



Registration of a Charge

Company Name: **SIGNATURE FILMS LIMITED**

Company Number: **07520205**



XB0JHBA2

Received for filing in Electronic Format on the: **25/03/2022**

Details of Charge

Date of creation: **11/03/2022**

Charge code: **0752 0205 0002**

Persons entitled: **RICKLEFORD LTD**

Brief description:

Contains fixed charge(s).

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

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **ROBERT GOULD**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7520205

Charge code: 0752 0205 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 11th March 2022 and created by SIGNATURE FILMS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 25th March 2022 .

Given at Companies House, Cardiff on 30th March 2022

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 **11 March** **2022**

COMPOSITE GUARANTEE AND DEBENTURE

between

THE SEVERAL COMPANIES named herein

and

RICKLEFORD LTD

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THIS DEED is dated

11 March

2022

Parties

- (1) **THE SEVERAL COMPANIES** named in Schedule 1 (**Chargors**)
- (2) **RICKLEFORD LIMITED**, a company incorporated in England and Wales with registered number 08156827, whose registered office is at Ramillies House, 2 Ramillies Street, London, United Kingdom, W1F 7LN (**Lender**)

BACKGROUND

- (A) The Lender has agreed, pursuant to the Facility Agreement, to provide the Borrower with loan facilities on a secured basis.
- (B) The Chargors have agreed to guarantee the Borrower's obligations under the Facility Agreement and together with the Borrower provide security to the Lender for the loan facilities made available under the Facility Agreement.

Agreed terms

1. Definitions and interpretation

1.1 Definitions

Terms defined in the Facility Agreement shall, unless otherwise defined in this deed, have the same meaning in this deed. In addition, the following definitions apply in this deed:

Administrator: an administrator appointed to manage the affairs, business and property of a Chargor pursuant to clause 10.5.

Book Debts: all present and future book and other debts, and monetary claims due or owing to a Chargor, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by a Chargor in relation to any of them.

Borrower: Signature Entertainment Limited (CRN: 07520207).

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

Charged Property: any freehold, leasehold or commonhold property the subject of the security constituted by this deed and references to "**Charged Property**" shall include references to the whole or any part of it.

Delegate: any person appointed by the Lender or any Receiver pursuant to clause 15 and any person appointed as attorney of the Lender or any Receiver or Delegate.

Designated Account: any account of a Chargor nominated by the Lender as a designated account for the purposes of this deed.

Environment: the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.

Environmental Law: all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.

Environmental Licence: any authorisation, permit or licence necessary under Environmental Law in respect of any of the Secured Assets.

Equipment: all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property owned by a Chargor or in which it has an interest, including any part of it and all spare parts, replacements, modifications and additions.

Facility Agreement: the £12,000,000 facility agreement dated on or about the date of this deed between the Chargors and the Lender for the provision of the loan facilities secured by this deed.

Films: means all motion pictures (including, features and shorts), television programming, animated programming, internet programming, direct-to-video programming, direct-to-DVD programming or other filmed, taped or recorded entertainment of any kind or nature, in whatever stage of development, production, completion, abandonment, turnaround or release, in which a Chargor owns or controls any right, title or interest.

Film Rights: means those rights with respect to any Film (including without limitation all distribution rights and all "Components") owned or controlled by a Chargor. For this purpose, "Components" means titles, themes, contents, dialogue, characters, plots, characterizations, elements and music (whether or not now known or recognized) including: (a) underlying literary, musical and dramatic and other material and intellectual property associated with or related to or necessary to the exploitation of such Film including copyrights pertaining thereto; (b) sequel, prequel, remake rights and other derivative production rights, including all novelization, merchandising, character, serialization, games and interactive rights; (c) all other allied, ancillary, subsidiary and derivative rights (including theme park rights) related to the Films; and (d) all contractual and other rights associated with or related to the Films, whether in any media now known or hereafter developed.

Financial Collateral: has the meaning given to that expression in the Financial Collateral Regulations.

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

Insurance Chargor: any or all of the following as the context may admit or require:

- (a) the Borrower;
- (b) SIL Film Ltd; and

any other Chargor becoming an Insurance Chargor pursuant to clause 5.6 (f).

Insurance Policy: all policies of insurance (and all cover notes) which are at any time held by, or written in favour of, any Insurance Chargor or in which any Insurance Chargor from time to time has an interest.

Intellectual Property: any Chargor's present and future Film Rights, patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

Investments: all certificated shares, stock, debentures, bonds or other securities or investments (whether or not marketable) from time to time legally or beneficially owned by or on behalf of a Chargor

LPA 1925: the Law of Property Act 1925.

Receiver: a receiver, receiver and manager or administrative receiver appointed by the Lender under clause 13.

Secured Assets: all the assets, property and undertaking of a Chargor which are, or are expressed to be, subject to the Security created by, or pursuant to, this deed (and references to the Secured Assets shall include references to any part of them).

Secured Liabilities: all present and future obligations and liabilities of a Chargor to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the Facility Agreement or this deed (including, without limitation, those arising under clause 27), together with all interest (including, without limitation, default interest) accruing in respect of those obligations or liabilities.

Security Financial Collateral Arrangement: has the meaning given to that expression in the Financial Collateral Regulations.

Security: any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

Security Period: the period starting on the date of this deed and ending on the date on which the Lender is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

VAT: value added tax or any equivalent tax chargeable in the UK or elsewhere.

1.2 Interpretation

In this deed:

- (a) clause and Schedule headings shall not affect the interpretation of this deed;
- (b) a **person** includes an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- (c) unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- (d) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- (e) a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this deed shall be binding on, and enure to the benefit of, the parties to this deed and their respective successors, permitted assigns and permitted transferees;
- (f) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- (g) a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;
- (h) a reference to **writing** or **written** includes fax and email;
- (i) an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- (j) a reference to **this deed** (or any provision of it) or to any other agreement or document referred to in this deed is a reference to this deed, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this deed) from time to time;

- (k) unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this deed and a reference to a paragraph is to a paragraph of the relevant Schedule;
- (l) any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- (m) a reference to an **amendment** includes a novation, supplement or variation (and **amend** and **amended** shall be construed accordingly);
- (n) a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- (o) a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration or resolution;
- (p) a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived;
- (q) a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it; and
- (r) a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

1.3 Clawback

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

1.4 Nature of security over real property

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

- (a) all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) and fixed plant and machinery that are situated on or form part of that Charged Property at any time;
- (b) the proceeds of the sale of any part of that Charged Property and any other monies paid or payable in respect of or in connection with that Charged Property;

- (c) the benefit of any covenants for title given, or entered into, by any predecessor in title of a Chargor in respect of that Charged Property, and any monies paid or payable in respect of those covenants; and
- (d) all rights under any licence, agreement for sale or agreement for lease in respect of that Charged Property.

1.5 Nature of security over Investments

A reference in this deed to any share, stock, debenture or other security or investment includes:

- (a) any dividend, interest or other distribution paid or payable in respect of that share, stock, debenture or other security or investment; and
- (b) any right, money, shares or property accruing, offered or issued at any time in relation to that share, stock, debenture or other security or investment by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

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 Facility Agreement and of any side letters between any parties in relation to the Facility Agreement are incorporated into this deed.

1.7 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.

2. Guarantee and Indemnity

2.1 Each Chargor irrevocably and unconditionally, jointly and severally:

- (a) guarantees due and punctual performance by each Obligor of all obligations of that Obligor under the Finance Documents;
- (b) undertakes that if and whenever an Obligor does not pay any amount when due under, or in connection with, the Finance Documents, the Chargor shall immediately on demand pay that amount as if it were the principal obligor; and
- (c) indemnifies the Lender immediately on demand against any cost, loss or liability suffered by it if and in the event that any obligation guaranteed by the Chargor is or becomes unenforceable, invalid or illegal. The amount of the costs, loss or liability for this purpose shall be equal to the amount which the Lender would otherwise have been entitled to recover.

- 2.2 The guarantee contained in this deed is a continuing guarantee and will extend to the ultimate balance of the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.
- 2.3 The obligations of each Chargor under this deed will not be affected by an act, omission, matter or thing which, but for this deed, would reduce, release or prejudice any of its obligations under this deed (without limitation and whether or not known to it or to the Lender) including:
- (a) any time, waiver or consent granted to, or composition with any other person;
 - (b) the release of any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
 - (c) 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 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;
 - (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the relevant Chargor or any other person;
 - (e) any amendment, novation, supplement, extension (whether of maturity or otherwise), restatement or replacement (in each case, however fundamental and of any nature whatsoever including, without limitation, which results in any increase in any amount due or owing in respect of the Secured Liabilities or in the rate of interest or any other sum payable under the Finance Documents or any other document or security);
 - (f) any unenforceability, illegality or invalidity of any obligation of any person under the Finance Documents or any other document or security; or
 - (g) any insolvency, administration or similar proceedings.
- 2.4 Until all the Secured Liabilities have been irrevocably paid in full and unless the Lender otherwise directs, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this deed:
- (a) to be indemnified by any other Obligor;
 - (b) to claim any contribution from any other Obligor or any other guarantor or any of its assets in respect of any of the Secured Liabilities;
 - (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under the Finance Documents or of any other guarantee or security taken by the Lender pursuant to, or in connection with, the Secured Liabilities;

- (d) to bring any legal or other proceedings for an order requiring an Obligor to make any payment, or perform any obligation, in respect of which the relevant Chargor has given a guarantee, undertaking or indemnity under this deed;
- (e) to exercise any right of set-off against any other Obligor; and/or
- (f) to claim or prove as a creditor any other Obligor in competition with the Lender.

3. Grant of security

3.1 Fixed charges

As a continuing security for the payment and discharge of the Secured Liabilities, each Chargor, as principal obligor and not merely as surety and with full title guarantee, charges to the Lender by way of a first fixed charge:

- (a) all present and future estates or interests of that Chargor in, or over, any freehold, leasehold or commonhold property;
- (b) the benefit of all other contracts, guarantees, appointments and warranties relating to each Charged Property and other documents to which that Chargor is a party or which are in its favour or of which it has the benefit relating to any letting, development, sale, purchase, use or the operation of any Charged Property or otherwise relating to any Charged Property (including, in each case, but without limitation, the right to demand and receive all monies whatever payable to or for its benefit under or arising from any of them, all remedies provided for in any of them or available at law or in equity in relation to any of them, the right to compel performance of any of them and all other rights, interests and benefits whatever accruing to or for its benefit arising from any of them);
- (c) all licences, consents and authorisations (statutory or otherwise) held or required in connection with its business or the use of any Secured Asset, and all rights in connection with them;
- (d) all its present and future goodwill;
- (e) all its uncalled capital;
- (f) all the Equipment;
- (g) all the Intellectual Property;
- (h) all the Book Debts;
- (i) all the Investments;
- (j) all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person, together with all other rights and benefits accruing to or arising in connection with each account (including, but not limited to, entitlements to interest);

- (k) in the case of each Insurance Chargor, all its rights in respect of each Insurance Policy, including all claims, the proceeds of all claims and all returns of premiums in connection with each Insurance Policy; and
- (l) all its rights in respect of all agreements, instruments and rights relating to the Secured Assets.

3.2 Floating charge

As a continuing security for the payment and discharge of the Secured Liabilities, each Chargor, as principal obligor and not merely as surety and with full title guarantee, charges to the Lender, by way of first floating charge, all its undertaking, property, assets and rights not otherwise effectively mortgaged, charged or assigned under clause 3.1.

3.3 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.2.

3.4 Automatic crystallisation of floating charge

The floating charge created by clause 3.2 shall automatically and immediately (without notice) convert into a fixed charge over the assets subject to that floating charge if:

- (a) any Chargor:
 - (i) creates, or attempts to create, without the prior written consent of the Lender, 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 this deed or the Facility Agreement); or
 - (ii) disposes, or attempts to dispose, of all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);
- (b) any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets;
- (c) a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of any Chargor (without the prior written consent of the Lender); or
- (d) an application is made to court, or an order is made, for the appointment of an administrator, or a notice of intention to appoint an administrator is given or an administrator is appointed.

3.5 Crystallisation of floating charge by notice

- (a) Except as provided in clause 3.6, the Lender may by notice to a Chargor convert the floating charge created by clause 3.2 (*Floating charge*) into a fixed charge as regards any of that Chargor's assets specified in that notice if:

- (i) an Event of Default is continuing; or
 - (ii) the Lender (acting reasonably) considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.
- (b) The floating charge created by clause 3.2 (*Floating charge*) will (in addition to the circumstances when this may occur under the general law) automatically convert into a fixed charge over all of a Chargor's assets if an administrator is appointed or the Lender receives notice of an intention to appoint an administrator.

3.6 Part A1 moratorium

- (a) Subject to paragraph (b) below, the floating charge created by clause 3.2 may not be converted into a fixed charge solely by reason of obtaining a moratorium (or anything done with a view to obtaining a moratorium) under Part A1 of the Insolvency Act 1986.
- (b) Paragraph (a) above does not apply to any floating charge referred to in section A52(4) of Part A1 of the Insolvency Act 1986.

3.7 Assets acquired after any floating charge has crystallised

Any asset acquired by a 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.

4. Liability of the Chargors

4.1 Liability not discharged

A Chargor's liability under this deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- (a) any security, guarantee, indemnity, remedy or other right held by, or available to, the Lender that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- (b) the Lender renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- (c) any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of that Chargor.

4.2 Immediate recourse

Each 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 Chargors.

5. General covenants

5.1 Negative pledge and disposal restrictions

No Chargor shall at any time, except with the prior written consent of the Lender:

- (a) 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 or any Permitted Security;
- (b) except as expressly allowed under the Facility Agreement or this deed, sell, assign, transfer, 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 (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or

5.2 Preservation of Secured Assets

No Chargor shall 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 materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this deed.

5.3 Compliance with laws and regulations

- (a) No Chargor shall, without the Lender's prior written consent, use or permit the Secured Assets to be used in any way contrary to law.
- (b) Each Chargor shall:
 - (i) comply in all material respects with the requirements of any law or regulation relating to or affecting the Secured Assets or the use of it or any part of them;
 - (ii) obtain, and promptly renew from time to time, and comply in all material respects with the terms of all material authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset; and
 - (iii) promptly effect any maintenance, modifications, alterations or repairs that are required by any material law or regulation to be effected on or in connection with the Secured Assets.

5.4 Enforcement of rights

Each Chargor shall use all reasonable endeavours to:

- (a) procure the prompt observance and performance by each counterparty to any agreement or arrangement with that Chargor forming part of the Secured Assets (including each insurer in respect of an Insurance Policy) of the covenants and other obligations imposed on that counterparty; and
- (b) enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets as the Lender may require from time to time.

5.5 Title documents

Each Chargor shall, as so required by the Lender, deposit with the Lender and the Lender shall, for the duration of this deed be entitled to hold:

- (a) all deeds and documents of title relating to the Secured Assets that are in the possession or control of that Chargor (and if they are not within the possession or control of that Chargor, that Chargor undertakes to obtain possession of all those deeds and documents of title);
- (b) all Insurance Policies and any other insurance policies relating to any of the Secured Assets that Chargor is entitled to possess; and
- (c) all deeds and documents of title (if any) relating to the Book Debts as the Lender may specify from time to time.

5.6 Insurance

- (a) Each Insurance Chargor shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) its Secured Assets against:
 - (i) loss or damage by fire or terrorist acts, including any third party liability arising from such acts; and
 - (ii) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the relevant Chargor,

Provided that in the case of SIL Film Ltd, the insurance that it is required to effect and maintain under this clause 5.6 shall be restricted to production insurance for such period of time as is consistent with market practice in the film production industry

- (b) Any such insurance must:
 - (i) be with an insurance company or underwriters, and on such terms, as are reasonably acceptable to the Lender;

- (ii) include property owners' public liability and third party liability insurance;
 - (iii) be for not less than the replacement value of the relevant Secured Assets.
- (c) Each Insurance Chargor shall, if requested by the Lender, produce to the Lender each policy, certificate or cover note relating to any insurance as is required by clause 5.6(a) (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as that Chargor is entitled to obtain from the landlord under the terms of the relevant lease).
- (d) Each Insurance Chargor shall, if requested by the Lender, procure that a note of the Lender's interest is endorsed on each insurance policy (other than public liability and third party liability insurances) effected or maintained by it or any person on its behalf in accordance with clause 5.6(a) but without the Lender having any liability for any premium in relation to those insurance policies unless it has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of any Insurance Policy.
- (e) Each Insurance Chargor shall ensure that each insurance policy effected or maintained by it or any person on its behalf in accordance with clause 5.6(a) contains:
 - (i) a loss payee clause under which the Lender is named as first loss payee (other than in respect of any claim under any public liability and third party liability insurances);
 - (ii) terms ensuring that it cannot be avoided or vitiated as against the Lender by reason of the act or default of any other insured party or any misrepresentation, non-disclosure or failure to make a fair presentation of risk by any other insured party; and
 - (iii) terms ensuring that no insurer can repudiate, rescind or cancel it, treat it as avoided in whole or in part nor treat it as expired due to non-payment of premium without giving at least 30 days' prior written notice to the Lender.
- (f) In the event that any Chargor (other than the Borrower or SIL Film Ltd) engages in business activities where a prudent company would take and maintain insurance, that Chargor will be deemed to be an Insurance Chargor and subject to the obligations of an Insurance Chargor under this deed.

5.7 Insurance premiums

Each Insurance Chargor shall:

- (a) promptly pay all premiums in respect of each insurance policy as is required by clause 5.6(a) and do all other things necessary to keep that policy in full force and effect; and
- (b) (if the Lender so requires) give to the Lender copies of the receipts for all premiums and other payments necessary for effecting and keeping up each insurance policy as is required by clause 5.6(a) (or where, in the case of leasehold property, insurance is effected by the landlord, such evidence of the payment of premiums as that Chargor is entitled to obtain from the landlord under the terms of the relevant lease).

5.8 No invalidation of insurance

No Insurance Chargor shall do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy as is required by clause 5.6(a).

5.9 Proceeds from insurance policies

In relation to the proceeds of Insurances, all claims and monies received or receivable under any Insurances shall be applied:

- (a) in repairing, replacing, restoring or rebuilding the property damaged or destroyed; or
- (b) at the option of the Lender, at any time after the occurrence of an Event of Default which is continuing, in reduction of the Secured Liabilities.

5.10 Notices to be given by the Chargors

Each Insurance Obligor shall promptly upon the obtaining of any Insurance after the date of this Deed give notice to each insurer under an Insurance Policy in the form set out in Part 1 of Schedule 3, and use all reasonable endeavours to procure that each insurer provides to the Lender promptly an acknowledgement of the notice in the form set out in Part 2 of Schedule 3.

5.11 Information

Each Chargor shall permit any persons designated by the Lender and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice.

5.12 Payment of outgoings

Each 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.

6. Property covenants

6.1 Repair and maintenance

Each Chargor shall keep all premises and fixtures and fittings on its Charged Property in good and substantial repair and condition.

6.2 No alterations

No Chargor shall, without the prior written consent of the Lender:

- (a) pull down or remove the whole, or any part of, any building forming part of its Charged Property or permit the same to occur; or
- (b) make or permit to be made any material alterations to its Charged Property, or sever or remove or permit to be severed or removed, any of its fixtures or fittings (except to make any necessary repairs or renew or replace the same in accordance with clause 6.1).

6.3 Compliance with and enforcement of covenants

Each Chargor shall:

- (a) observe and perform all material covenants, stipulations and conditions to which its Charged Property, or the use of it, is or may be subject, and (if the Lender so requires) produce to the Lender evidence sufficient to satisfy the Lender (acting reasonably) that those covenants, stipulations and conditions have been observed and performed; and
- (b) diligently enforce all material covenants, stipulations and conditions benefiting its Charged Property and shall not (and shall not agree to) waive, release or vary any of the same.

6.4 Payment of rent and outgoings

Each Chargor shall:

- (a) where a Charged Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time by it; and
- (b) pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed on its Charged Property or on its occupier.

6.5 Leases and licences affecting the Charged Properties

No Chargor shall, without the prior written consent of the Lender:

- (a) grant any licence or tenancy affecting the whole or any part of its Charged Property, or exercise the statutory powers of leasing or of accepting surrenders under sections 99 or 100 of the LPA 1925 (or agree to grant any such licence or tenancy, or agree to exercise the statutory powers of leasing or of accepting surrenders under section 99 or section 100 of the LPA 1925);
- (b) in any other way dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of its Charged Property (or agree to dispose of, accept the surrender of, surrender or create any legal or equitable estate or interest in the whole or any part of its Charged Property);
- (c) let any person into occupation of or share occupation of the whole or any part of its Charged Property; or
- (d) grant any consent or licence under any lease or licence affecting its Charged Property.

6.6 Registration restrictions and cautions against first registration and notices

- (a) If the title to any Charged Property is not registered at the Land Registry, the relevant Chargor shall procure that no person (other than itself) shall be registered under the Land Registration Act 2002 as proprietor of all or any part of its Charged Property, without the prior written consent of the Lender.
- (b) Whether or not title to any Charged Property is registered at the Land Registry, if any caution against first registration or any notice (whether agreed or unilateral) is registered against that Chargor's title to any Charged Property, the relevant Chargor shall immediately provide the Lender with full particulars of the circumstances relating to such caution or notice. If such caution or notice was registered to protect a purported interest the creation of which is not permitted under this deed, the relevant Chargor shall immediately, and at its own expense, take such steps as the Lender may require to ensure that the caution or notice, as applicable, is withdrawn or cancelled.
- (c) Each Chargor shall be liable for the costs and expenses of the Lender in lodging cautions against the registration of the title to the whole or any part of its Charged Property from time to time.

6.7 Development restrictions

No Chargor shall, without the prior written consent of the Lender:

- (a) make or, insofar as it is able, permit others to make any application for planning permission or development consent in respect of its Charged Property; or
- (b) carry out or permit or suffer to be carried out on its Charged Property any development (as defined in each of the Town and Country Planning Act 1990

and the Planning Act 2008) or change or permit or suffer to be changed the use of its Charged Property.

6.8 Environment

Each Chargor shall in respect of its Charged Property:

- (a) comply with all the material requirements of Environmental Law; and
- (b) obtain and comply in all material respects with all Environmental Licences.

6.9 No restrictive obligations

No Chargor shall, without the prior written consent of the Lender, enter into any unduly onerous or restrictive obligations affecting the whole or any part of its Charged Property, or create or permit to arise any overriding interest or easement in or over the whole or any part of its Charged Property.

6.10 Proprietary rights

Each Chargor shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of its Charged Property without the prior written consent of the Lender.

6.11 Inspection

Each Chargor shall permit the Lender, any Receiver and any person appointed by either of them to enter on and inspect its Charged Property at all reasonable times and on reasonable prior notice.

6.12 Property information

Each Chargor shall inform the Lender promptly of any acquisition by it of, or contract made by it to acquire, any freehold, leasehold or other interest in any property.

6.13 VAT option to tax

No Chargor shall, without the prior written consent of the Lender:

- (a) exercise any VAT option to tax in relation to its Charged Property; or
- (b) revoke any VAT option to tax exercised, and disclosed to the Lender, before the date of this deed.

7. Investments covenants

7.1 Deposit of title documents

- (a) Each Chargor shall:
 - (i) on the execution 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 any Investments owned by that Chargor at that time; and

- (ii) on 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.
- (b) At the same time as depositing documents with the Lender, or as the Lender may direct, in accordance with clause 7.1(a), each Chargor shall also deposit with the Lender, or as the Lender may direct:
- (i) all stock transfer forms relating to the relevant Investments duly completed and executed by or on behalf of the relevant Chargor, but with the name of the transferee, the consideration and the date left blank; and
 - (ii) any other documents (in each case duly completed and executed by or on behalf of the relevant 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, at any time and without notice to the relevant Chargor, complete and present those stock transfer forms and other documents to the issuer of the Investments for registration.

7.2 Pre-emption rights and restrictions on transfer

Each Chargor shall:

- (a) obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association (or otherwise) of an issuer 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
- (b) 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 the Investments to the Lender or its nominee, or to a purchaser on enforcement of the security constituted by this deed.

7.3 Dividends and voting rights before enforcement

- (a) Before the security constituted by this deed becomes enforceable, the relevant Chargor may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Investments and, if any are paid or payable to the Lender or any of its nominees, the Lender will hold all those

dividends, interest and other monies received by it for the relevant Chargor and will pay them to the relevant Chargor promptly on request.

- (b) Before the security constituted by this deed becomes enforceable, a Chargor may exercise all voting and other rights and powers in respect of its Investments or, if any of the same are exercisable by the Lender or any of its nominees, to direct in writing the exercise of those voting and other rights and powers provided that:
 - (i) it shall not do so in any way that would breach any provision of the Facility Agreement or this deed or for any purpose inconsistent with the Facility Agreement or this deed; and
 - (ii) the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Lender's opinion, have an adverse effect on the value of the Investments or otherwise prejudice the Lender's security under this deed.
- (c) Each Chargor shall indemnify the Lender against any loss or liability incurred by the Lender (or its nominee) as a consequence of the Lender (or its nominee) acting in respect of the Investments at the direction of that Chargor.
- (d) 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.

7.4 Dividends and voting rights after enforcement

After the security constituted by this deed has become enforceable:

- (a) all dividends and other distributions paid in respect of the Investments and received by a Chargor shall be held by that Chargor on trust for the Lender and immediately paid into a Designated Account or, if received by the Lender, may be applied by the Lender in accordance with clause 16.1; and
- (b) all voting and other rights and powers attaching to the Investments may be exercised by, or at the direction of, the Lender and the relevant 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.

7.5 Calls on Investments

Notwithstanding the security created by this deed, each 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. Each Chargor acknowledges that the Lender

shall not be under any liability in respect of any such calls, instalments or other payments.

7.6 No alteration of constitutional documents or rights attaching to Investments

Save in connection with or pursuant to the Reorganisation, no Chargor shall, without the prior written consent of the Lender, amend, or agree to the amendment of:

- (a) its memorandum or articles of association, or any other constitutional documents, of any issuer of the Investments that is not a public company; or
- (b) the rights or liabilities attaching to, or conferred by, all or any of the Investments.

7.7 Preservation of Investments

Each 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 any of its Investments (that is not a public company) shall not (other than in connection with or pursuant to the Reorganisation):

- (a) consolidate or subdivide any of the Investments, or re-organise, exchange, repay or reduce its share capital in any way;
- (b) issue any new shares or stock; or
- (c) 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 relevant Chargor in accordance with this deed.

7.8 Compliance with requests for information

Each Chargor shall promptly send a copy to the Lender of, and comply with, all requests for information which is within its knowledge and which are made under any law or regulation or any similar provision in any articles of association or other constitutional document, or by any listing or other authority, relating to any of the Investments. If it fails to do so, the Lender may elect to provide such information as it may have on behalf of the relevant Chargor.

8. Book Debts covenants

8.1 Realising Book Debts

Each Chargor shall collect in and realise all of its Book Debts.

9. Intellectual Property covenants

9.1 Preservation of rights

Each Chargor shall take all necessary action to safeguard and maintain present and future rights in, or relating to, its Intellectual Property 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, where failure to do so would have a Material Adverse Effect.

9.2 Registration of Intellectual Property

Each Chargor shall use all reasonable efforts to register applications for the registration of any its Intellectual Property, and shall keep the Lender informed of all matters relating to each such registration.

9.3 Maintenance of Intellectual Property

No Chargor shall permit any of its Intellectual Property to be abandoned, cancelled or to lapse where to do so would have a Material Adverse Effect.

10. Powers of the Lender

10.1 Power to remedy

- (a) The Lender shall be entitled (but shall not be obliged) to remedy, at any time, a breach by a Chargor of any of its obligations contained in this deed.
- (b) Each Chargor irrevocably authorises the Lender and its agents to do all things that are necessary or desirable for that purpose.
- (c) Each Chargor shall reimburse the Lender, on a full indemnity basis, for any monies the Lender expends in remedying a breach by that Chargor of its obligations contained in this deed, and such monies shall carry interest in accordance with clause 10 (*Fees, Charges and Expenses*) of the Facility Agreement.

10.2 Exercise of rights

- (a) The rights of the Lender under clause 10.1 are without prejudice to any other rights of the Lender under this deed.
- (b) The exercise of any rights of the Lender under this deed shall not make the Lender liable to account as a mortgagee in possession.

10.3 Lender has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this deed (either expressly or impliedly) or by law on a Receiver may, after the security constituted by this deed has become enforceable, 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.

10.4 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 any such person is jointly liable with any Chargor) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this deed or to the liability of any Chargor for the Secured Liabilities.

10.5 Appointment of an Administrator

- (a) The Lender may, without notice to the Chargors, appoint any one or more persons to be an Administrator of any Chargor pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this deed becomes enforceable.
- (b) Any appointment under this clause 10.5 shall:
 - (i) be in writing signed by a duly authorised signatory of the Lender; and
 - (ii) take effect in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.
- (c) 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 10.5 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

10.6 Facility

The Lender covenants with the Chargors that it shall perform its obligations under the Facility Agreement (including any obligation to make available further advances).

11. When security becomes enforceable

11.1 Security becomes enforceable on Event of Default

The security constituted by this deed shall become immediately enforceable if an Event of Default occurs and is continuing.

11.2 Discretion

After the security constituted by this deed has become enforceable, the Lender may, in its absolute discretion, enforce all or any part of that 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.

12. Enforcement of security

12.1 General

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of this deed.

- (b) 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 11.1.
- (c) Section 103 of the LPA 1925 does not apply to the security constituted by this deed.

12.2 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 any Chargor, to:

- (a) grant a lease or agreement for lease;
- (b) accept surrenders of leases; or
- (c) grant any option in respect 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 relevant 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.

12.3 Access on enforcement

- (a) At any time after the security constituted by this deed has become enforceable, each 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 any Chargor for, or by any reason of, that entry.
- (b) At all times, each Chargor must use all reasonable endeavours to allow the Lender or its Receiver access to any its premises for the purpose of clause 12.3(a) (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

12.4 Redemption of prior Security

- (a) At any time after the security constituted by this deed has become enforceable, the Lender may:
 - (i) redeem any prior Security over any Secured Asset;
 - (ii) procure the transfer of that Security to itself; and

- (iii) settle and pass the accounts of the holder of any prior Security (and any accounts so settled and passed shall, in the absence of any manifest error, be conclusive and binding on the relevant Chargor).
- (b) The relevant Chargor shall pay to the Lender immediately on demand all principal, interest, costs, charges and expenses of, and incidental to, any such redemption or transfer, and such amounts shall be secured by this deed as part of the Secured Liabilities.

12.5 Protection of third parties

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

- (a) whether any of the Secured Liabilities 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 being properly exercised; or
- (c) how any money paid to the Lender, any Receiver or any Delegate is to be applied.

12.6 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.

12.7 Exclusion of liability

Neither the Lender, nor any Receiver or Delegate, shall be liable to any Chargor or any other person:

- (a) (by reason of entering into possession of a Secured Asset, or for any other reason) to account as mortgagee in possession in respect of all or any of the Secured Assets;
- (b) for any loss on realisation, or for any act, default or omission for which a mortgagee in possession might be liable; or
- (c) for any expense, loss or liability:
 - (i) relating to the enforcement of, or any failure to enforce or delay in enforcing, any security constituted by or pursuant to this deed;
 - (ii) relating to an exercise of rights, or by any failure to exercise or delay in exercising, rights under this deed; or
 - (iii) arising in any other way in connection with this deed,

except that this does not exempt the Lender or any Receiver or Delegate from liability for losses caused by the gross negligence, fraud or wilful misconduct of the Lender or the relevant Receiver or Delegate.

12.8 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 thinks fit.

12.9 Right of appropriation

(a) To the extent that:

- (i) the Secured Assets constitute Financial Collateral; and
- (ii) this deed and the obligations of any Chargor under it constitute a Security Financial Collateral Arrangement,

the Lender shall have the right, at any time after the security constituted by this deed has become enforceable, to appropriate all or any of those Secured Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Lender may, in its absolute discretion, determine.

(b) The value of any Secured Assets appropriated in accordance with this clause shall be:

- (i) in the case of cash, the amount standing to the credit of each of Chargor's accounts with any bank, financial institution or other person, together with any accrued but unpaid interest, at the time the right of appropriation is exercised; and
- (ii) in the case of Investments, the market price of those Investments at the time the right of appropriation is exercised determined by the Lender by reference to a recognised market index or by any other method that the Lender may select (including independent valuation).

(c) Each Chargor agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

13. Receiver

13.1 Appointment

(a) At any time after the security constituted by this deed has become enforceable, or at the request of the Chargors, 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.

- (b) The Lender may not appoint a Receiver solely as a result of the obtaining of a moratorium (or as a result of anything done with a view to obtaining a moratorium) under Part A1 of the Insolvency Act 1986 other than in respect of a floating charge referred to in section A52(4) of Part A1 of the Insolvency Act 1986.

13.2 Removal

The Lender may, without further notice (subject to section 45 of the Insolvency Act 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.

13.3 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.

13.4 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 Insolvency Act 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.

13.5 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.

13.6 Agent of the Chargor

Any Receiver appointed by the Lender under this deed shall be the agent of the relevant Chargor and the relevant 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 relevant Chargor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Lender.

14. Powers of Receiver

14.1 General

- (a) Any Receiver appointed by the Lender under this deed shall, in addition to the powers conferred on it by statute, have the rights, powers and discretions set out in clause 14.2 to clause 14.23.
- (b) A Receiver has all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the LPA 1925, and shall have those rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986 whether it is an administrative receiver or not.
- (c) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing it states otherwise) exercise all of the powers conferred on a Receiver under this deed individually and to the exclusion of any other Receiver.
- (d) Any exercise by a Receiver of any of the powers given by clause 14 may be on behalf of the relevant Chargor, the directors of the relevant Chargor (in the case of the power contained in clause 14.16) or itself.

14.2 Repair and develop Charged Properties

A Receiver may undertake or complete any works of repair, alteration, building or development on the Charged 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.

14.3 Grant or accept surrenders of leases

A Receiver may grant, or accept, surrenders of any leases or tenancies affecting any Secured Asset on any terms, and subject to any conditions, that it thinks fit.

14.4 Employ personnel and advisers

- (a) 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 it thinks fit.
- (b) A Receiver may discharge any such person or any such person appointed by a Chargor.

14.5 Make and revoke VAT options to tax

A Receiver may make, exercise or revoke any VAT option to tax as it thinks fit.

14.6 Remuneration

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

14.7 Possession

A Receiver may take immediate possession of, get in and realise any Secured Asset.

14.8 Manage or reconstruct a 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 any Chargor.

14.9 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 it is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as it 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.

14.10 Sever fixtures and fittings

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

14.11 Sell Book Debts

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

14.12 Valid receipts

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

14.13 Make settlements

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who claims to be a creditor of a Chargor or relating in any way to any Secured Asset.

14.14 Legal action

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

14.15 Improve the Equipment

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

14.16 Make calls on a Chargor's members

A Receiver may make calls conditionally or unconditionally on the members of any 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 relevant Chargor on its directors in respect of calls authorised to be made by them.

14.17 Insure

A Receiver may, if it thinks fit, but without prejudice to the indemnity in clause 10 (*Fees, Charges and Expenses*) of the Facility Agreement, 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 Chargors under this deed.

14.18 Subsidiaries

A Receiver may form a subsidiary of any Chargor and transfer to that subsidiary any Secured Asset.

14.19 Borrow

A Receiver may, for whatever purpose it thinks fit, raise and borrow money either unsecured or on the security of all or any of the Secured Assets in respect of which it is appointed on any terms that it thinks fit (including, if the Lender consents, terms under which that security ranks in priority to this deed).

14.20 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 relevant Chargor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

14.21 Delegation

A Receiver may delegate its powers in accordance with this deed.

14.22 Absolute beneficial owner

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

14.23 Incidental powers

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

- (a) may consider desirable or necessary for realising any of the Secured Assets;

- (b) 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
- (c) lawfully may or can do as agent for a Chargor.

15. Delegation

15.1 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 19.1).

15.2 Terms

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

15.3 Liability

Neither the Lender nor any Receiver shall be in any way liable or responsible to a Chargor for any loss or liability of any nature arising from any act, default, omission or misconduct on the part of any Delegate.

16. Application of proceeds

16.1 Order of application of proceeds

All monies received or recovered by the Lender, a Receiver or a Delegate under this deed or in connection with the realisation or enforcement of all or part of the security constituted by this deed (other than sums received under any Insurance Policy), shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority (but without prejudice to the Lender's right to recover any shortfall from the relevant Chargor):

- (a) in or towards payment of all costs, liabilities, charges and expenses incurred by or on behalf of the Lender (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this deed, and of all remuneration due to any Receiver under or in connection with this deed;
- (b) in or towards payment of the Secured Liabilities in any order and manner that the Lender determines; and
- (c) in payment of the surplus (if any) to the relevant Chargor or other person entitled to it.

16.2 Appropriation

Neither the Lender, any Receiver nor any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

16.3 Suspense account

All monies received by the Lender, a Receiver or a Delegate under this deed (other than sums received under any Insurance Policy that are not going to be applied in or towards discharge of the Secured Liabilities):

- (a) may, at the discretion of the Lender, Receiver or Delegate, be credited to a suspense account;
- (b) shall bear interest, if any, at the rate agreed in writing between the Lender and the relevant Chargor; and
- (c) may be held in that account for so long as the Lender, Receiver or Delegate thinks fit.

17. Costs and Indemnity

17.1 Costs

Each Chargor shall, promptly on demand, pay to, or reimburse, the Lender, all reasonable costs, charges, expenses, taxes and liabilities (including, without limitation, reasonable legal expenses) incurred by the Lender in connection with:

- (a) any amendment, extension, waiver, consent or suspension of rights (or any proposal for any of these) under or in connection with this deed; or
- (b) any release of any security constituted by this deed.

17.2 Indemnity

The Chargors shall, promptly on demand, 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:

- (a) 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 its Secured Assets where an Event of Default occurs and is continuing;
- (b) enforcing (or attempting to do so) the security constituted by this deed where an Event of Default occurs and is continuing; or

- (c) any default or delay by any Chargor in performing any of its obligations under this deed where an Event of Default occurs and is continuing.

18. Further assurance

18.1 Further assurance

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

- (a) creating, perfecting or protecting the security created or intended to be created by this deed;
- (b) facilitating the realisation of any of its Secured Asset; or
- (c) facilitating the exercise of any right, power, authority or discretion exercisable by the Lender or any Receiver in respect of any of its Secured Asset,

including, without limitation the execution of any mortgage, transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) its Secured Assets (whether to the Lender or to its nominee) and the giving of any notice, order or direction and the making of any filing or registration which, in any such case, the Lender may consider necessary or desirable.

19. Power of attorney

19.1 Appointment of attorneys

By way of security, each 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:

- (a) the Chargor is required to execute and do under this deed; or
- (b) 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.

19.2 Ratification of acts of attorneys

Each 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 19.1.

20. Release

Subject to clause 27.3, at the end of the Security Period, the Lender shall, at the request and cost of the relevant Chargor, take whatever action is necessary to:

- (a) release its Secured Assets from the security constituted by this deed; and
- (b) reassign the Secured Assets to the relevant Chargor.

21. Assignment and transfer

21.1 Assignment by Lender

- (a) The Lender may assign any of its rights or transfer any of its rights and obligations under this deed subject always to the restrictions set out in clause 17.2 (*Conditions of assignment or transfer*) of the Facility Agreement.
- (b) Subject always to the requirements of clause 18.2(b) (*Disclosure of confidential information*), the Lender may disclose to any actual or proposed assignee or transferee any information in its possession that relates to any Chargor, the Secured Assets and this deed.

21.2 Assignment by a Chargor

No Chargor may assign any of its rights, or transfer any of its rights or obligations, under this deed or enter into any transaction which would result in any of those rights or obligations passing to another person.

22. Set-off

22.1 Lender's right of set-off

The Lender may at any time set off any liability of any Chargor to the Lender against any liability of the Lender to any Chargor, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this deed. If the liabilities to be set off are expressed in different currencies, the Lender may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Lender of its rights under this clause 22 shall not limit or affect any other rights or remedies available to it under this deed or otherwise.

22.2 No obligation to set off

The Lender is not obliged to exercise its rights under clause 22.1. If it does exercise those rights it must promptly notify the relevant Chargor of the set-off that has been made.

22.3 Exclusion of a Chargor's right of set-off

All payments made by a Chargor to the Lender under this deed shall be made in full without any set-off, counterclaim, deduction or withholding (except as allowed by clause 11.1 of the Facility Agreement).

23. Amendments, waivers and consents

23.1 Amendments

No amendment of this deed shall be effective unless it is in writing and signed by, or on behalf of, each party (or its authorised representative).

23.2 Waivers and consents

- (a) A waiver of any right or remedy under this deed or by law, or any consent given under this deed, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any subsequent right or remedy. It only applies to the circumstances in relation to which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.
- (b) A failure by the Lender to exercise, or delay by it in exercising any right or remedy provided under this deed or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm this deed. No single or partial exercise of any right or remedy provided under this deed or by law shall prevent or restrict the further exercise of that or any other right or remedy. No election to affirm this deed by the Lender shall be effective unless it is in writing.

23.3 Rights and remedies

The rights and remedies provided under this deed are cumulative and are in addition to, and not exclusive of, any rights and remedies provided by law.

24. Partial invalidity

24.1 Partial invalidity

If, at any time, any provision of this deed is or becomes invalid, illegal 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 such provision under the law of any other jurisdiction will in any way be affected or impaired.

25. Counterparts

25.1 Counterparts

- (a) 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.
- (b) Transmission of the executed signature page of a counterpart of this deed by fax or email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this deed. If either method of delivery is adopted, 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.
- (c) No counterpart shall be effective until each party has executed and delivered at least one counterpart.

26. Third party rights

26.1 Third party rights

- (a) A person who is not a party to this deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of this deed.
- (b) Notwithstanding any term of this deed, the consent of any person who is not a party to this deed is not required to rescind or vary this deed at any time.

27. Further provisions

27.1 Independent security

The security constituted by 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 Liabilities at any time. No prior security held by the Lender over the whole or any part of the Secured Assets shall merge in the security created by this deed.

27.2 Continuing security

The security constituted by this deed shall remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Lender discharges this deed in writing.

27.3 Discharge conditional

Any release, discharge or settlement between any Chargor and the Lender shall be conditional on no payment or security received by the Lender in respect of the Secured Liabilities being avoided, reduced, set aside or ordered to be refunded under any law relating to insolvency, bankruptcy, winding-up, administration, receivership or for any other reason. Despite any such release, discharge or settlement:

- (a) the Lender or its nominee may retain this deed and the security created by or under it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Lender deems necessary to provide the Lender with security against any such avoidance, reduction or order for refund; and
- (b) the Lender may recover the value or amount of such security or payment from the relevant Chargor subsequently as if the release, discharge or settlement had not occurred.

27.4 Certificates

Any certification or determination by the Lender of any rate or amount under this deed is, prima facie evidence of the matters to which it relates.

27.5 Consolidation

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

28. Notices

28.1 Delivery

Any notice or other communication given to a party under or in connection with this deed shall be:

- (a) in writing;
- (b) delivered by hand, by pre-paid first-class post or other next working day delivery service or sent by email; and
- (c) sent to:
 - (i) the relevant Chargor at the address, fax and for the attention of the person specified in Schedule 1.
 - (ii) the Lender at:
Rickleford Ltd,
2 Ramillies Street,
London W1F 7LN
Attention: David Sullivan

Email: davesullivan@binternet.co or to any other address or email address as is notified in writing by one party to the other from time to time.

28.2 Receipt by a Chargor

Any notice or other communication given to a party under or in connection with this deed shall be deemed to have been received:

- (a) if delivered by hand, at the time it is left at the relevant address;
- (b) if posted by pre-paid first-class post or other next working day delivery service, on the second Business Day after posting; and
- (c) if sent by email, when received in legible form.

A notice or other communication given as described in clause 28.2(a) or clause 28.2(c) on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

28.3 Service of proceedings

This clause 28 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

29. Governing law and jurisdiction

29.1 Governing law

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

29.2 Jurisdiction

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this deed or its subject matter or formation. Nothing in this clause shall limit the right of the Lender to take proceedings against any Chargor in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

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 Chargors

Chargors	CRN	Jurisdiction	Notice details
Signature Entertainment Limited	07520207	England and Wales	c/o Signature Entertainment Limited, 76 Charlotte Street, London W1T 4QS Attention: Gareth Williams Email: gareth@signature-entertainment.co.uk
Final Score Film Limited	10263913	England and Wales	
Signature Films Limited	07520205	England and Wales	
Signaturn Holdings Limited	12843226	England and Wales	
SIL Film Ltd	13030967	England and Wales	

Schedule 2 Real Property

Part 1 Unregistered Property

[DETAILS OF UNREGISTERED PROPERTY]

Schedule 3 Notice and acknowledgement - Insurance Policy

Part 1 Form of notice

[On headed notepaper of the Chargor]

[NAME OF INSURER]

[ADDRESS LINE 1]

[ADDRESS LINE 2]

[POSTCODE]

[DATE]

Dear [NAME OF INSURER],

Composite Guarantee and Debenture dated [DATE] between [CHARGOR] and Rickleford Ltd (Lender) and others (Debenture)

We refer to the [DESCRIBE INSURANCE POLICY AND SPECIFY ITS POLICY NUMBER] (Policy).

This letter constitutes notice to you that under the Debenture we have assigned to the Lender, absolutely, subject to a proviso for reassignment, all our rights in the Policy, including all claims, the proceeds of all claims and all returns of premium in connection with the Policy.

We irrevocably instruct and authorise you to:

- Note the Lender's interest on the Policy as Chargee.
- Name the Lender as first loss payee (other than in respect of any claim under any public liability and third party liability insurances).
- Comply with the terms of any written instructions received by you from the Lender relating to the Policy, without notice or reference to, or further authority from, us and without enquiring as to the justification or the validity of those instructions.
- Hold all sums from time to time due and payable by you to us under the Policy to the order of the Lender.
- Pay, or release, all monies to which we are entitled under the Policy to the Lender, or to such persons as the Lender may direct.
- Disclose information in relation to the Policy to the Lender on request by the Lender.

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

Subject to the foregoing, you may continue to deal with us in relation to the Policy until you receive written notice to the contrary from the Lender. Thereafter, we will cease to

have any right to deal with you in relation to the Policy and you must deal only with 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 Ramillies House, 2 Ramillies Street, London, United Kingdom, W1F 7LN, with a copy to us.

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

Yours sincerely,

.....

[NAME OF CHARGOR]

Part 2 Form of acknowledgement

[On headed notepaper of the insurer]

Rickleford Ltd

Ramillies House

2 Ramillies Street

London

W1F 7LN

[DATE]

Dear Sirs,

Composite Guarantee and Debenture dated [DATE] between [CHARGOR] and Rickleford Ltd (Lender) and others (Debenture)

We confirm receipt from the [CHARGOR] of a notice (Notice) dated [DATE] of an assignment to the Lender, subject to a proviso for reassignment of all the [CHARGOR]'s rights in [DESCRIBE INSURANCE POLICY AND ITS NUMBER] (Policy), including all claims, the proceeds of all claims and all returns of premiums in connection with the Policy.

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

We confirm that:

- We accept the instructions and authorisations contained in the Notice and agree to comply with the Notice.

- We have noted the Lender's interest on the Policy as Chargee.
- There has been no amendment, waiver or release of any rights or interests in the Policy since the date the Policy was issued.
- We have not, as at the date of this acknowledgement, received notice that the [CHARGOR] has assigned its rights under the Policy to a third party, or created any other interest (whether by way of security or otherwise) in the Policy in favour of a third party.
- The Policy shall not be avoided or vitiated as against the Lender by reason of the act or default of any insured party or any misrepresentation, non-disclosure or failure to make a fair presentation of risk by any insured party.
- We waive our rights of subrogation against the [CHARGOR], the Lender and the tenants of any property mortgaged or charge under the Debenture) other than any such rights arising in connection with any fraud or criminal offence committed by any of those persons in respect of any such property or the Policy.
- We will not repudiate, rescind or cancel the Policy, treat it as avoided in whole or in part nor treat it as expired due to non-payment of premium without giving at least 30 days' prior written notice to the Lender.
- The Lender will not have any liability for any premium in relation to the Policy unless it has expressly and specifically requested to be made liable in respect of any increase in premium or unpaid premium in respect of the Policy.

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

Yours sincerely,

.....

[NAME OF INSURER]

EXECUTION PAGES

CHARGORS

Executed as a deed, but not delivered until)
the first date specified on page 1 by)
SIGNATURE ENTERTAINMENT LIMITED)
acting by Marc Goldberg)

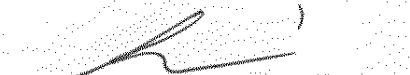

Director

in the presence of:)

Witness signature:)

Witness name:)

Witness address:)


Samuel Gabriel
4714 W 28th
LA, CA, 90016


Executed as a deed, but not delivered until)
the first date specified on page 1 by **FINAL**)
SCORE FILM LIMITED acting by Marc)
Goldberg)
in the presence of:)


Director

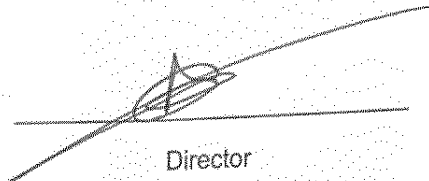
Witness signature:)

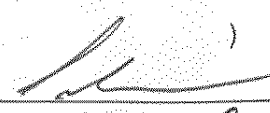
Witness name:)

Witness address:)


Samuel Gabriel
4714 W 28th Street
LA, CA, 90016

Executed as a deed, but not delivered until)
the first date specified on page 1 by)
SIGNATURE FILMS LTD acting by Marc)
Goldberg)
in the presence of:)


Director

Witness signature: 

Witness name:

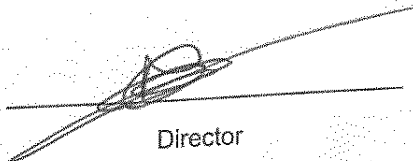
Saul Gehiel

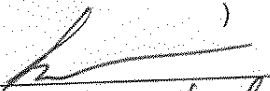
Witness address:

4714 W. 28th

LA, CA, 90016

Executed as a deed, but not delivered until)
the first date specified on page 1 by)
SIGNATURE HOLDINGS LIMITED acting)
by Marc Goldberg)
in the presence of:)


Director

Witness signature: 

Witness name:

Sarah Gehiel

Witness address:

4714 W 28th Street

LA, CA, 90016

Address:

Facsimile No:


Attention:

Executed as a deed, but not delivered until)
the first date specified on page 1 by **SIL**
FILM LTD acting by Marc Goldberg)

in the presence of:)



Director

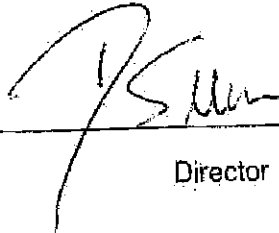
Witness signature: _____

Witness name: Gersh Gohial

Witness address: 4714 W. 28th Street
LA, CA, 90016

LENDER

Executed as a deed, but not delivered until)
the first date specified on page 1 by)
RICKLEFORD LTD acting by David Sullivan)
in the presence of:)



Director

Witness signature: DDate

Witness name: DDODSWORTH

Witness address: 59 RAYFIELD

EPPING CM16 5AH

Address:

Facsimile No:

Attention: