, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided under this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

16. AMENDMENTS

Any amendments to this Agreement, including to this clause 16, must be in writing or in stricter form, if required by law.

17. NOTICES

17.1 Communications in writing, contact details

- (a) Any notice, consent, approval or other communication in connection with this Agreement must be in writing and, unless otherwise stated, may be given in person, by post or fax:
 - (i) in the case of the Pledgor, to:

SoundCloud Limited
Branch Office (*Zweigniederlassung*) Berlin
Permanent Representative (*ständiger Vertreter*) within the meaning of section
13(e) para. 2, sentence 5 no. German Commercial Code (*Handelsgesetzbuch -
HGB*):
Address: [REDACTED]
Tel: [REDACTED]
Attention: Alexander Ljung

- (ii) in case of the Pledges, to the Security Agent:

Ares Capital Corporation
Address: [REDACTED]
Tel: [REDACTED]
Fax: [REDACTED]
Att.: Steven Michau
E-mail: [REDACTED]

or any substitute address, fax number and department or person, if any, for whose
attention the communication is to be made as a Party may notify to each other Party
with not less than five (5) Business Days' prior notice.

- (b) Proof of posting or dispatch of any notice or communication to the Pledgor shall be
considered proof of receipt (*widerlegbare Vermutung*):
- (i) in case of a letter, on the second business day (at the place of receipt)
following the date of its posting and
- (ii) in case of a fax transmission on the business day (at the place of receipt)
immediately following the date of its dispatch.

17.2 Language

- (a) Any communication made in connection with this Agreement must be in English.
- (b) Any document provided in connection with this Agreement must be:
- (i) in English; or
- (ii) if not in English and if so requested by the Pledges, accompanied by a
certified translation into English. In this case, the English translation will
prevail unless the document is a statutory or other official document.

18. GOVERNING LAW

- (a) This Agreement shall be governed by the laws of Germany.
- (b) The laws of Germany shall also be applicable to any non-contractual obligations
arising under or in connection with this Agreement. This shall not prejudice the rights
of third persons.

19. JURISDICTION

- (a) The courts of Frankfurt am Main, Germany shall have exclusive jurisdiction to settle any dispute in connection with this Agreement.
- (b) This clause 19 is for the benefit of the Pledgees only. To the extent admissible by law, the Pledgees may take proceedings in any other court with jurisdiction and concurrent proceedings in any number of jurisdictions.

20. CONCLUSION OF THIS AGREEMENT (*VERTRAGSSCHLUSS*)

- (a) The Parties may decide to conclude this Agreement by exchanging fully executed versions of this Agreement, which shall be done by telecommunication transmission or by fax or as electronic copies (pdf, tif etc.) by e-mail.
- (b) If the Parties decide to conclude this Agreement pursuant to sub-clause (a), the Parties will transmit their respective signed version of this Agreement to Robert Hofbauer, Fax: [REDACTED] Email: [REDACTED] or to Marc Kirchner, Fax: [REDACTED] Email: [REDACTED] each at DLA Piper UK LLP (each a "Recipient"). This Agreement shall be deemed to have been concluded as soon as the Recipient has received all executed versions from all Parties to this Agreement and at the time of receipt of the last outstanding executed version.
- (c) For the purpose of this clause 20 only, the Parties appoint each Recipient as their respective receiving agent (*Empfangsbote*) and explicitly authorize each Recipient to receive all signed versions of this Agreement from all Parties and for all Parties. Each Recipient shall not be subject to any further obligations whatsoever in connection with this receiving agency and may in particular assume that the signed versions transmitted to him by means of telecommunication correspond to the originals of the respective signed version, the authenticity of all signatures on the originals of the signed versions, as well as the signing authority of all signatories.

[SCHEDULES AND EXECUTION PAGES TO FOLLOW]

SCHEDULE 1: ORIGINAL LENDERS

Name
Ares Capital Corporation
Kreos Capital V (UK) Limited
Davidson Technology Growth Debt Fund

SCHEDULE 2: LIST OF ACCOUNTS

Account Bank (name, address)	SWIFT bank identifier code (BIC)	Bank sort code (BLZ)	Account number	IBAN
Unter den Linden 13/15 10117 Berlin Germany	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Unter den Linden 13/15 10117 Berlin Germany	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Unter den Linden 13/15 10117 Berlin Germany	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Unter den Linden 13/15 10117 Berlin Germany	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Unter den Linden 13/15 10117 Berlin Germany	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

SCHEDULE 3: NOTIFICATION OF ACCOUNT PLEDGE

Part 1: Form of Notification

[Letterhead of Pledgor]

To: [Name and address of Account Bank]

Copy: [◆ Security Agent]

Date: [◆]

Re: Bank Account Number [◆]

NOTIFICATION OF ACCOUNT PLEDGE

Dear Sirs,

We refer to a pledge agreement dated [◆] 2017 (the "**Pledge Agreement**"). We hereby give notice that we have pledged all of our present and future rights and claims in respect of all present and future bank accounts held with you including the above mentioned bank account, together with all monies and interest from time to time standing or accruing to the credit thereof (the "**Pledged Accounts**") to [◆] (the "**Pledgees**").

Until and unless you shall have received notice to the contrary from [◆] as security agent (the "**Security Agent**"), we may continue to exercise all rights and powers in respect of the Pledged Accounts.

We herewith waive all rights of confidentiality (*Bankgeheimnis*) in relation to all accounts held with you for the benefit of the Pledgees. We hereby instruct and authorise you to provide the Security Agent with any information requested by it in respect of such accounts following receipt of a notice by the Security Agent set out in the paragraph above.

Please confirm to the Security Agent:

1. that you acknowledge the notification of the pledges;
2. that you waive or subordinate any pledge in your favour over the Pledged Accounts (including a pledge arising from your general terms and conditions (*Allgemeine Geschäftsbedingungen*)) and any of your rights to exercise any actual or future legal or contractual retention right (*Zurückbehaltungsrecht*), rights to set-off (*Aufrechnungsrecht*) or lien; other than in relation to fees and expenses for the Pledged Accounts payable to you in the ordinary course of business; and
3. that you are not aware of any preferential rights of third parties in relation to the Pledged Accounts

by countersigning the enclosed acknowledgement letter and returning it to the following address of the Security Agent.

To: [Security Agent]

Addressee: [◆]

Facsimile: [◆]

This letter shall be governed by and construed in accordance with German law.

Yours sincerely

[◆ Pledgor]

by: _____

Name:

Name:

Title:

Title:

[Enclosure: copy of this signed notice and acknowledgement by Account Bank.]

Part 2: Form of Acknowledgment by Account Bank

[Letterhead of Account Bank]

From: [◆] Account Bank]

To: [◆] Security Agent]

Copy: [◆] Pledgor]

Acknowledged and Approved:

We hereby acknowledge receipt of the notice of pledge (*Verpfändungsanzeige*) (the "Notice") dated [◆] in relation the Pledged Accounts (as defined in the Notice). We confirm that we will act in accordance with terms and instructions set out in the Notice.

We confirm that we have neither received any previous notice of pledge relating to the Pledged Accounts (as defined in the Notice) nor are we aware of any third party rights in relation to the Pledged Accounts (as defined in the Notice) except for the right of pledge arising pursuant to our general terms and conditions (*Allgemeine Geschäftsbedingungen*).

Except for fees and expenses in relation to the Pledged Accounts payable to us in the ordinary course of business, we hereby irrevocably and unconditionally:

- [waive] [subordinate] the pledges in our favour over the Pledged Accounts granted pursuant to our general terms and conditions (*Allgemeine Geschäftsbedingungen*); and
- waive any retention rights (*Zurückbehaltungsrechte*) and rights of set-off in relation to the Accounts.

[Name of Account Bank]

by: _____

Name:

Name:

Title:


Title:

Date: _____

EXECUTION PAGES (1/2)
to the Account Pledge Agreement
dated 14 March 2017

THE PLEDGOR

SOUNDCLOUD LIMITED

By: 
Name: ALEXANDER CSUNG
Title: CEO/DIRECTOR

By: _____
Name:
Title:

EXECUTION PAGES (2/2)
to the Account Pledge Agreement
dated ____ March 2017

THE SECURITY AGENT, AN ORIGINAL LENDER AND PRESENT PLEDGEE

ARES CAPITAL CORPORATION

By: _____
Name:
Title:

By: _____
Name:
Title:

AN ORIGINAL LENDERS AND PRESENT PLEDGEE

KREOS CAPITAL V (UK) LIMITED

**REPRESENTED BY ARES CAPITAL
CORPORATION**

By: _____
Name:
Title:

By: _____
Name:
Title:

AN ORIGINAL LENDER AND PRESENT PLEDGEE

**DAVIDSON TECHNOLOGY GROWTH
DEBT FUND**

**REPRESENTED BY ARES CAPITAL
CORPORATION**

By: _____
Name:
Title:

By: _____
Name:
Title: