



**Registration of a Charge**

Company name: **ACADEMY MUSIC GROUP LIMITED**

Company number: **03463738**

Received for Electronic Filing: **10/11/2015**



X4JV4CD6

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**Details of Charge**

Date of creation: **02/11/2015**

Charge code: **0346 3738 0024**

Persons entitled: **HSBC BANK PLC (AS SECURITY AGENT)**

Brief description:

**Contains fixed charge(s).**

**Contains negative pledge.**

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**Authentication of Form**

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

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**Authentication of Instrument**

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

Certified by: **PINSENT MASONS LLP**



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

Company number: 3463738

Charge code: 0346 3738 0024

The Registrar of Companies for England and Wales hereby certifies that a charge dated 2nd November 2015 and created by ACADEMY MUSIC GROUP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 10th November 2015 .

Given at Companies House, Cardiff on 11th November 2015

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

**DELIVERED AND EFFECTIVE 2 November 2015**

**(1) THE COMPANIES LISTED IN PART 1 OF THE SCHEDULE  
IN FAVOUR OF  
(2) HSBC BANK PLC**

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**SHARE PLEDGE**  
relating to shares held in Tecjet Limited and ABC3  
Limited

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THIS SHARE PLEDGE is delivered and effective on *2 November* 2015

BY:-

- (1) **THE COMPANIES LISTED IN PART 1 OF THE SCHEDULE** (each a "Pledgor" and together the "Pledgors");

IN FAVOUR OF:-

- (2) **HSBC BANK PLC** as security agent for the Secured Parties (in such capacity the "Security Agent").

IT IS AGREED as follows:-

1. **INTERPRETATION**

1.1 In this Security and the recitals hereto:-

1.1.1 terms defined in, or construed for the purposes of, the Senior Facilities Agreement (as defined below) having the same meanings when used in this Security unless the same are otherwise defined in this Security); and

1.1.2 at all times the following terms have the following meanings:

<b>"Additional Shares"</b>	means any shares in any Company other than the Existing Shares including any such shares comprised in Related Rights, at any time hereafter beneficially owned by a Pledgor
<b>"Companies"</b>	means each of the companies listed in part 2 of the Schedule and "Company" shall be construed accordingly
<b>"Declared Default"</b>	means an Event of Default in respect of which any notice has been issued or rights exercised by the Agent under clause 25.18 ( <i>Acceleration</i> ) of the Senior Facilities Agreement
<b>"Default Rate"</b>	means the rate of interest determined in accordance with clause 11.3 ( <i>Default interest</i> ) of the Senior Facilities Agreement
<b>"Existing Shares"</b>	means the shares of each of the Companies beneficially owned by each Pledgor as specified in part 3 of the Schedule
<b>"Pledged Assets"</b>	means the Existing Shares, the Additional Shares and the Related Rights
<b>"Related Rights"</b>	means all dividends, interest, distributions and other rights of whatever nature now or hereafter payable on or arising or accruing in respect of the Shares including, without limiting that generality, all shares or other securities (and dividends, interest, distributions and other rights relating thereto) offered or otherwise arising or accruing by way of redemption, bonus, substitution, exchange

	or otherwise in respect of the Shares
<b>"Schedule"</b>	means the Schedule in three parts annexed as relative to this Security
<b>"Secured Obligations"</b>	means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of each present or future member of the Group to the Security Agent and/or the other Secured Parties (or any of them), including but not limited to under or pursuant to any Finance Document and monies covenanted to be paid under this Security
<b>"Security"</b>	means these presents, (including the Schedule) as amended or supplemented from time to time
<b>"Security Period"</b>	means the period beginning on the date of this Security and ending on the date on which:- <ul style="list-style-type: none"> <li>(a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full; and</li> <li>(b) no Secured Party has any further commitment, obligation or liability pursuant to the Finance Documents</li> </ul>
<b>"Senior Facilities Agreement"</b>	means the senior facilities agreement dated on or around the date of this Security and made between (1) Academy Music Holdings Limited as the Company (2) the companies listed in part 1 of schedule 1 thereto as Original Borrowers, (3) the companies listed in part 1 of schedule 1 thereto as Original Guarantors, (4) HSBC Bank plc as Arranger, (5) the financial institutions listed in part 2 of schedule 1 thereto as Original Lenders, (6) the persons listed in part 3 of schedule 1 thereto as Original Hedge Counterparties, (7) HSBC Bank plc as Agent and (8) HSBC Bank plc as Security Agent as amended or restated from time to time
<b>"Shares"</b>	means the Existing Shares and the Additional Shares

## 1.2 Interpretation

- 1.2.1 Unless a contrary indication appears, in this Security the provisions of clause 1.2 (*Construction*) of the Senior Facilities Agreement (other than clause 1.2.4) apply to this Security as though they were set out in full in this Security, except that references to "this Agreement" will be construed as references to this Security.
- 1.2.2 Unless a contrary indication appears, any reference in this Security to:-
- (a) a "**Pledgor**", the "**Security Agent**" or any other "**Secured Party**" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the

case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;

- (b) **"this Security"**, the **"Senior Facilities Agreement"**, any other **"Finance Document"** or any other agreement or instrument is a reference to this Security, the Senior Facilities Agreement, that other Finance Document or that other agreement or instrument as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the obligations of any member of the Group or provides for further advances); and
- (c) **"Secured Obligations"** includes obligations and liabilities which would be treated as such but for the liquidation, administration or dissolution of or similar event affecting any member of the Group.

1.2.3 Each undertaking of a Pledgor (other than a payment obligation) contained in this Security:-

- (a) must be complied with at all times during the Security Period; and
- (b) is given by such Pledgor for the benefit of the Security Agent and each other Secured Party.

1.2.4 If the Security Agent or the Agent reasonably considers that an amount paid by any member of the Group to a Secured Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of such member of the Group, then that amount shall not be considered to have been irrevocably paid for the purposes of this Security.

1.2.5 The Security Agent holds the benefit of this Security on trust for the Secured Parties in accordance with their respective rights under the Finance Documents and upon and subject to the terms of clause 14 of the Intercreditor Agreement.

1.2.6 The Security Agent shall exercise its rights and powers under and pursuant hereto and by virtue of the holding of any security by it or its nominee and exercise any and all discretion arising therefrom only on the instructions of the Senior Agent (as defined in the Intercreditor Agreement) in accordance with the Intercreditor Agreement.

### 1.3 **Headings**

The table of contents and the headings in this Security are included for convenience only and shall be ignored in construing this Security.

### 1.4 **Conflict**

If there is any conflict between the provisions of this Security and the provisions of the Senior Facilities Agreement, the provisions of the Senior Facilities Agreement shall prevail.

## 2. **SECURITY**

### 2.1 **Payment**

Each Pledgor undertakes to the Security Agent that it will pay and discharge the Secured Obligations from time to time when they fall due.

## 2.2 Security

In security for the payment and discharge of the Secured Obligations each Pledgor hereby:-

- 2.2.1 pledges and assigns the Existing Shares and Related Rights to which it is entitled at the date hereof to the Security Agent on the terms and conditions specified in this Security; and
- 2.2.2 undertakes to pledge and assign any Additional Shares and Related Rights to which it becomes entitled after the date hereof to the Security Agent in accordance with the provisions of this Security.

## 2.3 Transfer

In respect of Shares held in certificated form:-

- 2.3.1 immediately on execution of this Security, the Pledgors shall deliver to the Security Agent a valid executed transfer or transfers of all Existing Shares so held in favour of the Security Agent or its nominee, together with the relevant share certificate(s) and procure the registration of such Existing Shares in name of the Security Agent or its nominee in accordance with the articles of association of each Company;
- 2.3.2 as soon as practicable thereafter, the Pledgor shall exhibit evidence satisfactory to the Security Agent that the transfer of such Existing Shares to the Security Agent or its nominee has been approved by the board of directors of each of the Companies and/or registered in accordance with the articles of association, and deliver or procure the delivery to the Security Agent share certificates in name of the Security Agent or its nominee in respect of such Existing Shares;
- 2.3.3 if the Pledgor becomes entitled to or acquires any Additional Shares so held, it shall promptly notify the Security Agent and immediately on request by the Security Agent transfer them to the Security Agent or its nominee in accordance, *mutatis mutandis*, with the preceding provisions of this Clause 2.3;
- 2.3.4 without prejudice to the provisions of Chapter 25 of the Companies Act 2006, this Security shall be deemed not to have been completed until Clauses 2.3.1 and 2.3.2 have been complied with to the satisfaction of the Security Agent.

## 2.4 Prohibition of other securities etc

Save as otherwise provided in the Intercreditor Agreement or the Senior Facilities Agreement or unless the Security Agent otherwise agrees in writing, no Pledgor shall assign or create or permit any form of security, charge or encumbrance to arise over or otherwise deal with the Pledged Assets or any part thereof until the Secured Obligations have been fully and unconditionally paid or discharged.

## 3. PROTECTION OF SECURITY

### 3.1 Continuing security

This Security shall be a continuing security notwithstanding any intermediate payment or satisfaction of the Secured Obligations and shall remain in force until the Secured Obligations have been fully and unconditionally paid and discharged.



### 3.2 **No prejudice**

This Security shall be in addition to and independent of and shall not in any way prejudice or be prejudiced by any other security, right or remedy which the Security Agent may now or at any time hereafter hold for all or any part of the Secured Obligations.

### 3.3 **Non impairment**

Each Pledgor agrees that none of its obligations or the Security Agent's rights, powers and discretions under this Security shall be reduced, discharged or otherwise adversely affected by:-

- 3.3.1 any variation, extension, discharge, compromise, dealing with, exchange or renewal of any security or any right or remedy which the Security Agent may have now or in the future from or against such Pledgor or any other person in respect of any of the Secured Obligations; or
- 3.3.2 any failure, act or omission by the Security Agent or any other person in taking up, perfecting or enforcing any security or guarantee from or against such Pledgor or any other person in respect of the Secured Obligations; or
- 3.3.3 any increase in or waiver or discharge of any of the Secured Obligations or any termination, amendment, variation, supplement, restatement, novation or replacement of the Senior Facilities Agreement or any other Finance Document; or
- 3.3.4 any grant of time, indulgence, waiver or concession to such Pledgor or any other person; or
- 3.3.5 any of the administration, receivership, liquidation, winding-up, insolvency, bankruptcy, incapacity, limitation, disability, discharge by operation of law or any change in the constitution, name or style of the Pledgor or any other person; or
- 3.3.6 any invalidity, illegality, unenforceability, irregularity or frustration of the Secured Obligations; or
- 3.3.7 any renumbering, re-designation, subdivision, consolidation, alteration or variation of the Shares; or
- 3.3.8 anything done or omitted to be done by the Security Agent or any other person which but for this provision might operate to exonerate or discharge or otherwise reduce or extinguish the liability of such Pledgor under this Security.

### 3.4 **Further assurance**

Each Pledgor shall, at its own expense, promptly do all such acts and things and execute and deliver all such documents as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require) for perfecting or protecting the security created by or pursuant to this Security in respect of the Pledged Assets or its priority or for facilitating the realisation or application of the Pledged Assets and the exercise of the rights, powers and discretions conferred on the Security Agent under this Security.

### 3.5 **New accounts**

At any time after the Security Agent has received or is deemed to be affected by notice (whether actual or constructive) of the creation of any subsequent security

charge or encumbrance over or affecting any part of the Pledged Assets or the proceeds of realisation the Security Agent may open a new account or accounts with the Agent in the name of the Pledgors. If the Security Agent does not open a new account or accounts it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received such notice and as from that time all payments made to the Security Agent shall be credited or be treated as having been credited to the new account and shall not operate to reduce the amount covered by this Security.

#### 4. **POWER OF ATTORNEY**

Each Pledgor, by way of security, irrevocably and severally appoints the Security Agent to be its attorney to take any action which such Pledgor is obliged to take under this Security but which it has failed to take following a Declared Default, including under clause 3.4 (*Further assurance*). Each Pledgor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.

#### 5. **REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

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

Each Pledgor represents and warrants to the Security Agent that:-

- 5.1.1 it is the absolute unencumbered beneficial owner of the Existing Shares and Related Rights in respect thereof;
- 5.1.2 it has not save as otherwise provided in the Intercreditor Agreement granted or created any other security, charge or encumbrance, over or any option, right of pre-emption, warrant or other right to subscribe for, purchase or otherwise acquire the Pledged Assets or any interest therein, or agreed, conditionally or unconditionally, to do so save for any security in favour of the Security Agent;
- 5.1.3 the Existing Shares are fully paid; and
- 5.1.4 the information contained in the Schedule is complete and accurate in all respects.

##### 5.2 **Undertakings**

Each Pledgor undertakes to the Security Agent that it shall:-

- 5.2.1 not save as otherwise provided in the Intercreditor Agreement or permitted in the Senior Facilities Agreement sell, transfer, lend or otherwise dispose of, or grant or create any option, right of pre-emption, warrant or other right to subscribe for, purchase or otherwise acquire, the Pledged Assets or any interest therein or agree, conditionally or unconditionally, to do so;
- 5.2.2 not take or omit to take any action which would prejudice the security constituted pursuant to this Security or impair the value of the Pledged Assets and shall, at its own cost, promptly take all action which is at any time necessary to protect the value of the interests of such Pledgor and the Security Agent in the Pledged Assets;
- 5.2.3 not, save in accordance with paragraph 5.2.4 below, vary or abrogate any of the rights attached to the Pledged Assets or take or omit to take any action which would have that result; and
- 5.2.4 take such action as the Security Agent may reasonably request in respect of any proposed consolidation, subdivision, reorganisation, arrangement,

conversion, exchange, repayment or takeover offer affecting or relating to the Pledged Assets or any of them or any proposal made for varying or abrogating any rights attaching to the Pledged Assets or any of them.

## 6. THE SHARES

### 6.1

- 6.1.1 Each Pledgor shall be entitled to exercise the voting rights attaching to the Shares subject to and in accordance with the provisions of clauses 6.1.2 to 6.1.4 below. Otherwise, such voting rights may be exercised by the Security Agent as instructed by the Senior Agent as defined in the Intercreditor Agreement.
- 6.1.2 No Pledgor shall be entitled to exercise the voting rights attaching to the Shares if Declared Default has occurred (and for so long as an Event of Default is continuing).
- 6.1.3 No Pledgor shall be entitled without the Security Agent's written consent to exercise the voting rights attaching to the Shares in favour of any resolution for any of the following purposes:-
- (a) the alteration of the memorandum or articles of association of any Company in a way which would materially prejudice this Security or adversely affect the interests of the Secured Parties;
  - (b) the issue of any shares in any Company;
  - (c) the purchase or redemption by any Company of any of its own shares or such Company's giving financial assistance for the purpose of the acquisition of shares in such Company or its holding company;
  - (d) the reduction of the share capital of any Company;
  - (e) the winding up of any Company or the approval of any voluntary arrangement in relation to it; or
  - (f) any other matter which in the Security Agent's reasonable opinion might prejudice this Security or adversely affect the value of the Pledged Assets to a material extent.
- 6.1.4 The Security Agent may appoint or procure the appointment of a Pledgor as its proxy in respect of the Shares in accordance with the provisions of this clause but any such appointment shall notwithstanding any express or implied term to the contrary) terminate and cease to have effect on the occurrence of an Event of Default which is continuing and in relation to any matter falling within any of the provisions of clause 6.1.3.

### 6.2 Dividends etc

- 6.2.1 Unless a Declared Default has occurred, the relevant Pledgor shall be entitled to receive, retain and dispose of all dividends, interest and other distributions paid in respect of the Shares as permitted pursuant to the terms of the Senior Facilities Agreement and the Security Agent shall if so requested by such Pledgor complete and deliver an appropriate dividend mandate or mandates in connection therewith.
- 6.2.2 After the occurrence of a Declared Default (and for so long as an Event of Default is continuing), the Security Agent may retain all such dividends,

interest and distributions and apply them in or towards settlement of the Secured Obligations on the same basis as proceeds under clause 7 (*Enforcement*). If any Pledgor or any person on its behalf receives or obtains the benefit of any such dividends, interest or distributions after a Declared Default has occurred (or while an Event of Default is continuing) it shall immediately pay over and account for the same to the Security Agent.

6.2.3 The Security Agent shall promptly pass on to the relevant Pledgor all notices or other communications (or a copy thereof) it may receive from any Company in relation to the Shares but shall not be liable for any failure to do so save in respect of gross negligence or wilful misconduct.

6.2.4 Without prejudice to clause 2.3.3, any shares or other securities comprised in Related Rights shall be issued to and registered in the name of the Security Agent or its nominee, failing which the relevant Pledgor shall forthwith transfer them to the Security Agent or its nominee in accordance with clause 2.3.4.

### 6.3 **Calls etc**

Each Pledgor shall promptly pay any calls which may be made or meet any other obligations arising in respect of the Shares, failing which the Security Agent may (but shall not be obliged to) make the relevant payments or meet such obligations, the amount of which shall be repayable by any Pledgor on demand, together with interest at the Default Rate from the date of demand until settlement and shall constitute Secured Obligations.

## 7. **ENFORCEMENT**

### 7.1 **Powers**

At any time after the occurrence of a Declared Default, the Security Agent shall be entitled, without notice to the Pledgor, either in its own name or in the name of the Pledgor or otherwise and in such manner and upon such terms and conditions as it thinks fit:-

7.1.1 to sell, transfer, assign or otherwise dispose of the Pledged Assets by public or private sale with or without advertisement in such manner and on such terms and conditions as the Security Agent may consider expedient, and apply the proceeds in or towards satisfaction of, or retain them as continuing security for, the Secured Obligations; and

7.1.2 generally, without prejudice to the other provisions of this clause, to exercise all the rights powers and discretions in respect of the Pledged Assets it would be entitled to exercise if it were the absolute owner of the Pledged Assets, and to do all acts and things it may consider necessary or expedient for the realisation of the Pledged Assets and the application of the proceeds in or towards settlement of, or their retention as continuing security for, the Secured Obligations, or as may be incidental to the exercise of any of the rights, powers and discretions conferred on the Security Agent under this Security.

### 7.2 **Application of proceeds**

All monies realised or otherwise arising from the enforcement of this Security shall subject to clause 7.3 (*Monies on suspense account*) be applied by the Security Agent in or towards settlement of the Secured Obligations in accordance with the terms and provisions of the Intercreditor Agreement and any surplus shall be paid to the relevant Pledgor or any other person entitled thereto.

### **7.3 Monies on suspense account**

Nothing in this Security shall limit the right of the Security Agent (and each Pledgor acknowledges that the Security Agent is so entitled) if and for so long as the Security Agent in its discretion shall consider it appropriate, to place all or any monies arising from the enforcement of this Security into a suspense account or accounts (which may be with the Security Agent), without any obligation to apply the same or any part thereof in or toward the discharge of the Secured Obligations.

### **7.4 Balance**

The rights powers and discretions conferred on the Security Agent under this clause are subject only to its obligation to account to the Pledgor for any balance of the Pledged Assets or their proceeds remaining in its hands after the Secured Obligations have been fully and unconditionally paid and discharged.

### **7.5 Third parties**

7.5.1 No purchaser from or other person dealing with the Security Agent in relation to the Pledged Assets shall be concerned to enquire whether any of the powers exercised or purported to be exercised by it hereunder has become exercisable, whether any of the Secured Obligations remains outstanding, or generally as to the propriety or validity of the exercise or purported exercise of any power hereunder.

7.5.2 The receipt or discharge of the Security Agent shall be an absolute discharge to any purchaser or other person dealing with the Security Agent in relation to the Pledged Assets and any such purchaser or third party shall not have any obligation to enquire after or see to the application of any payments made by it to the Security Agent or at its direction.

## **8. RELEASE**

### **8.1 Release upon expiry of Security Period**

Upon the expiry of the Security Period (but not otherwise) the Security Agent shall, at the request and cost of the Pledgors, take whatever action is necessary to release (without recourse or warranty) the Pledged Assets from this Security.

### **8.2 Reinstatement**

Where any release (whether in respect of the obligations of any Pledgor or any security for those 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 restored on insolvency, liquidation or otherwise (without limitation), the liability of the Pledgors under this Security shall continue as if the discharge or arrangement had not occurred. The Security Agent may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

## **9. LIABILITY OF SECURITY AGENT**

9.1 The Security Agent shall not in any circumstances be liable to the Pledgors or any other person for any losses, damages, liabilities or expenses arising from or in connection with the application or enforcement of this Security or any realisation, appropriation or application of the Pledged Assets or from any act, default or omission of the Security Agent, or its officers, employees or agents in relation to the Pledged Assets or otherwise in connection with this Security, except to the extent caused by the gross negligence or wilful misconduct of the Security Agent or its officers, employees or agents.

9.2 The Security Agent is not obliged to do any of the following in respect of any Pledged Asset:-

9.2.1 perform any obligation of any Pledgor;

9.2.2 make any payment;

9.2.3 make any enquiry as to the nature or sufficiency of any payment received by it or any Pledgor;

9.2.4 present or file any claim or take any other action to collect or enforce the payment of any amount to which it or any Pledgor may be entitled; or

9.2.5 exercise any rights to which it or any Pledgor may be entitled.

## 10. MISCELLANEOUS

### 10.1 Non compliance by a Pledgor

If any Pledgor fails to make any payment or fulfil any obligation due by it under or pursuant to this Security, the Security Agent shall be entitled to do so on its behalf and in its name (or in its own name as it considers expedient) and/or to take such action to remedy or mitigate the consequences of such failure as it considers expedient, and the amount of any such payment and/or the costs incurred in fulfilling such obligation or mitigating the consequences of such failure, shall be repayable by such Pledgor on demand, together with interest at the Default Rate from the date of demand until settlement and shall constitute Secured Obligations.

### 10.2 Currency Conversion

All monies received or held by the Security Agent under this Security may be converted from their existing currency into such other currency as the Security Agent considers necessary or desirable to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Agent's Spot Rate of Exchange. Each Pledgor shall indemnify the Security Agent against all costs, charges and expenses incurred in relation to such conversion. The Security Agent shall not have any liability to any Pledgor in respect of any loss resulting from any fluctuation in exchange rates after any such conversions.

### 10.3 Assignment

10.3.1 No Pledgor may assign any of its rights or obligations under this Security.

10.3.2 The Security Agent may assign or transfer all or any part of its rights under this Security pursuant to the resignation or removal of the Security Agent in accordance with the Intercreditor Agreement. Each Pledgor shall, immediately upon being requested to do so by the Security Agent, enter into such documents as may be necessary or desirable to effect such assignment or transfer.

### 10.4 Entire agreement

This Security constitutes the entire agreement and understanding of the parties and supersedes any previous agreement between the parties relating to the subject matter of this Security.

### 10.5 Non-reliance

Each of the parties acknowledges and agrees that in entering into this Security it does not rely on, and shall have no remedy in respect of, any statement, representation,

warranty or undertaking (whether negligently or innocently made) of any person (whether a party to this Security or not) other than as expressly set out in this Security.

10.6 **Expense**

Each Pledgor shall indemnify the Security Agent on demand against all liabilities, costs, charges and expenses properly and reasonably incurred by the Security Agent including the fees and expenses of any legal advisers employed by the Security Agent and where appropriate any VAT) in connection with the preparation and execution of this Security (and any further security taken by the Security Agent hereunder) and the enforcement or preservation of the Security Agent's rights under this Security together with interest at the Default Rate from the date of demand until settlement and the amount thereof shall be a Secured Obligation.

11. **NOTICES**

11.1 Clause 34 of the Senior Facilities Agreement (*Notices*) other than clauses 34.3.3, 34.5 (*Electronic communication*) and 34.6 (*Use of websites*)) is incorporated into this Security *mutatis mutandis* as if fully set out in this Security; and

11.2 the address and fax numbers of each party for all communications or documents given under or in connection with this Security are those identified with its name in the execution pages to this Security or subsequently notified from time to time by the relevant party for the purposes of the Senior Facilities Agreement or this Security.

12. **COUNTERPARTS, DELIVERY ETC**

12.1 This Security may be executed in any number of counterparts and by each party on a separate counterpart.

12.2 Where this Security is executed in counterparts:

12.2.1 it shall not take effect until all counterparts have been delivered;

12.2.2 all counterparts shall be held as undelivered until the parties agree the date on which they are to be treated as delivered;

12.2.3 such date of delivery shall be inserted in the blank space provided for that purpose on page 1 of this Security.

13. **GOVERNING LAW**

This Security shall be governed by and construed in accordance with the law of Scotland and in so far as not already subject thereto the parties irrevocably submit to the jurisdiction of the Scottish Courts.

**IN WITNESS WHEREOF** these presents consisting of this and the preceding 11 pages and the Schedule of three parts are executed in counterpart as follows:-

**SUBSCRIBED** for and on behalf of

**ABC 3 LIMITED**

at *London*  
on the *21<sup>st</sup>* day  
of *Oct* 2015  
by

[Redacted Signature]

..... Director

*James Hardy*  
..... Full name

Before this witness

[Redacted Signature]

..... Witness

*JOSEPH MCKECHNIE*..... Full name

[Redacted Address]

..... Address

**SUBSCRIBED** for and on behalf of  
**ACADEMY MUSIC GROUP LIMITED**

at *London*  
on the *21<sup>st</sup>* day  
of *Oct* 2015  
by

[Redacted Signature]

..... Director

*James Hardy*  
..... Full name

Before this witness

[Redacted Signature]

..... Witness

*JOSEPH MCKECHNIE*..... Full name

[Redacted Address]

..... Address



**SCHEDULE 1**

**PART 1**

**THE PLEDGORS**

This is the Schedule referred to in the foregoing Share Pledge by ABC3 Limited and Academy Music Group Limited in favour of HSBC Bank plc as Security Agent

Name of Pledgor	Registration number and jurisdiction of incorporation
Academy Music Group Limited	<del>346375</del> , England and Wales 3463738
ABC3 Limited	SC296144, Scotland

*on sheet ABCB LTD*  
*on behalf of ABC3*

**PART 2**

**THE COMPANIES**

Name of Company	Registration number and jurisdiction of incorporation
Tecjet Limited	SC253459, Scotland
ABC3 Limited	SC296144, Scotland

**PART 3**

**THE EXISTING SHARES**

Name of Company and Registered Number	Authorised Share Capital	Issued Share Capital	Class and nominal value of Existing Shares	Name of Shareholder and Registered Number	Number of Existing Shares held by Shareholder
Tecjet Limited (SC253459)	10,000,000 Ordinary Shares of £0.01	7,000,000 Ordinary Shares of £0.01	Ordinary Share of £0.01	ABC3 Limited (SC296144)	3,675,000
Tecjet Limited (SC253459)	10,000,000 Ordinary Shares of £0.01	7,000,000 Ordinary Shares of £0.01	Ordinary Share of £0.01	Academy Music Group Limited (03463738)	1,750,000
ABC3 Limited (SC296144)	100 Ordinary Shares of £1.00	100 Ordinary Shares of £1.00	Ordinary Share of £1.00	Academy Music Group Limited (03463738)	100