



Registration of a Charge

Company name: **FOREIGN DREAMS LIMITED**

Company number: **10248984**



X5JVPOCQ

Received for Electronic Filing: **16/11/2016**

Details of Charge

Date of creation: **11/11/2016**

Charge code: **1024 8984 0001**

Persons entitled: **NETFLIX STUDIOS, LLC**

Brief description: **THERE IS NO REGISTERED INTELLECTUAL PROPERTY SUBJECT TO A FIXED CHARGE. FOR FURTHER INFORMATION PLEASE SEE THE INSTRUMENT.**

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 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:

WIGGIN LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 10248984

Charge code: 1024 8984 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 11th November 2016 and created by FOREIGN DREAMS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 16th November 2016 .

Given at Companies House, Cardiff on 17th November 2016

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**

WIGGIN

DATED 11 NOVEMBER 2016

(1) NETFLIX STUDIOS, LLC

(2) FOREIGN DREAMS LIMITED

CHARGE AND DEED OF ASSIGNMENT IN RESPECT OF THE FILM PROVISIONALLY ENTITLED "MUTE"

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THIS CHARGE AND DEED OF ASSIGNMENT IS DATED 11 NOVEMBER 2016

BETWEEN:

1. NETFLIX STUDIOS, LLC, of 335 N. Maple Drive, Suite 353, Beverly Hills, CA 90210 (attention: Amy Paquette & Bryony Gagan) (the "Chargee"); and
2. FOREIGN DREAMS LIMITED (Company Number: 10248984) a company incorporated under the laws of England and Wales whose registered office is at 10th Floor, The Met Building, 22 Percy Street, London, United Kingdom W1T 2BU (attention: Stuart Fenegan, email address: [REDACTED]) (the "Chargor").

RECITALS

- A. Pursuant to the Loan Agreement, the Chargee has agreed to make available a loan to the UK Co-Producer subject to the terms thereof to fund certain budgeted production costs related to the Film and to enable the UK Co-Producer to meet certain of its funding obligations to the Chargor pursuant to the Commissioning Agreement.
- B. In consideration of the Chargee agreeing to enter into the Loan Agreement, the Chargor has agreed to execute this Charge and Deed of Assignment as third party security for the payment, satisfaction and discharge of the Secured Obligations and has determined that it is in its commercial interests to do so.

NOW THIS DEED WITNESSES AS FOLLOWS:

1. Interpretation

- 1.1 In this Charge and Deed of Assignment capitalised terms shall have the meanings set out in Schedule 1 and in the list of parties above (as applicable).
- 1.2 In this Charge and Deed of Assignment (a) any reference to the parties includes a reference to their respective successors in title and permitted assigns; (b) any reference to a person includes any body corporate, unincorporated association, partnership or other legal entity; (c) the singular includes the plural and vice versa; (d) words imparting gender include the other gender; (e) Clause headings are for convenience only and shall not be taken into account in the construction or interpretation of this Charge and Deed of Assignment; (f) references to a "Clause" are references to a clause of this Charge and Deed of Assignment; (g) any references to an agreement, deed, instrument or document is to the same as amended, modified, supplemented or restated from time to time; (h) references to "copyright", "films", "sound recordings", "copies of films and sound recordings" and to all other rights therein mentioned shall (where the context requires or admits) be construed in accordance with the Copyright, Designs and Patents Act, 1988 (as amended); (i) the covenants implied by Sections 2(1) and 3(1) of the Law of Property (Miscellaneous Provisions) Act 1994 shall apply to the assignment hereby created provided that the operation of such covenants shall be extended by the omission of the words following "third parties" in Section 3(1)(b); and (j) notwithstanding the foregoing, wherever in this Charge and Deed of Assignment the word "Film" is used and the soundtrack is not expressly referred to, such word shall be deemed and construed to include the soundtrack of the Film.

2. Consideration

This Charge and Deed of Assignment is executed in consideration of -

(i) the Chargee agreeing to enter into the Loan Agreement and to make available the loan facility thereunder to the UK Co-Producer in accordance with the terms of the Loan Agreement (which the Chargor acknowledges is of benefit to it by enabling the UK Co-Producer to meet certain of its funding obligations to the Chargor pursuant to the Commissioning Agreement and thereby enable the Film to be financed and produced); and

(ii) the payment by the Chargee to the Chargor of £1 (the receipt and adequacy of which is hereby acknowledged by the Chargor).

3. Covenant to Pay and Indemnity

- 3.1 The Chargor hereby covenants with the Chargee that it will duly and punctually perform, pay and discharge to the Chargee the Secured Obligations (as and when they fall due under the Netflix Agreements). If any sums expressed to

be payable by the UK Co-Producer under the terms of the Netflix Agreements are not recoverable from the UK Co-Producer by reason of any invalidity or unenforceability of the Netflix Agreements, or any legal limitation, inability to pay or other incapacity of the UK Co-Producer, then such sums shall nevertheless be recoverable by the Chargee from the Chargor as if the Chargor was a principal debtor.

3.2 The Chargor agrees to indemnify and keep Indemnified the Chargee from and against all costs, expenses (including outside legal fees to the extent that in the absence of an Event of Default they are reasonable but in all other instances on an indemnity basis), claims, losses, damages, liabilities or proceedings actually suffered by the Chargee whatsoever arising from (a) any Event of Default; or (b) any actual or alleged breach of or non-compliance by the UK Co-Producer or the Chargor with the representations, warranties, covenants and obligations of the Borrower contained in the Loan Agreement or any other Relevant Agreement; or (c) any amount being received from any source otherwise than on its due date (including, for the avoidance of doubt, any payment or application of principal in prepayment or repayment of a loan pursuant to the Loan Agreement).

3.3 The recourse of the Chargee under Clause 3.1 and Clause 3.2 is limited to the realisation of any proceeds derived from the Collateral and the Chargee shall have no other recourse to the Chargor in respect of any other property assets, income or resources of the Chargor.

4. Charges

4.1 The Chargor, as owner with full title guarantee and as security for the payment, satisfaction and discharge of the Secured Obligations, charges in favour of the Chargee (subject only to the Chargee's obligation to release specified in Clause 23.1.1 hereof) by way of first fixed charge all of the Chargor's right, title and interest (whether now owned or hereafter acquired) in and to the following but excluding the Reserved Rights –

- 4.1.1 all copies made or to be made of the Film; and
- 4.1.2 any other films and any sound recordings made in the course of the production of the Film or pursuant to any right acquired in connection with, or arising from, the production of the Film; and
- 4.1.3 all copies made or to be made of the scripts and musical scores of the Film and any sketches and designs produced in connection with the Film; and
- 4.1.4 all digital files, digital material, physical negative, internegative, interpositive and positive sound and visual material made or to be made incorporating or reproducing all or any part of the Film; and
- 4.1.5 any agreements for the provision of any goods, services, facilities or finance for the Film and the benefit of any insurance policy taken out for or in connection with the production or exploitation of the Film; and
- 4.1.6 all contract rights in respect of all agreements entered into by the Chargor in respect of the Film; and
- 4.1.7 the benefit of all revenues accruing to the Chargor or the Chargor's order or on the Chargor's behalf in respect of the exhibition, distribution and exploitation of the Film and/or the Film Rights and/or the Rights; and
- 4.1.8 the Accounts (including all monies standing to the credit of each Account, all interest accrued on each Account and all debts represented by the foregoing); and
- 4.1.9 all other rights and properties, including physical properties acquired or to be acquired by the Chargor in connection with the Film; and
- 4.1.10 the UK Tax Credit Collateral; and
- 4.1.11 the proceeds of any or all of the foregoing.

4.2 The Chargor, as owner with full title guarantee and as security for the payment, satisfaction and discharge of the Secured Obligations, charges in favour of the Chargee by way of first floating charge all of the Chargor's undertaking, rights and assets (but excluding the Reserved Rights), whether now owned or hereafter acquired or created (including

(without limitation) any assets expressed to be charged or assigned pursuant to Clauses 4.1 and 5 to the extent the same are not for the time being effectively charged by way of first fixed charge or effectively assigned (whether at law or in equity) by way of security to the Chargee). Paragraph 14, schedule B1 Insolvency Act 1986 (incorporated by schedule 16 Enterprise Act 2002) shall apply to any floating charge created pursuant to this Charge and Deed of Assignment, which floating charge is accordingly a qualifying floating charge for such purposes.

5. Assignment and Trust

5.1 The Chargor, as owner with full title guarantee and as security for the payment, satisfaction and discharge of the Secured Obligations, assigns and agrees to assign absolutely to the Chargee (subject only to the right of re-assignment in favour of the Chargor specified in Clause 23.1.2 hereof), all of the Chargor's right, title and interest (whether now owned or hereafter acquired or created) in and to the following but excluding the Reserved Rights –

- 5.1.1 the Film Rights and the Rights; and
- 5.1.2 all that copyright in the Film and any other films and any sound recordings made in the course of the production of the Film or pursuant to any right acquired in connection with, or arising from, the production of the Film; and
- 5.1.3 the benefit of all revenues accruing to the Chargor or to the Chargor's order or on the Chargor's behalf in respect of the exhibition, distribution and exploitation of the Film and/or of the Film Rights and/or of the Rights; and
- 5.1.4 all those rights of the Chargor in relation to all music composed and sketches and designs made for or used in the production of the Film including the following –
 - (a) the right to adapt the same for the purpose of and to reproduce the same in the form of the Film and any such other films as are mentioned in Clause 5.1.2 hereof; and
 - (b) the right (except for musical performing rights if the composer is a member of the Performing Rights Society Limited) to perform the same in public by exhibition of the Film and any such films as aforesaid; and
 - (c) such rights as the Chargor may own to communicate the same to the public by any means; and
- 5.1.5 the benefit of all agreements entered into or to be entered into by the Chargor (or its agent) relating to the Film with all rights granted and all monies receivable thereunder and any interest thereon and the benefit of all subsisting undertakings, warranties, representations, covenants, agreements and acknowledgements therein contained; and
- 5.1.6 the benefit of any policy of insurance taken out and maintained by the Chargor in connection with the Film and any and all sums paid or payable thereunder; and
- 5.1.7 the Accounts (including all monies standing to the credit of each Account, all interest accrued on each Account and all debts represented by the foregoing); and
- 5.1.8 the UK Tax Credit Collateral; and
- 5.1.9 the proceeds of any or all of the foregoing.

5.2 The Chargor shall hold on trust for the Chargee (which trust the Chargor hereby declares) the Chargor's entire interest and benefit in and to the Collateral or any part thereof which cannot be charged or assigned by the Chargor together with all proceeds, money and other rights and benefits to which the Chargor is beneficially entitled in respect of such Collateral.

6. Warranty and Negative Pledge

6.1 Other than the Security Interests, the Chargor represents, warrants and undertakes that there are and there shall be no charges or other security interests, encumbrance or arrangements having the effect of conferring security interests created by the Chargor or permitted by the Chargor over the Collateral or over any other of the Chargor's property otherwise than in favour of the Chargee or with the Chargee's prior written consent. Notwithstanding anything to the contrary contained herein, if the Chargor charges or otherwise encumbers any of the Collateral in any manner contemplated by this Clause 6.1 the charges created in favour of the Chargee shall rank in priority to such other charges or encumbrances whether they be fixed, floating or otherwise.

6.2 The Chargor hereby warrants and undertakes with the Chargee that it is or will be absolutely entitled to the benefit of those properties (subject to the Security Interests) and of the agreements referred to in Clauses 4 and 5 hereof (as applicable) to which it is a party (subject to the terms of such agreements) and has full power, right and title to assign and/or charge the Collateral and is duly incorporated and validly existing and in good standing under the laws of England and Wales and has taken all action necessary to authorise the execution, performance and delivery of this Charge and Deed of Assignment.

7. Licence

7.1 The Chargee hereby grants to the Chargor an exclusive licence of all relevant assets subject to the security created under or pursuant to this Charge and Deed of Assignment, revocable only in accordance with Clause 7.2, to produce, complete and deliver the Film in accordance with the Relevant Agreements.

7.2 The Chargee may terminate the licence granted pursuant to Clause 7.1 above upon the happening of an Event of Default which (if capable of being cured) has not been cured in accordance with any cure periods in the Netflix Agreements after notice thereof to the Chargor.

8. Default

On the happening of any Event of Default which (if capable of being cured) has not been cured within any cure periods provided in the Netflix Agreements or at any time thereafter, the floating charge created by Clause 4.2 shall automatically be converted with immediate effect into a fixed charge, the obligation of the Chargee to advance monies under the Loan Agreement or otherwise in connection with the Film shall immediately terminate, the security hereby created shall become enforceable and the Secured Obligations shall immediately become due and payable provided that solely for the purposes of this clause, the obtaining of a moratorium under Schedule A1 of the Insolvency Act 1986 or any action with a view to obtaining such a moratorium shall not cause the floating charge created by Clause 4.2 to automatically crystallise.

9. Exercise of Rights

9.1 The Chargee may at any time after the security hereby created shall have become enforceable -

9.1.1 without prejudice to any other powers the Chargee may have by law, exercise all of the powers set out in the Law of Property Act 1925 and in Schedule 1 to the Insolvency Act 1986 and any other powers the Chargee may have by law and, in addition, all of the powers set out in Clause 9.2 below; and

9.1.2 in writing appoint a Receiver over the whole or any part of the Collateral upon customary terms as to remuneration or such reasonable variation thereof and otherwise as the Chargee shall think fit and may from time to time remove any Receiver so appointed and appoint another in his stead; and

9.1.3 appoint an administrator of the Chargor.

9.2 If a Receiver is appointed he shall be the agent of the Chargor and, without prejudice to any other powers the Receiver may have by law, he shall have all the powers set out in the Law of Property Act 1925 and in Schedule 1 to the Insolvency Act 1986 and in addition shall have power -

9.2.1 to take possession of, get in or realise the Collateral and to take, enforce, defend or abandon any actions, suits and proceedings in the name of the Chargor or otherwise in relation to the Collateral as he or the Chargee shall think fit;

- 9.2.2 to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor relating in any way to the Collateral or any part thereof;
- 9.2.3 subject to any rights granted to the Chargee pursuant to the Netflix Agreements, to assign, sell, lease, license (including, but without limitation, by appointing a replacement sales agent or distributor to distribute and exploit the Film Rights and/or the Rights in place of the Chargor), grant options to sell, deal with or manage or concur in assigning, selling, leasing, licensing, granting options to sell, dealing with or managing and to vary, terminate or accept surrenders of leases, licences or tenancies of any of the Collateral in such manner and generally on such terms and conditions as the Chargee or he shall think fit and to carry any such transactions into effect in the name of and on behalf of the Chargor or otherwise;
- 9.2.4 to take any steps that may be necessary or desirable to effect compliance with all or any of the agreements hereby charged;
- 9.2.5 to exercise all the powers of the Chargor including to carry on manage or concur in carrying on and managing the business of the Chargor in relation to the Film or any part thereof and the Chargor acknowledges that it shall not seek to prevent the Receiver from so carrying on or managing its business;
- 9.2.6 to raise or borrow any money that may be required upon the security of the whole or any part of the Collateral or without such security;
- 9.2.7 to give valid receipts for all monies and execute all assurances and things which may be proper or desirable for realising the Collateral;
- 9.2.8 to appoint and discharge advisers, managers, agents, employees, contractors and workmen in relation to the business of the Chargor relating to the Film at such salaries and for such periods as the Receiver may determine;
- 9.2.9 to make any arrangement or compromise, pay any compensation or incur any obligation and enter into any contracts in relation to the Collateral which the Receiver shall think expedient in the interests of the Chargee;
- 9.2.10 to make, effect and do all maintenance, repairs, developments, reconstructions, improvements, furnishings, equipment, insurances, alterations or additions to or in respect of the Collateral in the interests of the Chargee for maintaining the value of the Collateral in every such case as the Chargee or he shall think fit;
- 9.2.11 to make calls conditionally or unconditionally on the shareholders of the Chargor in respect of the uncalled capital of the Chargor (with the same powers for the purpose of enforcing payment of any calls so made as are by the Articles of Association of the Chargor conferred upon the Chargor or the directors of the Chargor (as the case may be) in respect of calls authorised to be made by them and to make the same in the name of the directors or in that of the Chargor or otherwise and to the exclusion of any other person's power in that behalf);
- 9.2.12 to promote the formation of companies with a view to purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Collateral, to arrange for such companies to trade or cease to trade and to purchase, lease, license or otherwise acquire all or any of the Collateral on such terms and conditions whether or not including payment by instalments secured or unsecured as the Receiver shall think fit;
- 9.2.13 to manage, develop, reconstruct, improve, amalgamate or diversify or concur in managing, developing, reconstructing, improving, amalgamating or diversifying the business of the Chargor in relation to the Film;
- 9.2.14 to do all such other acts and things as may be considered to be incidental or conducive to any of the matters or powers aforesaid and which he lawfully may or can do; and

9.2.15 to exercise all such other power and authority in relation to the Collateral as the Chargee shall think fit and so that the Chargee may in relation to all or any part of the Collateral exercise and confer any powers and authorities which it could exercise and confer if it were the absolute beneficial owner thereof and to use the name of the Chargor for any such purposes,

PROVIDED ALWAYS THAT nothing herein contained shall make the Chargee liable to the Receiver in respect of his remuneration, costs, charges or expenses or otherwise for which together with the Receiver's acts, contracts, defaults and omissions the Chargor alone shall be liable.

- 9.3 In addition, but without prejudice, to the foregoing remedies if the security hereby created shall become enforceable the Chargee shall (without prejudice to the statutory power of sale conferred by the Law of Property Act 1925 which is applicable to this Charge and Deed of Assignment) be entitled to sell the Collateral or any part or parts thereof or otherwise exploit or turn to account the Collateral for such price and in such manner as the Chargee in its absolute discretion may think fit, without notice to the Chargor or any other formality, all of which are hereby waived by the Chargor. The Chargee shall be entitled to repayment of all costs and charges in connection therewith including all costs fees and charges it may incur as a consequence of the enforcement hereof.
- 9.4 The restrictions contained in sections 93, 103 and 109 of the Law of Property Act 1925 shall not apply to the security hereby created.
- 9.5 The Chargee or the Receiver may enforce the security created by this Charge and Deed of Assignment in any order which the Chargee or the Receiver in their or its absolute discretion think(s) fit.
- 9.6 The Chargee may appoint more than one Receiver and in such event any reference in this Charge and Deed of Assignment to a Receiver shall apply to both or all of the Receivers so appointed and the appointment of Receivers so made shall be deemed to be a joint and several appointment and so that the rights, powers, duties and discretion vested in the Receivers so appointed may be exercised by them all jointly or severally by each of them.
- 9.7 The Chargee shall not nor shall the Receiver by reason of the Chargee or the Receiver entering into possession of the Collateral or any part thereof be liable to account as mortgagee in possession or for any default or omission of any nature whatsoever for which a mortgagee in possession might be liable, or be liable for any loss or damage occasioned by or upon realisation or diminution in value happening in or about the exercise of any power conferred hereby or by statute and no Chargor shall have any right or action or claim against the Chargee on the grounds that a better price could or might have been obtained on any such realisation, sale or disposal. The Chargee and the Receiver shall be entitled to all the rights, powers, privileges and immunities conferred by statute on mortgagees and receivers.
- 9.8 If the Chargor shall without the express written agreement of the Chargee thereto create or permit to arise or subsist any encumbrance (other than the Security Interests) affecting the Collateral of which the Chargee shall receive notice, actual or constructive, the Chargee may open a new account for the Chargor in respect of the Film and if the Chargee does not in fact open such new account it shall nevertheless be treated as if it had done so at the time when it received such notice and as from that time all payments made by or on behalf of the Chargor to the Chargee shall be credited or be treated as having been credited to the new account, and such payments shall not operate to reduce the amount due from the Chargor to the Chargee at the said time until such payments may be indefeasibly so applied by the Chargee (but this Clause shall not prejudice any security which apart from this Clause the Chargee would have had but for the discharge by the Chargor of liabilities or obligations incurred after that time).
- 9.9 The Chargee may at any time without prior notice transfer, where the Chargee has more than one account for the Chargor in its books, all or any part of any balance standing to the credit of any such account to any other such account which may be in debt, combine and consolidate all or any of the accounts for the time being of the Chargor with the Chargee and/or in any event set off any monies or other assets which the Chargee may at any time hold for the account of the Chargor against the Chargor's liability under this Charge and Deed of Assignment and without prejudice to any other right of set-off or similar right to which the Chargee may be entitled in law.
- 9.10 All monies received, recovered or realised by the Chargee under this Charge and Deed of Assignment may at the sole discretion of the Chargee be credited by the Chargee to any suspense or impersonal account pending the application from time to time of such monies and accrued interest thereon at the rate if any agreed in writing between the Chargor and the Chargee from time to time (as the Chargee shall be entitled to do in their discretion) in or towards the payment of the Secured Obligations.

9.11 The proceeds of any Collateral obtained or disposed of pursuant to this Charge and Deed of Assignment shall be applied as follows –

9.11.1 firstly, in payment of any and all expenses and fees (including, but not limited to, reasonable solicitor's fees) incurred by the Chargee in obtaining, taking possession of, removing, insuring, storing and disposing of the Collateral and any and all amounts incurred by the Chargee in connection therewith (including without limitation in connection with any proceedings brought in connection with any administration of the Chargor);

9.11.2 secondly, in payment and discharge of the Secured Obligations; and

9.11.3 thirdly, any surplus then remaining shall be paid to the order of the Chargor or as otherwise agreed in writing between the Chargee and the Chargor.

10. Indemnity and Interest

10.1 The Chargor indemnifies the Chargee, the Receiver and any administrator appointed by the Chargee in respect of, and agrees to keep the Chargee, the Receiver and any administrator appointed by the Chargee indemnified from and against, all liabilities and expenses properly incurred in the execution or purported execution of any of the powers, authorities or discretion vested in the Chargee, the Receiver or any administrator appointed by the Chargee pursuant hereto and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted by the Chargor in any way relating to the Collateral and the Chargee, the Receiver and any administrator appointed by the Chargee may retain and pay all sums in respect of the same out of any monies received under the powers hereby conferred.

10.2 Any sums which are payable by the Chargor under this Charge and Deed of Assignment and which are paid by the Chargee or the Receiver or any administrator appointed by the Chargee, shall be repaid by the Chargor on demand together with interest at the Rate from the time of the same having been paid or incurred by the Chargee or, as the case may be, the Receiver or any administrator appointed by the Chargee to the time that payment is made in full by the Chargor (as well after as before judgment or demand therefor), and the payment of any such sum by the Chargee or the Receiver or any administrator appointed by the Chargee shall not constitute the Chargee or the Receiver or any administrator appointed by the Chargee a mortgagee in possession of the Collateral in respect of which such payment is made.

11. Warranties, Representations and Covenants

11.1 The Chargor hereby covenants and undertakes with the Chargee that it will comply at all times with the terms (express or implied) of this Charge and Deed of Assignment and further covenants and undertakes that it shall so long as the Secured Obligations have not been indefeasibly paid, satisfied or discharged (as applicable) to the Chargee and until the Chargee has no obligation, actual or contingent, to make further sums available under the Netflix Agreements–

11.1.1 (save to the extent such liability is discharged in accordance with the terms of such contracts and agreements) remain liable under the contracts and agreements (including, without limitation, all Relevant Agreements to which it is a party) charged or assigned or to be charged or assigned hereunder to perform all the obligations assumed by it thereunder and the Chargee shall not be under any obligations or liability under or in respect of any of such contracts and agreements;

11.1.2 not require the Chargee to enforce any term of any of the said contracts and agreements against any party (it being acknowledged that in no circumstances shall the Chargee have any obligation so to enforce);

11.1.3 duly perform its obligations under the said agreements, notify the Chargee of any material default by itself and institute and maintain all such proceedings (subject to the terms hereof) as may be necessary or expedient to preserve or protect the interest of the Chargee and itself in the said agreements;

11.1.4 not exercise any right or power conferred on it by or available to it under the said agreements (including, without limitation, the right of termination) if to do so might adversely affect the position of the Chargee unless and until requested to do so by the Chargee. Thereupon it will exercise such right or power as the Chargee may direct;

- 11.1.5 not accept or make any claim that the said agreements have been frustrated or have ceased to be in full force if to do so might adversely affect the position of the Chargee;
 - 11.1.6 not assign or otherwise dispose of any of its rights under the said agreements save pursuant to the Permitted Security Agreements or as otherwise acknowledged in the Netflix Agreements;
 - 11.1.7 do all such things as are necessary to maintain its corporate existence in good standing (including without limitation the filing of all necessary returns);
 - 11.1.8 upon the request of the Chargee give written notice (in such form and to such persons as the Chargee may require) as is necessary to perfect the security hereby created; and
 - 11.1.9 It will not materially amend, modify, terminate, supplement or cancel any of the Relevant Agreements to which it is a party without first obtaining the prior written consent (such consent not to be unreasonably withheld or delayed) of the Chargee if such amendment, modification, termination, supplementation or cancellation shall have a material adverse effect on the Chargor and/or the Chargee.
- 11.2 The Chargor further warrants, represents, covenants and undertakes with the Chargee that until the Secured Obligations have been indefeasibly paid, satisfied or discharged (as applicable) to the Chargee –
- 11.2.1 It shall not exercise any right or power conferred on it by or available to it in relation to the copyright in the Film that might adversely affect the interests of the Chargee unless and until requested to do so by the Chargee. Thereupon it will exercise such right or power as the Chargee may direct; and
 - 11.2.2 It shall not assign or otherwise dispose of any of its copyright in the Film save pursuant to the Permitted Security Agreements or as otherwise acknowledged in the Netflix Agreements.
- 11.3 The Chargor represents and warrants to the Chargee that it is the sole absolute legal and beneficial owner of the Accounts subject only to the Security Interests.
- 11.4 The Chargor hereby repeats in favour of the Chargee the warranties, representations, undertakings and covenants set out in the Netflix Agreements as if the same were set forth and incorporated herein.
- 11.5 The Chargor hereby represents, warrants and undertakes that –
- 11.5.1 It has entered into, or will enter as soon as practicable hereafter, all agreements necessary for the production of the Film, and, subject to receipt of a sum equal to the Budget, all fees and payments of whatever nature arising in connection with the foregoing required to procure the production of the Film pursuant to the Relevant Agreements to which it is a party have been or will be paid from funds in the Production Account allocated for such purpose in the Budget;
 - 11.5.2 all engagements of any member of cast and/or crew rendering services in respect of the Film are or will be within the financial and other terms required and stipulated by the Budget and the Netflix Agreements; all contracts will be in a form usual in the film and television industry and consistent with the requirements of the agreements with the Chargee; such contracts will contain a grant of rights to permit the widest legally permissible exploitation of the Film; such grant of rights will specifically include an assignment and an unrestricted authorisation of exploitation of all performer's property rights (where applicable) including exploitation of the Film by means of rental and lending and the contracts shall include an acknowledgement that the payment provided in the contracts includes an element representing equitable remuneration for the authorisation of rental and lending; and all contracts for the production of the Film shall include a waiver of moral rights to the extent (if any) that such waiver is legally permissible;
 - 11.5.3 the director and the Chargor are authors of the Film within the meaning of Section 9(2)(a) of the Copyright, Designs and Patents Act 1988 (as amended by the Copyright and Related Rights Regulations 1996), and each such author shall at all material times be a "qualifying person" within the meaning of Section 154 of that Act;

- 11.5.4 upon the happening of any event of which it is aware giving rise to a claim under any insurances, it shall forthwith give notice to the appropriate insurers and to the Chargee;
- 11.5.5 it shall apply all sums received into the Production Account towards the cost of producing the Film in all respects in accordance with the provisions of the Budget and the Netflix Agreements and solely towards defraying the direct cash cost of the Film except with respect to variations permitted under the PDA or the Loan Agreement;
- 11.5.6 subject to receipt of a sum equal to the Budget, all costs of production of the Film shall be discharged by it or any applicable sub-production services company engaged by the Chargor promptly as and when they fall due up to the amount of the Budget;
- 11.5.7 all equipment used in the photographing of the Film will be tested and proved to be sound at the commencement of principal photography;
- 11.5.8 the Production Account is open, such account is subject only to the security interests of the Chargee and the Permitted Security Agreements and it will not exercise its right to close or revise the mandate for the Production Account or any other account relating to the Film until the Film has been completed and delivered in accordance with the Netflix Agreements and monies in the Production Account and underspend have been applied as set out in the Netflix Agreements without the written consent of the Chargee (not to be unreasonably withheld or delayed);
- 11.5.9 it shall not agree to the termination, material waiver or variation from the form of any of the production agreements in any manner which could (in the opinion of the Chargee acting reasonably) adversely affect the interests of the Chargee without the prior written consent of the Chargee;
- 11.5.10 it shall not use any location, crew member or artist, or depict any living person in relation to the Film without entering into, as relevant, a location release agreement, a crew agreement, Equity or other appropriate union agreement, or a release;
- 11.5.11 it shall implement all insurance policies required by the Chargee by no later than the first day of principal photography of the Film and shall ensure that such policies remain in full force and effect;
- 11.5.12 prior to the date hereof, it has procured, and on the occasion of each renewal of such insurance policies as are referred to in Clause 11.5.11 on request, it shall procure that its insurance brokers issue to the Chargee a letter confirming the subsistence of the insurances in accordance with the terms hereof;
- 11.5.13 it shall not do anything nor allow anything to be done whereby any policy or policies of insurance taken out by it in relation to the Film may be or become void or voidable or whereby any such insurances might be prejudiced, cancelled or avoided;
- 11.5.14 at the request of the Chargee, it shall renew (or procure the renewal of) all such insurance policies as are referred to in Clause 11.5.11 (where applicable) at least 14 (fourteen) days before the relevant policies or contracts expire and procure that the approved broker shall promptly confirm in writing to the Chargee when each such renewal has been effected;
- 11.5.15 it shall, upon becoming aware of the happening of any event giving rise to a claim under any insurances, immediately give notice to the appropriate insurers and to the Chargee;
- 11.5.16 film will not be accumulated for shipping and processing for a period in excess of 5 (five) days;
- 11.5.17 upon request, it will provide the Chargee with a copy of all bank statements received from Coutts & Co. as soon as reasonably practical following such request;
- 11.5.18 the Budget contains adequate provision to enable it to comply with its obligations under the Commissioning Agreement and the Netflix Agreements; and

- 11.5.19 the form of all bank mandates relating to the Production Account shall be subject to the approval of the Chargor and once approved, it shall not allow any amendments to the bank mandate for the Production Account without the Chargee's prior written approval.

11.6 The Chargor undertakes to:

- 11.6.1 keep in safe custody full, complete, accurate and faithful books of account and records in the English language relating to the expenditure by Chargor on the production, completion and delivery of the Film and shall make all such books of account and records and all other information in its possession or control that may be reasonably necessary or of reasonable assistance to enable Chargee to verify the amount of the UK Tax Credit or to verify the performance by Chargor of all its obligations relating to the UK Tax Credit available to Chargee on demand;
- 11.6.2 provide the Chargee with copies of any correspondence and documentation from the British Film Institute and HMRC in relation to the UK Tax Credit promptly following receipt of the same;
- 11.6.3 notify Chargee forthwith upon the payment of any part of the UK Tax Credit Amount;
- 11.6.4 procure payment to the Auditor to perform the audit, preparation of statutory accounts and preparation and filing of tax returns;
- 11.6.5 provide to the Chargee its audited accounts in respect of its accounting reference date as requested and permit any accountant appointed by Chargee to examine and take copies of all books, accounts and records relating to the Film;
- 11.6.6 instruct HMRC to pay 100% of the UK Tax Credit Proceeds to the UK Tax Credit Repayment Account.

11.7 The Chargor undertakes, represents and warrants to the Chargee as follows;

11.7.1 In respect of the Film:

- (a) the Film will be a "relevant programme" within the meaning of Chapter 1 of Part 15A of the Corporation Tax Act 2009;
- (b) the Film is "intended for broadcast" within the meaning of Chapter 1 of Part 15A of the Corporation Tax Act 2009;
- (c) the Film will be a British Programme within the meaning of the UK Tax Credit Legislation;
- (d) the Chargee will be entitled to receive the UK Tax Credit (as assignee of the Chargor);
- (e) the UK Qualifying Expenditure shall: (i) equal at least 10% (ten per cent) of the Core Expenditure in connection with the Film; and (ii) be no less than the UK Tax Credit Estimated Value and that it will not increase the budgeted expenditure that is not UK Qualifying Expenditure without the prior written approval of Chargee;
- (f) no more than 10% (ten per cent) of the playing time of the completed Film shall include footage from any other programme unless otherwise permitted pursuant to the Tax Credit Legislation;
- (g) the Film shall be produced in accordance with the assumptions contained in any estimate or opinion provided by the Auditor and all information provided to the Auditor in respect of the Film is true, accurate and complete in all respects and has been prepared in accordance with applicable law; and
- (h) it shall make adequate provision in the budget of the Film for all tax liabilities, including but not limited to VAT, PAYE, income tax in respect of foreign entertainers and national insurance contributions;

11.7.2

In respect of the Chargor;

- (a) the Chargor will be the "television production company" for the Film within the meaning of Chapter 1 of Part 15A of the Corporation Tax Act 2009 and this will be its sole business activity and in particular the Chargor will be the company responsible for the pre-production, principal photography and post-production and delivery of the Film and shall be actively engaged in the production planning and decision making during pre-production, principal photography and post-production of the Film and shall directly negotiate, contract and pay for rights, goods and services in relation to the Film;
- (b) the Chargor shall be at the date of this Agreement and will remain a limited company within the charge of United Kingdom corporation tax;
- (c) the Chargor shall complete and submit all applications to the British Film Institute or any other relevant authority necessary to procure the Film's qualification as a British Programme as expeditiously as possible, (including the submission of an interim application) and shall respond to any queries raised by the competent authority as accurately, completely and in as timely a manner as possible;
- (d) the Chargor will act in accordance with the instructions of the Chargee in relation to any procedure for appealing any refusal of the British Film Institute or other competent authority to certify the Film as a British Programme following either the interim or final application;
- (e) the Chargor shall make a claim for 100% (one hundred per cent) of the UK Tax Credit in relation to the Film as a cash payment to be applied in the manner approved by Chargee and complete and submit its corporation tax return and any other documents necessary to make the application for the UK Tax Credit as expeditiously as possible;
- (f) Chargor shall respond to any queries raised by HMRC in relation to Chargor or the UK Tax Credit as accurately, completely and in as timely a manner as possible;
- (g) act in accordance with the instructions of the Chargee in connection with any and all responses, applications and communications sent to the BFI, HMRC and Companies House which are material to the UK Tax Credit or any of the matters in this Clause 11.7 and to obtain the approval of the Chargee (such approval not to be unreasonably withheld or delayed) prior to such response, application or communication being made;
- (h) Chargor shall make all the correct deductions and filings of returns in relation to National Insurance, PAYE and other tax and such deductions as are required to be made in respect of foreign artists;
- (i) ensure that all financial statements supplied in relation to the UK Tax Credit or pursuant to this Clause 11.7.2: (a) comply with applicable law and generally accepted accounting principles and standards (GAAP); (b) are prepared in accordance with suitable accounting policies that are applied consistently; (c) reflect judgements and estimates that are reasonable and prudent; (d) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and (e) are prepared on a "going concern" basis unless it is inappropriate to presume that the Chargor will continue in business;
- (j) all payments of (a) income tax accountable through the "pay as you earn" system; (b) class 1 national insurance contributions; (c) tax due in respect of foreign entertainers pursuant to Section 555 Income and Corporation Taxes Act 1988; and (d) VAT, which are required to be made by law in respect of any payments made or benefits given by Chargor shall be correctly accounted for within the time periods prescribed by law;
- (k) HMRC has no cause to make any withholding from or set off against the UK Tax Credit Amount as a result of any act or omission on the part of the Chargor;

- (l) Chargor shall surrender the maximum amount of enhanced and ordinary losses arising as a result of the Core Expenditure so as to achieve the maximum cash rebate to be received in relation to the UK Tax Credit as opposed to a credit against the corporation tax liability of Chargor and prior to receipt of the full amount of the UK Tax Credit Amount procure that Chargor shall not surrender or otherwise make available (whether by way of group relief, consortium relief or otherwise) to any other person or entity any expenditure or loss that may accrue to it for tax purposes;
- (m) the Chargor shall not do anything, or omit to do anything, which in the opinion of Chargee may prejudice the qualification of the Film as a British Programme or adversely affect Chargor's right to qualify for, apply for or receive the UK Tax Credit or reduce the amount of the UK Tax Credit Amount below the UK Tax Credit Estimated Value;
- (n) the Chargor shall comply with all requirements of the UK Tax Credit Legislation;
- (o) Chargor shall actively protect, maintain and enforce such rights as it may have to qualify for, apply for and receive the UK Tax Credit;
- (p) Chargor shall operate its business and prepare its statutory accounts in a manner consistent with the obtaining of the UK Tax Credit;
- (q) Chargor has (and will have) no income save for an annual fee payable to Chargor pursuant to and in accordance with the Commissioning Agreement and the UK Tax Credit Amount; and
- (r) provide copies to Chargee of any report, statement, correspondence or document relating to the UK Tax Credit as Chargee may request.

12. **Nature of Security**

Subject to Clause 23, this Charge and Deed of Assignment shall be a continuing security to the Chargee notwithstanding any settlement of account or other act, omission, matter or thing whatsoever which but for this provision might operate to release or otherwise exonerate the Chargor from its obligations hereunder or affect such obligations or release or diminish the security conferred hereunder. Such security is in addition to, and shall not be merged into, or in any way prejudice any other security interest, charge document or right which the Chargee may now or at any time hereafter hold or have as regards the Chargor or any other person firm or corporation in respect of the Collateral and shall not in any way be prejudiced or affected thereby or by the invalidity thereof or by the Chargee now or hereafter dealing with, exchanging, releasing, modifying or abstaining from perfecting or enforcing any of the same or any rights which it now or hereafter has or by the Chargee giving time for payment or indulgence or compounding with any other person liable and this security shall remain in full force and effect as a continuing security unless and until the Secured Obligations are discharged in full or the Chargee shall release and discharge this Charge and Deed of Assignment in accordance with Clause 23 hereof. The rights granted to the Chargee hereunder are in addition to, and in no way limit or restrict, the rights granted to the Chargee in the Netflix Agreements or any other agreement. The exercise by the Chargee of its rights under this Charge and Deed of Assignment shall in no way affect or be in substitution for such other legal or equitable rights and remedies as the Chargee may have against the Chargor or any third party.

13. **Grant of Time or Indulgence**

The security created by this Charge and Deed of Assignment shall not be affected or prejudiced in any way by the Chargee giving time or granting any indulgence or accepting any composition from or compounding with or making any other arrangement with the Chargor or any other person firm or company in respect of the Secured Obligations or otherwise.

14. **Protection of Third Parties**

- 14.1 No purchaser from the Chargee and/or the Receiver or other person dealing with the Chargee and/or the Receiver shall be concerned to enquire whether any of the powers which the Chargee or the Receiver have exercised or purported to exercise have arisen or become exercisable or whether the Secured Obligations remain outstanding or as

to the propriety or validity of the exercise or purported exercise of any such power and the title of a purchaser and the position of such a person shall not be prejudiced by reference to any of those matters.

- 14.2 The receipt of the Chargee or the Receiver shall be an absolute and conclusive discharge to a purchaser and shall relieve such person of any obligation to see to the application of any sums paid to or by the direction of the Chargee or the Receiver.

15. Waivers, Remedies Cumulative

The powers which this Charge and Deed of Assignment confers on the Chargee are cumulative and without prejudice to its powers under general law and may be exercised as often as the Chargee deems appropriate. The rights of the Chargee and the Receiver (whether arising under this Charge and Deed of Assignment or under the general law) shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing; and in particular any failure to exercise or any delay in exercising on the part of the Chargee or the Receiver any of such rights shall not operate as a waiver or variation of that or any other such right; any defective or partial exercise of any such right shall not preclude any other or further exercise of that or any other such right; and no act or course of conduct or negotiation on the part of either the Chargee or the Receiver or on its or their behalf shall in any way preclude either the Chargee or the Receiver from exercising any such right or constitute a suspension or variation of any such right.

16. Governing Law

This Charge and Deed of Assignment and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of England and the parties hereto submit to the non-exclusive jurisdiction of the English courts.

17. Further Assurance

- 17.1 The Chargor agrees to execute all further documents reasonably required by the Chargee to give effect to or perfect the security hereby created.

- 17.2 Without limiting the generality of Clause 17.1 hereof in the event that any of the agreements relating to the Film are executed by the Chargor after the date of this Charge and Deed of Assignment, the Chargor will, at the request of the Chargee and the expense of the Chargor, execute supplementary charges and deeds of assignment in substantially the same form as this Charge and Deed of Assignment and execute all further documents reasonably required by the Chargee to give effect to such security.

- 17.3 This Charge and Deed of Assignment shall operate as a deed notwithstanding that it may not be executed as a deed by the Chargee.

18. Notice of Default

The Chargor shall give written notice to the Chargee at the address set out against the name of such party at the beginning of this Charge and Deed of Assignment or as shall be notified from time to time to the Chargor hereafter of the occurrence of any Event of Default as soon as such occurrence becomes known to the Chargor.

19. Power of Attorney

- 19.1 The Chargor hereby irrevocably appoints the Chargee and, if any Receiver or an administrator has been appointed, each of the Chargee, the Receiver and any administrator appointed by the Chargee to be an attorney of it in its name and on its behalf to sign, execute and deliver all deeds and documents and do all acts and things which the Chargee, the Receiver or an administrator appointed by the Chargee may reasonably require or reasonably deem necessary for the purpose of exercising any of its powers or for the perfection, protection or realisation of any security hereby constituted. The Chargor hereby acknowledges that such appointment shall be irrevocable (until this Charge and Deed of Assignment is released and reassigned under Clause 23).

- 19.2 This appointment shall operate as a power of attorney for the purposes of Clause 19.1 only made under Section 10 of the Powers of Attorney Act 1971 such appointment constituting a power coupled with an interest under English law. This power of attorney shall terminate without further notice on the release and discharge of this Charge and Deed of Assignment pursuant to Clause 23.1 hereof but subject to Clause 23.2 hereof.

19.3 The Chargor hereby covenants with the Chargee that on request it will ratify and confirm all documents, acts and things and all transactions entered into by the Chargee, the Receiver or an administrator appointed by the Chargee or by the Chargor at the instance of the Chargee, the Receiver or an administrator appointed by the Chargee in the exercise or purported exercise of the aforesaid powers.

20. Invalidity of any Provision

If at any time any one or more of the provisions of this Charge and Deed of Assignment becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

21. No Partnership

Nothing herein shall constitute a partnership or a joint venture between the parties and no party is or shall hold itself out as the agent or partner of the other.

22. Assignment

The Chargee shall be entitled to assign, participate, transfer, charge, sub-charge or otherwise grant security over or deal in all or any of its right, title and interest in this Charge and Deed of Assignment.

23. Release and Reassignment

23.1 Upon unconditional and indefeasible payment, satisfaction and discharge to the Chargee of the Secured Obligations in full, the Chargee will, at the written request of the Chargor and at the expense of the Chargor –

23.1.1 release the Collateral charged pursuant to Clause 4 hereof;

23.1.2 re-assign to the Chargor or any third party continuing to have a security interest in the Collateral, the Collateral assigned pursuant to Clause 5 hereof (but not any sums by then paid to the Chargee and retained to satisfy the Secured Obligations in respect thereof); and

23.1.3 execute such documents and do such things as the Chargor shall reasonably require to give effect to Clauses 23.1.1 and 23.1.2 hereof.

23.2 Where any release and discharge (whether in respect of the Secured Obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be repaid on bankruptcy, liquidation or otherwise, the security constituted by this Charge and Deed of Assignment (and the liability of the Chargor in respect thereof) shall continue or shall be reinstated as if there had been no such discharge or arrangement. The Chargee shall be entitled to concede or compromise any claim that any such payment, security or other disposition is liable to avoidance or repayment.

24. Notices

24.1 Manner of giving notices

Any notice or other information required or authorised by this Charge and Deed of Assignment to be given by either party shall be given by:

24.1.1 delivering it by hand;

24.1.2 sending it by mail, postage prepaid; or

24.1.3 sending it by facsimile transmission,

to the other party at the addresses given in Clause 24.4 or 24.5.

24.2 Notices sent by hand or by post

Any notice or other information delivered by hand as provided by Clause 24.1.1 shall be deemed given on the date delivered (if delivered during the business hours of the recipient, or (if not) at the start of the next Business Day thereafter. Any notice or other information sent by post in the manner as provided by Clause 24.1.2 which is not returned to the sender as undelivered shall be deemed to have been given on the seventh day after the envelope containing it was so posted.

24.3 Notices sent by facsimile

Any notice or other information sent by facsimile transmission shall be deemed to have been duly given: (a) at the time of transmission if the facsimile is received during business hours at the place of receipt; or (b) at the start of the next Business Day if the facsimile is received outside business hours at the place of receipt provided in either case that a satisfactory transmission report is received when the facsimile is sent.

24.4 Notices to the Chargee

Any notice or other communication required to be given to the Chargee under this Charge and Deed of Assignment shall be sent to the Chargee to the person and at the address detailed at the top of this Charge and Deed of Assignment or such other address, facsimile number and/or for such other attention as may be notified by the Chargee to the Chargor in accordance with this Clause.

24.5 Notices to the Chargor

Any notice or other communication required to be given to the Chargor under this Charge and Deed of Assignment shall be sent to the Chargor to the person and at the address detailed at the top of this Charge and Deed of Assignment or to such other address, facsimile number and/or for such other attention as may be notified by the Chargor to the Chargee in accordance with this Clause.

24.6 Notice on a business day

Any notice or other communication received or deemed given on a day which is not a Business Day or after business hours in the place of receipt shall be deemed received and given on the next Business Day.

24.7 Counterparts

This Charge and Deed of Assignment may be entered into in any number of counterparts each of which when so executed and delivered shall be an original.

SCHEDULE 1

Definitions

Accounts means any bank accounts opened by the Chargor in connection with the Film;

Ancillary Rights means all the ancillary rights in the Film including all inter-active and computer assisted rights, all sponsorship, commercial tie-up and other merchandising rights of whatsoever kind or nature in the Film, all as such terms are customarily understood in the motion picture and television industries of the United Kingdom and/or United States of America, but excluding always the Reserved Rights;

Auditor means Saffery Champness or such other auditor engaged by the Chargor in relation to the Film and approved by the Chargee;

Budget means the final budget for the Film approved by the Chargee;

Collateral means the Chargor's right, title and interest in and to the property charged pursuant to Clauses 4.1 and 4.2 hereof and the property assigned pursuant to Clause 5 hereof, excluding the Reserved Rights;

Commissioning Agreement means the commissioning producer agreement in relation to the Film between the Chargor, UK Co-Producer and the German Co-Producer dated on or about the date hereof;

Core Expenditure has the meaning given to it in Part 15A of the Corporation Tax Act 2009;

DGA Security Agreement means the security agreement entered into in respect of the Film between Chargor, Distributor and Directors Guild of America, Inc.;

Distributor means Domestic Dreams Productions, LLC;

Encumbrance means any mortgage, charge, lien, pledge, assignment, hypothecation or security interest or arrangement having similar effect;

Event of Default means any of the events specified in Schedule 2 attached hereto;

Film means the feature film currently entitled "Mute";

Film Rights means the necessary rights in all underlying material (including without limitation the Screenplay and all music for the Film) to enable the Film to be produced and exploited;

German Co-Producer means Fünfunddreissigste Babelsberg Film GmbH (a company incorporated under the laws of Germany);

Loan Agreement means the loan agreement dated on or about the date hereof between the Chargee and the UK Co-Producer in relation to the Film;

Netflix Agreements means the Loan Agreement, the PDA, this Charge and Deed of Assignment and any security agreements granted in favour of the Chargee and/or the Distributor in respect of the Film;

PDA means the purchase and distribution agreement in relation to the Film between the Distributor, the UK Co-Producer and the German Co-Producer;

Permitted Security Agreements means any charges, security agreements and/or mortgages and assignments of copyright in relation to the Film entered into with the prior written consent of the Chargee (including, without limitation, the SAG Security Agreement and the DGA Security Agreement);

Production Account means the production accounts (in the applicable currency) held in the name of the Chargor at Coutts & Co.;

Rate means LIBOR + 2% per annum;

Receiver means a receiver or administrative receiver (where such an administrative receiver may be appointed) of the Collateral;

Relevant Agreements means the Netflix Agreements, the Commissioning Agreement and any other agreements to which a Relevant Party is a party in relation to the Film;

Relevant Party means the Chargor, the UK Co-Producer, the German Co-Producer and any party to any conditions precedent documentation specified in the Loan Agreement until such party has fulfilled all of its obligations under such conditions precedent documentation as applicable;

Reserved Rights means the right to produce, print, market and sell a comic book series and/or graphic novel based on the Screenplay in any and all languages throughout the world in book form (including without limitation the electronic publication thereof) (and as further described in the publishing agreement by and between Dark Horse Comics, Inc. and Liberty Films Entertainment Limited);

Rights means the following throughout the world for the full period of copyright and thereafter (so far as is possible) in perpetuity (a) all rights to distribute, lease, license, sell or otherwise exploit or deal with the Film in all media (whether now known or hereafter invented or devised) (b) all rights to exhibit and broadcast the Film; (c) the Ancillary Rights; (d) all such other rights in and to the Film or any material on which it is based or which is incorporated in the Film as are needed for the full exploitation of the rights described in (a), (b) and (c) above; and (e) all rights to distribute, lease, license, sell or otherwise exploit or deal with any of the rights referred to above;

SAG Security Agreement means the security agreement entered into in respect of the Film between Chargor, Distributor and Screen Actors Guild-American Federation of Television and Radio Artists;

Screenplay means the original screenplay for the Film written by Duncan Jones and Mike Johnson (as the same has been revised by Damon Peoples, and may be further revised from time to time) and including any and all rights of copyright, patents or Intellectual property rights or other rights of whatsoever nature therein;

Secured Obligations means all rights granted and obligations, money and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to the Chargee by a Relevant Party in relation to the Netflix Agreements or the Film whether actually or contingently, solely or jointly and whether as principal or surety (or guarantor), including any obligations, money and liabilities of a Relevant Party owed to a third party which have been assigned or novated or otherwise vested in the Chargee and whether pursuant to the Netflix Agreements or otherwise;

Security Interests means the security interests granted pursuant to the Permitted Security Agreements;

UK Co-Producer means Liberty Film 2 Limited (Company Number: 10333602);

UK Qualifying Expenditure means expenditure incurred on the pre-production, production and post-production of the Film which satisfies the requirements of Part 15A of the Corporation Tax Act 2009 (as amended from time to time);

UK Tax Credit means the payable cash element constituting a tax credit pursuant to Part 15A of the Corporation Tax Act 2009 receivable by the Chargor in respect of UK Qualifying Expenditure;

UK Tax Credit Amount means the UK Tax Credit payable in respect of the Film;

UK Tax Credit Collateral means the UK Tax Credit Amount, the right to claim and be paid the UK Tax Credit Amount and all other rights and benefits in connection with the UK Tax Credit;

UK Tax Credit Estimated Value means the estimated value of the UK Tax Credit Amount based on the Budget in an amount not less than £1,185,000;

UK Tax Credit Legislation means all legislation and guidance notes relating to the UK Tax Credit including: (a) Part 15A of the Corporation Tax Act 2009 (as inserted by the Finance Act 2013); and (b) The Cultural Test (Programmes and Video Games) Regulations 2013, all as the same may be amended, supplemented and enacted into law; and

UK Tax Credit Repayment Account means such account in the name of the Chargee as notified in writing by the Chargee to the Chargor and into which the UK Tax Credit Amount is to be paid.

SCHEDULE 2

Events of Default

An Event of Default means any of the following:

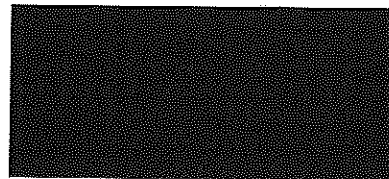
1. any event of default as specified in any of the Netflix Agreements;
2. default shall be made in the payment, satisfaction and/or discharge of the Secured Obligations or any instalment of the Secured Obligations, on the due date and in the currency and at the place in which or at which it is expressed to be payable;
3. any breach, default, failure or refusal or neglect of any Relevant Party to observe or perform any of the material terms of the Relevant Agreements or any amendment to the Relevant Agreements or any event of default occurs pursuant to any of such agreements and/or documents if such breach, default, failure, refusal, neglect, amendment or event of default prejudices the Secured Obligations;
4. if any of the Relevant Agreements shall be terminated or become unenforceable and the Chargee reasonably determines the consequence of which prejudices the Secured Obligations;
5. if it becomes illegal for the parties or any Relevant Party to perform their respective obligations under any of the Relevant Agreements or if any of the Relevant Agreements becomes void, invalid or unenforceable or ceases to be in full force and effect and the Chargee reasonably determines the consequence of which prejudices the Secured Obligations;
6. any consent, authorisation, licence, filing, registration, notarisation or other requirement of any governmental, judicial or public body or authority required or advisable in connection with the execution, delivery, performance, validity, admissibility in evidence or enforceability of the Relevant Agreements or performance by a Relevant Party of its obligations under the Relevant Agreements is modified in a manner unacceptable to the Chargee or is not granted or is revoked or terminated or expires;
7. a material adverse change in the business or financial condition of a Relevant Party or in relation to any person guaranteeing any of the Secured Obligations;
8. any meeting of creditors of a Relevant Party being held or any arrangement or steps being taken by a Relevant Party with a view to proposing or implementing (under any enactment or otherwise) any kind of scheme of arrangement, compromise or composition with or for the benefit of its creditors (including any voluntary arrangement as defined in the Insolvency Act 1986);
9. a trustee, liquidator, provisional liquidator, supervisor, receiver, administrator (in bankruptcy or otherwise), administrative receiver or other encumbrancer taking possession of or being appointed over or any distress, execution or other process being levied or enforced (and not being discharged within seven (7) days) over the whole or any substantial part of the assets of a Relevant Party or the directors or officers of a Relevant Party requesting any person to appoint such a trustee, liquidator, supervisor, receiver, administrator, administrative receiver or other encumbrancer;
10. a Relevant Party ceasing or threatening to cease to carry on business or being or becoming unable to pay its debts within the meaning of section 123 Insolvency Act 1986 (on the basis that, in relation to sections 123(1)(e) and 123(2) Insolvency Act 1986 the words "if it is proved to the satisfaction of the court that" are omitted) or suspending or threatening to suspend making payments with respect to all or any class of its debts;
11. a Relevant Party obtaining a moratorium or other protection from its creditors;
12. a petition being presented, or steps being taken, or a meeting being convened for the purpose of considering a resolution for the making of an administration order, the winding-up, bankruptcy or dissolution of a Relevant Party;

13. an application being presented for the making of an administration order, or there is served on any person a notice of intention to appoint an administrator or any such appointment is made in relation to any Relevant Party, or a meeting being convened for the purpose of considering a resolution for the making of such an application or the service of such a notice;
14. a decision being taken for a Relevant Party to cease to trade or any Relevant Party ceases to trade;
15. any Relevant Party changing or threatening to change the nature or scope of its business, or suspending or threatening to suspend all or a substantial part of its business operations and the Chargee reasonably determines the consequence of which prejudices the Secured Obligations;
16. the taking of a decision without the prior consent of the Chargee by a Relevant Party that the whole or a part of the undertaking or assets of a Relevant Party be sold, transferred or otherwise disposed of (whether or not for full consideration) which the Chargee reasonably determines prejudices the Secured Obligations;
17. any indebtedness or guarantee, indemnity or similar obligation of a Relevant Party which prejudices the Secured Obligations not being paid when due or called upon, or any such indebtedness or obligation being declared due prior to its stated maturity;
18. the occurrence of any event which would result in the crystallisation of any floating charge over the whole or any part of the undertaking and assets of a Relevant Party;
19. any Encumbrance which may affect any assets of any Relevant Party becoming enforceable otherwise than as approved by the Chargee in writing and the Chargee reasonably determines the consequence of which prejudices the Secured Obligations;
20. any Encumbrance or any guarantee or indemnity given by any Relevant Party ceasing to be in full force and effect and the Chargee reasonably determines the consequence of which prejudices the Secured Obligations;
21. the occurrence of any event or the receipt by the Chargee of any information or the coming to the attention of the Chargee of any matter or thing which causes the Chargee to believe that all or any part of the Collateral is in danger of seizure, distress or other legal process or that all or any part of its security is otherwise for any reason in danger;
22. any Relevant Party has a written demand for the payment of sums due served upon it in accordance with section 123(1)(a) Insolvency Act 1986 or otherwise (which is not settled or disputed);
23. any Relevant Party is struck off the register of companies or otherwise ceases to exist;
24. if any event, which is in the opinion of the Chargee analogous to or having a similar effect or result to any of the events described above, shall happen in any jurisdiction to any Relevant Party; and
25. the Chargee determines (in its sole and absolute discretion) that the rights of any Relevant Party with respect to the Collateral are materially adversely affected as a result of any claim and/or claims asserted by any third party.

In Witness whereof this Charge and Deed of Assignment has been entered into the day and year first before written

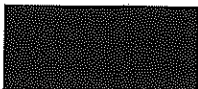
EXECUTED and unconditionally Delivered as a
deed by
FOREIGN DREAMS LIMITED
acting by a director

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in the presence of

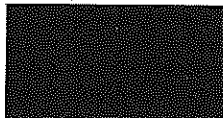
Witness' Signature



Name

Sarah Ruemelin

Address



Occupation

Assistant

Signed for and on behalf of
NETFLIX STUDIOS, LLC
acting by an authorised signatory

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)
)

Authorised Signatory