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COMPANIES FORM No. 395

168727

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Particulars of a mortgage or charge

395

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number

5111

04018752

Name of company

* Kobalt Music Group Limited (the "Chargor")

Date of creation of the charge

22 November 2006

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

A Charge of Contracts (the "Charge")

Amount secured by the mortgage or charge

All the Chargor's liabilities to the Lender of any kind and in any currency (whether present or future, actual or contingent and whether incurred alone or jointly with another) together with the Lender's charges, commission, Interest and Expenses (the "Secured Obligations")

See attached Schedule of Definitions

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

The Royal Bank of Scotland plc (the "Lender") of 4 Abbey Street, Reading

Postcode RG1 3BA

Presentor's name address and reference (if any):
Eversheds LLP
Senator House
85 Queen Victoria Street
London
EC4V 4JL

For official Use (06/2005)

Mortgage Section

Post room



A46 *A9B5HL01* 477
COMPANIES HOUSE 02/12/2006

Time critical reference
2493332 / BARNSLS

Short particulars of all the property mortgaged or charged

Please see appendix 1 attached.

Please do not write in this margin
Please complete legibly, preferably in black type, or bold block lettering

Particulars as to commission allowance or discount (note 3)

Nil

Signed Eversheds LLP. Date 29/11/06

On behalf of ~~XXXXXXXXXXXXXXXXXX~~ (chargee) †

A fee is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)

† delete as appropriate

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
(a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
(b) procuring or agreeing to procure subscriptions, whether absolute or conditional,
for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

Appendix 1

1. Short particulars of all the property mortgaged or charged

1.1 **Grant of security**

The Chargor, as a continuing security for the payment, discharge and performance of the Secured Obligations charges in favour of the Lender, by way of first fixed charge the following assets:

1.1.1 The Charged Contracts;

1.1.2 the Contract Proceeds; and

1.1.3 any monies (including any deposit, advance or instalment payment) payable to the Chargor for or in connection with the disposal (by whatever means and whether or not permitted by the Charge) of the Charged Contracts or any interest in the Charged Contracts.

1.2 The Lender shall be entitled to and is authorised by the Chargor to amend and revise the existing Charged Contracts Schedule and the revised Charged Contracts Schedule (initialled by both the Lender and the Chargor) shall replace the existing Charged Contracts Schedule and shall be regarded as the Charged Contracts Schedule for the purposes of the Charge.

Note:

1.3 **Negative pledge**

During the Security Period, the Chargor must not create, extend or permit to subsist any security over any of the Secured Assets, nor may it enter into any other preferential arrangement having a similar effect:

1.4 **Exceptions**

1.3 above does not apply:

1.4.1 to the security created or required to be created by the Charge;

1.4.2 to the security created or required to be created in favour of the Lender; nor

1.4.3 to any security or transaction to which the Lender has given its written consent.

Schedule of Definitions

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration

"Charged Contracts" means the Incoming Rights Contracts and the Licensing Contracts. Where the context shall so require or permit, any of such Incoming Rights Contracts or Licensing Contracts and the expression **"Charged Contract"** shall also mean any one of such Incoming Rights Contracts or Licensing Contracts

"Charged Contracts Schedule" means Schedule 1 to the Charge as such Schedule may be amended, varied or replaced from time to time

"Contract Party" means any party to a Charged Contract other than the Chargor and if more than one such party shall, where the context so requires, mean any one of them

"Contract Proceeds" means all proceeds of any Charged Contract from time to time in whatever form they may be, including:

- (a) all monies receivable under, arising out of, or evidenced by, any Charged Contract;
- (b) any other rights, titles, benefits or interests (whether present, future, proprietary contractual or otherwise) of the Chargor in, under, arising out of, or evidenced by, any Charged Contract;
- (c) the Chargor's estate or interest in any property the subject of any Charged Contract;
- (d) the benefit of any Authorisation, conveyance, assignment, transfer, lease or licence which may be granted to the Chargor in relation to any Charged Contract, whether or not arising out of an obligation contained in such Charged Contract;
- (e) all claims competent to the Chargor to recover and receive damages or compensation arising out or relating to any breach or termination of any Charged Contract or any Authorisation, conveyance, assignment, transfer, lease or licence referred to in paragraph (d) above; and
- (f) the full benefit of all guarantees, indemnities, bonds, debentures, mortgages, charges or other security given in relation to any Charged Contract or any obligation of any Contract Party arising under any Charged Contract

"Delegate" means any delegate, agent, attorney or trustee appointed by the Lender

"Discharge Date" means the date with effect from which the Lender confirms to the Chargor that all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full and all relevant commitments of the Lender cancelled

"Enforcement Party" means any of the Lender, a Receiver or a Delegate

"Expenses" means: all fees, discounts, commissions and other banking or service charges, legal and other professional fees, premiums, costs or expenses, in each case calculated on a full indemnity basis and together with VAT, incurred by any Enforcement Party in connection with the Secured Assets, the preparation, negotiation and creation of the Charge, taking, perfecting, enforcing or exercising any power under the Charge, the appointment of any Receiver or Delegate, the breach of any provision of the Charge and / or the protection, realisation or enforcement of the Charge, and includes the costs of transferring to the Lender or the Receiver any security ranking in priority to the security constituted by the Charge, or the amount required to be paid to secure the unconditional and irrevocable discharge of such security, or any of the foregoing as the context shall require

"Incoming Rights Contracts" means those contracts or agreements brief particulars of which are set out in Part 1 of the Charged Contracts Schedule, as may be amended or otherwise modified from time to time, together with other contracts or agreements from time to time entered into between the Chargor and other songwriters or owners of rights whereupon the Chargor has been granted exclusive licence over certain copyrights

"Interest" means interest at the rate provided and calculated and compounded as agreed between the Lender and the Chargor from time to time, and if not so agreed, in accordance with the practice of the Lender from time to time both before and after judgement

"Licensing Contracts" means those licensing contracts brief particulars of which are set out in Part 2 of the Charged Contracts Schedule, as may be amended or modified from time to time, together with other licensing contracts from time to time entered into between the Chargor and other users or collectors of music whereupon the Chargor has sub-licensed copyrights that it has been granted exclusive licence pursuant to the Incoming Rights Contracts

"Receiver" means any one or more receivers and managers or (if the Lender so specifies in the relevant appointment) receivers appointed by the Lender pursuant to the Charge in respect of the Chargor or in respect of the Secured Assets or any of them

"Secured Assets" means the assets charged or otherwise the subject of any security created by or pursuant to the Charge and includes any part or parts of such assets

"Security Period" means the period beginning on the date of the Charge and ending on the Discharge Date

"VAT" means value added tax as provided for in the Value Added Taxes Act 1994 and any other tax of a similar fiscal nature

FILE COPY



**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

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

COMPANY No. 04018752

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A CHARGE OF CONTRACTS DATED THE 22nd NOVEMBER 2006 AND CREATED BY KOBALT MUSIC GROUP LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE ROYAL BANK OF SCOTLAND plc ON ANY ACCOUNT WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 2nd DECEMBER 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 8th DECEMBER 2006.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

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