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# MG01

## Particulars of a mortgage or charge

**5**

### Mortgagee(s) or person(s) entitled to the charge (if any)

Please give the name and address of the mortgagee(s) or person(s) entitled to the charge

Name

General Electric Capital Corporation

Address

10 Riverview Drive

Danbury, United States of America

Postcode

C T 0 6 8 1 0

Name

Address

Postcode

**Continuation page**

Please use a continuation page if you need to enter more details

**6**

### Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

**Continuation page**

Please use a continuation page if you need to enter more details

Short particulars

Pursuant to Clause 3.1 of the Deed the Company assigned by way of first fixed continuing mortgage to and in favour of the Agent for the payment and discharge of the Secured Amounts all its right, title, interest and benefit from time to time, present and future, in, to, under and in respect of each of all Specific Insurances.

Pursuant to Clause 3.2 of the Deed the Company charged by way of first fixed continuing security to and in favour of the Agent for the payment and discharge of the Secured Amounts all its right, title, interest and benefit from time to time, present and future, in, to and in respect of each of the following.

(a) all present and future Book Debts and all its other present and future negotiable instruments,

(b) all Specific Bank Accounts,

(c) all present and future Equipment,

(d) all present and future Insurances except to the extent effectively charged or assigned under Clause 3 1 of the Deed,

(e) all present and future Intellectual Property Rights; and

(f) all its present and future goodwill, present and future uncalled capital (if any) and the benefit of all present and future licences, consents and authorisations (statutory or otherwise) held or to be held by it in connection with its business or the use of any Charged Assets (but excluding any licence requiring the licensor's consent to the creation of Security Interests under the Deed if such consent has not been obtained) and the right to receive all compensation payable in respect thereof

Pursuant to Clause 3.3 of the Deed the Company charged by way of first floating charge and by way of further continuing security to and in favour of the Agent for the discharge and payment of the Secured Amounts all its right, title, interest and benefit from time to time, present and future, in, to, under and in respect of all its Assets (including all

Continued on Continuation Page No. 1 to Section 6 (Short particulars of all the property mortgaged or charged) of this Form MG01.

# MG01

## Particulars of a mortgage or charge

<b>7</b>	<b>Particulars as to commission, allowance or discount (if any)</b>	
	<p>Please insert the amount or rate percent of any commission, allowance or discount paid or made either directly or indirectly by the company to any person on consideration of his</p> <ul style="list-style-type: none"><li>- subscribing or agreeing to subscribe, whether absolutely or conditionally, or</li><li>- procuring or agreeing to procure subscriptions, whether absolute or conditional,</li></ul> <p>for any debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered</p>	
Commission allowance or discount	Nil	
<b>8</b>	<b>Delivery of instrument</b>	
	<p>You must deliver the original instrument (if any) creating or evidencing the charge and these prescribed particulars to the Registrar of Companies within 21 days after the date of creation of the charge (section 860). If the property is situated and the charge was created outside the United Kingdom (UK), you must deliver the information to the Registrar within 21 days after the date on which the instrument could have been received in the UK in the normal course of post and assuming you had posted it promptly (section 870).</p> <p>We will accept a verified copy of the instrument creating the charge where the property charged is situated and the charge was created outside the UK (section 866). The company or the person who has delivered the copy to the Registrar must verify it to be a correct copy and sign it. Where a body corporate gives the verification, an officer of that body must sign it. We will also accept a verified copy where section 867(2) applies (property situated in another part of UK).</p>	
<b>9</b>	<b>Signature</b>	
	Please sign the form here	
Signature	<p>Signature</p> <p>× <i>Sidley Austin LLP</i> ×</p>	
	This form must be signed by a person with an interest in the registration of the charge	

# MG01

## Particulars of a mortgage or charge



### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form and will establish where we return the original documents. The contact information you give will be visible to searchers of the public record.

Contact name

Victor Aberg

Company name

Sidley Austin LLP

Address

Woolgate Exchange

25 Basinghall Street

Post town

London

County/Region

Postcode

EC2V 5HA

Country

United Kingdom

DX

DX 580 London City

Telephone

0207 360 3600



### Certificate

We will send your certificate to the presenter's address if given above or to the Company's Registered Office if you have left the presenter's information blank.



### Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☐ The company name and number match the information held on the public Register
- ☐ You have included the original deed with this form
- ☐ You have entered the date the charge was created
- ☐ You have supplied the description of the instrument
- ☐ You have given details of the amount secured by the mortgagee or chargee
- ☐ You have given details of the mortgagee(s) or person(s) entitled to the charge
- ☐ You have entered the short particulars of all the property mortgaged or charged
- ☐ You have signed the form
- ☐ You have enclosed the correct fee



### Important information

Please note that all information on this form will appear on the public record.



### How to pay

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

Make cheques or postal orders payable to 'Companies House'



### Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the appropriate address below

**For companies registered in England and Wales**  
The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ  
DX 33050 Cardiff

**For companies registered in Scotland**  
The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post)

**For companies registered in Northern Ireland.**  
The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG  
DX 481 N R Belfast 1



### Further information

For further information, please see the guidance notes on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

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Particulars of a mortgage or charge



6	<b>Short particulars of all the property mortgaged or charged</b>	
	Please give the short particulars of the property mortgaged or charged	
Short particulars	<p><b>Sotheby's Financial Services Limited, Company Number 00597920</b></p> <p><b>Continuation Page No 1</b></p> <p>stock in trade), including any expressed to be charged by Clauses 3 1 or 3 2 of the Deed The floating charge created by Clause 3.3 of the Deed shall rank behind all the fixed Security Interests created by or pursuant to the Deed to the extent that they are valid and effective as fixed Security Interests but shall rank in priority to any other Security Interests created by the Company after the date of the Deed (except for Permitted Encumbrances which would rank in priority to the floating charge created by Clause 3 3 of the Deed created in favour of the Agent by operation of law).</p> <p>Pursuant to Clause 3 4 of the Deed, notwithstanding Clauses 3.1, 3.2 or 3 3 of the Deed, there shall be excluded from the Charges set out in Clause 3 2 of the Deed (and from the definition of "Fixed Charged Assets") each Work of Art that has been consigned to the Company, until such time as the Company obtains title to such Work of Art, and the proceeds of any such Work of Art to the extent such proceeds are payable by the Company to the applicable consignor</p> <p>Pursuant to Clause 3 5 of the Deed each mortgage, assignment, charge or other disposition in favour of the Agent referred to in Clauses 3 1, 3 2 or 3 3 of the Deed is made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, subject as follows The covenant set out in section 3(1) of the Law of Property (Miscellaneous Provisions) Act 1994 shall not extend to.</p> <p>(a) any charges, encumbrances or rights which the Company does not and could not reasonably be expected to know about,</p> <p>(b) any liabilities imposed and rights conferred by or under any enactment, whether or not such liabilities are, by reason of</p> <p>(i) being, at the time of the disposition, only potential liabilities and rights in relation to the property, or</p> <p>(ii) being liabilities and rights imposed or conferred in relation to property generally,</p> <p>not such as to constitute defects in title; and</p> <p>(c) anything (other than any particular matter to which such mortgage, assignment, charge or other disposition is by any other provision of the Deed expressly made subject) which at the time of creation of the Security Interest in question is within the actual knowledge, or which is a necessary consequence of facts that are then within the actual knowledge, of the Agent</p> <p><b>Negative pledge</b></p> <p>Pursuant to Clause 6 2 of the Deed the Company shall not, save with the prior written consent of the Agent or as permitted by the Deed or the Credit Agreement</p> <p>(a) create or permit to subsist any Security Interest on or affecting</p> <p><b>Continued on Continuation Page No 2 to Section 6 (Short particulars of all the property mortgaged or charged) of this Form MG01</b></p>	

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Particulars of a mortgage or charge



6	<b>Short particulars of all the property mortgaged or charged</b>
	Please give the short particulars of the property mortgaged or charged
Short particulars	<p><b><u>Sotheby's Financial Services Limited, Company Number: 00597920</u></b></p> <p><b><u>Continuation Page No. 2</u></b></p> <p>the whole or any part of the Assets including the Charged Assets, except for the Charges, the Existing Security and any Permitted Encumbrances; (b) either by a single transaction or a series of transactions whether related or not and whether voluntarily or involuntarily, sell, factor, discount, transfer, assign, lease, hire out, licence, lend, part with, permit the use by another person of, grant any option or present or future right to acquire, create any interest in or otherwise dispose of or agree or purport to deal with or dispose of any of the Charged Assets (other than any such dealings or disposals as permitted by the Credit Agreement) or permit any of the foregoing to occur, save that until any Enforcement Event occurs or the floating charge created by the Deed is converted into a fixed charge as regards the Assets concerned the Company may (subject to the provisions of the Credit Agreement) in the ordinary course of its business dispose of such Assets as are not at the relevant time subject or expressed to be subject to any fixed security If a Charged Asset is disposed of in accordance with the terms of the Loan Documents, such Asset shall be automatically released from the Fixed Charge on that disposal being made.</p> <p><b>Further Assurance</b></p> <p>Pursuant to Clause 11.1 of the Deed the Company covenants at any time and from time to time, on being required to do so by the Agent, at the cost of the Company to do and execute or procure to be done and executed all acts, deeds, documents and things, in each case in form reasonably satisfactory to the Agent or the Receiver (as the case may be), and as the Agent or the Receiver may specify:</p> <p>(a) at any time, with a view to perfecting, improving, repairing, preserving or protecting any Charges or their priority or otherwise with a view to providing more effectively to the Agent Security Interests (whether legal or equitable and whether under the laws of England and Wales or another jurisdiction or otherwise) for the Secured Amounts or otherwise to provide more effectively to the Agent the full benefit of the rights conferred on it by the Deed or of the Security Interests created or intended to be created by or pursuant to the Deed or otherwise with a view to giving full effect to the provisions of the Deed (including executing and delivering such further or other mortgages, assignments, transfers, charges, notices or other documents, whether to the Agent or its nominees or to any other person, in relation to any Charged Assets as the Agent may specify whether generally or specifically), or</p> <p>(b) after the occurrence and during the continuation of an Enforcement Event, with a view to facilitating the realisation of the Charged Assets or the exercise, or the proposed exercise, of any of the other rights of the Agent or the Receiver (as the case may be)</p> <p><b>Continued on Continuation Page No 3 to Section 6 (Short particulars of all the property mortgaged or charged) of this Form MG01.</b></p>

# MG01 - continuation page

Particulars of a mortgage or charge



6	<b>Short particulars of all the property mortgaged or charged</b>
	Please give the short particulars of the property mortgaged or charged
Short particulars	<p><b><u>Sotheby's Financial Services Limited, Company Number 00597920</u></b></p> <p><b><u>Continuation Page No. 3</u></b></p> <p style="text-align: center;"><b><u>Definitions used in this Form MG01</u></b></p> <p>"<b>Account Debtor</b>" means any Person who may become obligated to any Sotheby Entity under, with respect to, or on account of, an account, chattel paper (including, without limitation, an Art Loan) or general intangibles (including a payment intangible).</p> <p>"<b>Art Loan Debtor</b>" means an Account Debtor liable on an Art Loan</p> <p>"<b>Art Loans</b>" means loans made by the Borrowers to customers of Parent and its subsidiaries to finance the purchase or carrying of, or in anticipation of the potential sale of, or secured by, Works of Art</p> <p>"<b>Assets</b>" means property, assets, rights, revenues, income, uncalled capital, licences, business and undertakings and any interest therein, in each case whatsoever and wheresoever situate, present and future</p> <p>"<b>Auction Guaranty Side Letter</b>" means that certain letter agreement, by and among Agent and the Credit Parties, dated as of the Closing Date, relating to auction guaranties, as the same may be amended, restated, supplemented or otherwise modified from time to time</p> <p>"<b>Bank Products</b>" means any of the following services provided to any Sotheby Entity (i) commercial credit card services, (ii) cash management and other treasury management services (including, without limitation, controlled disbursements, automated clearinghouse transactions, return items, and interstate depository network services) and (iii) foreign exchange related services.</p> <p>"<b>Bank Product and Hedging Obligations</b>" means any and all obligations of any Sotheby Entity, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), to any Lender or any affiliate of any Lender under or in respect of (i) any and all Rate Management Transactions, (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any Rate Management Transactions and (iii) any and all Bank Products</p> <p>"<b>Book Debts</b>" means all Charged Art Loans, book and other debts (including rents) and other moneys, liabilities and monetary claims of any nature whatsoever due, owing or payable to the Company on the date of the Deed or thereafter (including moneys, liabilities and claims deriving from or in relation to any Insurances, Investments, Intellectual Property Rights, any contract or agreement to which the Company is party, or any other Assets or rights of the Company, and including the benefit of any judgment or order to pay money and any amounts due or owing from any</p> <p><b>Continued on Continuation Page No 4 to Section 6 (Short particulars of all the property mortgaged or charged) of this Form MG01</b></p>

# MG01 - continuation page

Particulars of a mortgage or charge



6	<b>Short particulars of all the property mortgaged or charged</b>	
	Please give the short particulars of the property mortgaged or charged	
Short particulars	<p><b><u>Sotheby's Financial Services Limited, Company Number 00597920</u></b></p> <p><b><u>Continuation Page No 4</u></b></p> <p>government or governmental agency including in respect of tax) and all other rights of the Company to receive money (but excluding all moneys standing to the credit of any account held by the Company with any bank on the date of the Deed or thereafter) and any proceeds thereof, and the benefit of (including the proceeds of all claims under) all rights, Security Interests, securities, guarantees, indemnities, negotiable instruments, letters of credit and Insurances of any nature whatsoever owned or held by the Company on the date of the Deed or thereafter in relation to any of the foregoing</p> <p><b>"Borrower Representative"</b> means Parent, in its capacity as Borrower Representative</p> <p><b>"Borrowers"</b> means the Parent, Sotheby's, Inc , Sotheby's Financial Services, Inc., Sotheby's Financial Services California, Inc , Oberon, Inc., Sotheby's Ventures, LLC, Oatshare Limited, Sotheby's (a company registered in England), the Company and Sotheby's Hong Kong Limited</p> <p><b>"Cash Collateral Account"</b> means any cash collateral account in respect of Letter of Credit Obligations maintained by a Borrower at a bank or financial institution acceptable to Agent</p> <p><b>"Charged Art Loans"</b> means all of the Art Loans owned on the date of the Deed or made or acquired by the Company after the date of the Deed, and any associated rights, including any promissory notes evidencing Art Loans and any security instruments, Security Interests or other liens securing such Art Loans</p> <p><b>"Charged Assets"</b> means all Assets from time to time subject or expressed or intended to be subject to the Charges (whether fixed or floating) under or pursuant to the Deed and "Charged Assets" includes any part of any of them and any right, title, interest or benefit therein or in respect thereof</p> <p><b>"Charges"</b> means any or all of the Security Interests created or expressed to be created, or which may be created or expressed to be created on the date of the Deed or thereafter, by or pursuant to the Deed, including any further Security Interests created pursuant to Clause 11 of the Deed</p> <p><b>"Closing Checklist"</b> means the schedule, including all appendices, exhibits or schedules thereto, listing certain documents and information to be delivered in connection with the Credit Agreement, the other Loan Documents and the transactions contemplated thereunder, substantially in the form attached to the Credit Agreement as Annex D</p> <p><b>"Closing Date"</b> means August 31, 2009</p> <p>Continued on Continuation Page No. 5 to Section 6 (Short particulars of all the property mortgaged or charged) of this Form MG01</p>	



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Particulars of a mortgage or charge



## 6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

**Sotheby's Financial Services Limited, Company Number 00597920**

### Continuation Page No. 5

"Code" means the Uniform Commercial Code of the United States of America as the same may, from time to time, be enacted and in effect in the State of New York, provided, that to the extent that the Code is used to define any term in the Credit Agreement or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern, provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, Agent's or any Lender's Lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions

"Collateral" means the property covered by the Domestic Collateral Documents and the Foreign Collateral Documents and any other property, real or personal, tangible or intangible, existing on the date of the Deed or thereafter acquired, that may at any time be or become subject to a security interest or Lien in favor of Agent, on the Secured Parties, to secure the Secured Obligations.

"Collateral Documents" means the Domestic Collateral Documents and the Foreign Collateral Documents

"Commitments" means (a) as to any Lender, the commitment of such Lender to make revolving credit advances or incur Letter of Credit Obligations (including without duplication the Swing Line Lender's Swing Line Commitment as a subset of its Commitment) and (b) as to all Lenders, the aggregate commitment of all Lenders to make revolving credit advances or incur Letter of Credit Obligations (including without duplication the Swing Line Lender's Swing Line Commitment as a subset of its Commitment), which aggregate commitment shall be Three Hundred Million Dollars (\$300,000,000) on the Restatement Effective Date, as such amount may be reduced or adjusted from time to time in accordance with the Credit Agreement.

"Contribution Agreement" means the contribution, indemnification and subordination agreement, dated as of the Closing Date, among the Domestic Credit Parties and Agent.

"Copyright Security Agreements" means the copyright security agreements made in favor of Agent, on behalf of itself and the other Secured Parties, by each applicable Credit Party

Continued on Continuation Page No 6 to Section 6 (Short particulars of all the property mortgaged or charged) of this Form MG01.

# MG01 - continuation page

Particulars of a mortgage or charge



## 6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

**Sotheby's Financial Services Limited, Company Number: 00597920**

### Continuation Page No. 6

"**Credit Agreement**" means the amended and restated credit agreement dated 19 December, 2012 between the Parent, Sotheby's, Inc., Sotheby's Financial Services, Inc, Sotheby's Financial Services California, Inc, Oberon, Inc., Sotheby's Ventures, LLC, Oatshare Limited, Sotheby's (a company registered in England), the Company and Sotheby's Hong Kong Limited (as Borrowers), the other Credit Parties signatory thereto (as Credit Parties), the Lenders (as defined therein) and the Agent

"**Credit Party**" means any Borrower or any Guarantor, and "Credit Parties" shall mean all such Persons, collectively

"**Dollars**" or "\$" means lawful currency of the United States of America

"**Domestic Borrowers**" means the Parent, Sotheby's Inc, Sotheby's Financial Services, Inc., Sotheby' Financial Services California, Inc, Oberon, Inc, and Sotheby's Ventures LLC

"**Domestic Collateral Documents**" means the Domestic Subsidiary Guaranty, the Domestic Security Agreement, the Domestic Pledge Agreement, the Trademark Security Agreements, the Copyright Security Agreements, all local law collateral documents and all similar agreements entered into by the Domestic Credit Parties or First-Tier Foreign Subsidiaries guaranteeing payment of the Obligations or granting a Lien upon property as security for payment of the Secured Obligations

"**Domestic Credit Parties**" means each Domestic Borrower and each Domestic Subsidiary Guarantor

"**Domestic Pledge Agreement**" means that certain pledge agreement, dated as of the Closing Date, executed by each Domestic Credit Party in favour of Agent, for the benefit of Agent and the Lenders.

"**Domestic Security Agreement**" means that certain security agreement, dated as of the Closing Date, executed by each Domestic Credit Party in favour of Agent, for the benefit of Agent and the Lenders

"**Domestic Subsidiary**" means any subsidiary of Parent incorporated or organized under the laws of the United States of America, any state thereof or the District of Columbia

"**Domestic Subsidiary Guarantor**" means a Domestic Subsidiary that does not constitute a Domestic Borrower or an Immaterial Subsidiary, and is a Credit Party on the Restatement Effective Date or is required to become a Credit Party pursuant to the Credit Agreement.

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Particulars of a mortgage or charge



## 6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

**Sotheby's Financial Services Limited, Company Number: 00597920**

**Continuation Page No. 7**

"**Domestic Subsidiary Guaranty**" means that certain guaranty, dated as of the Closing Date, executed by each Domestic Subsidiary Guarantor in favour of Agent, for the benefit of Agent and the Lenders

"**Enforcement Event**" means any of the following

- (a) an Event of Default which occurs and is continuing,
- (b) an Insolvency Event which occurs in relation to the Company or any other Foreign Credit Party, or
- (c) the holder of any other Security Interest whether ranking in priority to or pari passu with or after the Charges appoints a receiver or any floating charge given by the Company to any other person crystallises for any reason whatsoever

"**Equipment**" means plant, machinery, equipment (including office equipment), vehicles, computers, artwork and other chattels of any kind (but excluding any from time to time which are part of the Company's stock in trade or work in progress) owned by the Company or in its possession on the date of the Deed or thereafter and all proceeds of sale or other disposal thereof, all moneys paid or payable in respect thereof, rights under any agreement, Security Interest or guarantee in relation thereto and all other rights in relation thereto, and "Equipment" includes any part of any of them.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any regulations promulgated thereunder.

"**Event of Default**" has the meaning ascribed to it in Section 8.1 of the Credit Agreement

"**Existing Security**" means all Security Interests granted to the Agent prior to the date of the Deed to secure all or any part of the Secured Amounts

"**Fees**" means any and all fees payable to Agent or any Lender pursuant to the Credit Agreement or any of the other Loan Documents.

"**First-Tier Foreign Subsidiary**" means each Foreign Subsidiary with respect to which any one or more of the Domestic Credit Parties directly owns or controls more than 50% of such Foreign Subsidiary's issued and outstanding stock

"**Fixed Charge**" means the fixed charge created pursuant to Clause 3.2 of the Deed

"**Fixed Charge Assets**" means any part or parts of the Charged Assets effectively charged by way of fixed Security Interests or effectively

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# MG01 - continuation page

Particulars of a mortgage or charge



## 6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

**Sotheby's Financial Services Limited, Company Number 00597920**

**Continuation Page No. 8**

mortgaged or assigned by way of fixed Security Interests under the Deed.

**"Foreign Borrowers"** means Oatshare Limited, a company registered in England, the Company, Sotheby's, a company registered in England and Sotheby's Hong Kong Limited, a company incorporated in Hong Kong

**"Foreign Collateral Documents"** means the deeds of assignment and charge and charges over shares executed by the Foreign Credit Parties, and all similar agreements entered into by the Foreign Credit Parties guaranteeing payment of the Obligations of the Foreign Borrowers, or granting a Lien upon property as security for payment of the Secured Obligations of the Foreign Credit Parties

**"Foreign Credit Parties"** means the Foreign Borrowers and the Foreign Subsidiary Guarantors

**"Foreign Sotheby Entity"** means any Sotheby Entity not incorporated in the United States of America

**"Foreign Subsidiary"** means any subsidiary of the Parent that is not a Domestic Subsidiary

**"Foreign Subsidiary Guarantors"** means, collectively, (a) each subsidiary of Parent organized under the laws of England that is not a Foreign Borrower or an Immaterial Subsidiary and (b) each Sotheby Entity organized under the laws of Hong Kong that is not a Foreign Borrower or an Immaterial Subsidiary and is a direct subsidiary of any Credit Party, in each case, that is a Credit Party on the Restatement Effective Date or is required to become a Credit Party pursuant to the Credit Agreement.

**"Fronting Lender"** means GE Capital, in its capacity as fronting lender, or its successor appointed under the Credit Agreement

**"Fronting Lender Note"** means the note executed by each Foreign Borrower and delivered to the Fronting Lender to evidence the obligation of, and sterling revolving credit advances made by the Fronting Lender, pursuant to the Credit Agreement

**"GE Capital"** means General Electric Capital Corporation, a Delaware corporation

**"Guaranties"** means, collectively, the Domestic Subsidiary Guaranty and any other guaranty executed by any Guarantor in favor of Agent, for the benefit of Agent and Lenders, in respect of all or a portion of the Obligations.

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Particulars of a mortgage or charge



## 6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

**Sotheby's Financial Services Limited, Company Number 00597920**

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"**Guarantors**" means the Domestic Subsidiary Guarantors, the Foreign Subsidiary Guarantors and each other Person, if any, that executes a guaranty or other similar agreement in favor of Agent, for the benefit of Agent and Lenders, in connection with the transactions contemplated by the Credit Agreement and the other Loan Documents.

"**Immaterial Subsidiary**" means (a) any Domestic Subsidiary or any Foreign Subsidiary organized under the laws of England, in each case listed on Disclosure Schedule (5.15) of the Credit Agreement, unless such entity shall have executed a Guaranty and such Collateral Documents as Agent shall reasonably request or (b) for purposes of Section 8 l(g) or (h) of the Credit Agreement, any Sotheby Entity that (i) is not a Credit Party, (ii) owns assets having a book value of which the Dollar equivalent is less than \$100,000 and (iii) had earnings during the most recently completed fiscal year of which the Dollar equivalent was less than \$100,000

"**Insolvency Event**" in relation to any person, means.

(i) such person is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness,

(ii) a moratorium is declared in respect of any of its indebtedness,

(iii) any corporate action, legal proceedings or other procedure or step is taken in relation to.

(a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of or in relation to such person other than a solvent liquidation or reorganisation of such person on terms previously approved in writing by the Agent,

(b) a composition, assignment or arrangement with any creditor of such person,

(c) the appointment of a liquidator (other than in respect of a solvent liquidation of such person on terms previously approved in writing by the Agent), receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of such person or any of its assets, or

(d) the enforcement of any Security Interest over any of such person's assets,

(e) or any analogous procedure or step is taken in any jurisdiction, or

(iv) any expropriation, attachment, sequestration, distress or execution affects any asset or assets of such person having an aggregate value of in excess of the Dollar equivalent of \$500,000 and is not discharged within 30 days

**Continued on Continuation Page No 10 to Section 6 (Short particulars of all the property mortgaged or charged) of this Form MG01**

# MG01 - continuation page

Particulars of a mortgage or charge



6	<b>Short particulars of all the property mortgaged or charged</b>
	Please give the short particulars of the property mortgaged or charged
Short particulars	<p><b>Sotheby's Financial Services Limited, Company Number 00597920</b></p> <p><b>Continuation Page No 10</b></p> <p><b>"Insurances"</b> means contracts or policies of insurance or indemnity of any kind (including life insurance or assurance) taken out by or on behalf of the Company on the date of the Deed or thereafter or (to the extent of its interest) in which the Company has any interest, and all rights in relation thereto, proceeds thereof, claims and returns of premium in respect thereof</p> <p><b>"Intellectual Property Rights"</b> means patents, registered designs, copyrights, inventions, semi-conductor topography rights, rights in designs, rights in trade marks and service marks, business names and trade names, get up, logos, domain names, moral rights, rights in confidential information, rights in know-how, database rights, rights protecting goodwill, or reputation and any interests (including by way of licence or sub-licence) in any of the foregoing, and any other intellectual property rights and interests whatsoever owned by the Company on the date of the Deed or thereafter or in which it has any interest, in each case whether registered or not and including all applications, rights to apply for and rights to use the same and all fees, royalties and other rights of every kind relating to or deriving from any of the same</p> <p><b>"Inventory"</b> means all "inventory," as such term is defined in the Code, owned on the date of the Credit Agreement or thereafter acquired by any Sotheby Entity, wherever located, and in any event including inventory, merchandise, goods and other personal property that are held by or on behalf of any Sotheby Entity for sale or lease or are furnished or are to be furnished under a contract of service, or that constitute raw materials, work in process, finished goods, returned goods, or materials or supplies of any kind, nature or description used or consumed or to be used or consumed in such Sotheby Entity's business or in the processing, production, packaging, promotion, delivery or shipping of the same, including all supplies and embedded software.</p> <p><b>"Investments"</b> means shares (including shares in subsidiaries), stocks, bonds, notes, certificates of deposit, debenture stocks, loan stocks and other securities or investments of any kind and all rights relating to any of the foregoing (including rights relating to any of the same which are deposited with, registered in the name of or credited to an account with any clearing system or house, depositary, custodian, nominee, controller, investment manager or other similar person or their nominee, in each case whether or not on a fungible basis and including all rights against such person), warrants, options or other rights to subscribe for, purchase, call for delivery of, redeem, convert other securities or investments into or otherwise to acquire any of the foregoing, and units in a unit trust scheme (as defined in section 237(1) of the Financial Services and Markets Act 2000), together in each case with all rights</p> <p><b>Continued on Continuation Page No 11 to Section 6 (Short particulars of all the property mortgaged or charged) of this Form MG01</b></p>

# MG01 - continuation page

Particulars of a mortgage or charge



6	<b>Short particulars of all the property mortgaged or charged</b>
	Please give the short particulars of the property mortgaged or charged
Short particulars	<p><b><u>Sotheby's Financial Services Limited, Company Number: 00597920</u></b></p> <p><b><u>Continuation Page No 11</u></b></p> <p>in respect thereof and all dividends, interest, cash or other distributions, accretions or Investments in respect of or deriving from any of the foregoing, and "Investments" means any of the foregoing including any part of them</p> <p>"<b>L/C Issuer</b>" means any of GE Capital or a subsidiary thereof or a bank or other legally authorized Person selected by or acceptable to Agent in its sole discretion to issue Letters of Credit.</p> <p>"<b>Lenders</b>" means GE Capital, HSBC Bank plc, HSBC Bank USA, National Association, JPMorgan Chase Bank, N A , The Privatebank and Trust Company, TD Bank N A., Comerica Bank, Israel Discount Bank of New York, Goldman Sachs Bank USA and Investors Bank.</p> <p>"<b>Letters of Credit</b>" means standby letters of credit issued for the account of any Borrower (and any subsidiary thereof that may be a co-applicant on any such Letter of Credit) by any L/C Issuer, and bankers' acceptances issued by any Borrower, for which Agent and Lenders have incurred Letter of Credit Obligations</p> <p>"<b>Letter of Credit Obligations</b>" means all outstanding obligations incurred by Agent and Lenders at the request of Borrower Representative, whether direct or indirect, contingent or otherwise, due or not due, in connection with the issuance of Letters of Credit by GE Capital or another L/C Issuer or the purchase of a participation as set forth in Annex B of the Credit Agreement with respect to any Letter of Credit The amount of such Letter of Credit Obligations shall equal the maximum amount that may be payable at such time or at any time thereafter by the Lenders thereupon or pursuant thereto.</p> <p>"<b>Lien</b>" means any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any lease or title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the Code or comparable law of any jurisdiction).</p> <p>"<b>Loan Documents</b>" means the Credit Agreement, the Notes, the Collateral Documents, the Contribution Agreement, the Master Standby Agreement, the Auction Guaranty Side Letter and all other agreements, instruments, documents and certificates identified in the Closing Checklist executed and delivered to, or in favour of, Agent or any Lenders and including all other pledges, powers of attorney, consents, assignments, contracts,</p> <p><b>Continued on Continuation Page No. 12 to Section 6 (Short particulars of all the property mortgaged or charged) of this Form MG01.</b></p>

# MG01 - continuation page

Particulars of a mortgage or charge



## 6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

**Sotheby's Financial Services Limited, Company Number 00597920**

### Continuation Page No. 12

notices, letter of credit agreements and all other written matter whether theretofore, executed on the date of the Deed or thereafter by or on behalf of any Credit Party, or any employee of any Credit Party, and delivered to Agent or any Lender in connection with the Credit Agreement or the transactions contemplated thereby Any reference in the Credit Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements or other modifications thereto, and shall refer to the Credit Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative

"Loans" means the Revolving Loan and the Swing Line Loan.

"Master Standby Agreement" means the master agreement for standby letters of credit dated as of the Closing Date among Borrowers, as applicant(s), and GE Capital, as issuer

"Notes" means, collectively, the Revolving Notes, the Fronting Lender Note and the Swing Line Notes

"Obligations" means all loans, advances, debts, liabilities and obligations for the performance of covenants, tasks or duties or for payment of monetary amounts (whether or not such performance is then required or contingent, or such amounts are liquidated or determinable) owing by any Credit Party to Agent, any Lender or any L/C Issuer, and all covenants and duties regarding such amounts, of any kind or nature, present or future, whether or not evidenced by any note, agreement, letter of credit agreement or other instrument, arising under the Credit Agreement or any of the other Loan Documents. This term includes all principal, interest (including all interest that accrues after the commencement of any case or proceeding by or against any Credit Party in bankruptcy, whether or not allowed in such case or proceeding), Fees, expenses, attorneys' fees and any other sum chargeable to any Credit Party under the Credit Agreement or any of the other Loan Documents This term does not include any Bank Product and Hedging Obligations

"Parent" means Sotheby's, a Delaware corporation

"Permitted Encumbrances" means the following encumbrances (a) Liens for taxes or assessments or other governmental charges not yet due and payable or which are being contested in accordance with Section 5.2(b) of the Credit Agreement, (b) pledges or deposits of money securing statutory obligations under workmen's compensation, unemployment insurance, social security or public liability laws or similar legislation (excluding Liens under ERISA), (c) pledges or deposits of money securing bids, tenders, contracts (other than contracts for the payment of money) or leases to

Continued on Continuation Page No 13 to Section 6 (Short particulars of all the property mortgaged or charged) of this Form MG01



# MG01 - continuation page

Particulars of a mortgage or charge



## 6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

**Sotheby's Financial Services Limited, Company Number: 00597920**

**Continuation Page No 13**

which any Sotheby Entity is a party as lessee made in the ordinary course of business, (d) inchoate and unperfected workers', mechanics' or similar liens arising in the ordinary course of business, so long as such Liens attach only to equipment, fixtures and/or real estate, (e) carriers', warehousemen's, suppliers' or other similar possessory liens arising in the ordinary course of business and securing liabilities in an outstanding aggregate amount not in excess of a Dollar equivalent of \$2,500,000 at any time, so long as such Liens attach only to Inventory; (f) deposits securing, or in lieu of, surety, appeal or customs bonds in proceedings to which any Sotheby Entity is a party, (g) any attachment or judgment lien not constituting an Event of Default under Section 8.1(1) of the Credit Agreement, (h) zoning restrictions, easements, licenses, or other restrictions on the use of any real estate or other minor irregularities in title (including leasehold title) thereto, so long as the same do not materially impair the use, value, or marketability of such real estate, (i) any Lien in favor of a consignor on a segregated deposit account established for the benefit of such consignor and into which only proceeds of Works of Art consigned by such consignor to a Sotheby Entity for sale (including such Sotheby's Entity's commissions on such sales) are deposited; provided, that if such consignor is an Art Loan Debtor, such Lien shall constitute a "Permitted Encumbrance" only if an agreement among the applicable Borrower, such consignor and the applicable account bank expressly states that amounts received in such deposit account shall be transferred first, without any further consent of any Person, to the applicable Borrower until the related Art Loan is repaid in full prior to any such amounts being transferred to such consignor; (j) Liens existing on the date of the Credit Agreement or thereafter created in favor of Agent, on behalf of Secured Parties, pursuant to the Loan Documents; (k) other than with respect to any blocked account or Cash Collateral Account, any lien or banker's right of set-off or combination of accounts arising by operation of law or in accordance with standard terms of banking; (l) Liens expressly permitted under clauses (c) and (d) of Section 6.7 of the Credit Agreement, and (m) Liens arising in the ordinary course of business in favor of consignors securing Works of Art of such consignors that are consigned to a Sotheby Entity for sale

"Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, public benefit corporation, other entity or government (whether federal, state, county, city, municipal, local, foreign, or otherwise, including any instrumentality, division, agency, body or department thereof)

Continued on Continuation Page No 14 to Section 6 (Short particulars of all the property mortgaged or charged) of this Form MG01

**MG01 - continuation page**  
Particulars of a mortgage or charge



**6 Short particulars of all the property mortgaged or charged**

Please give the short particulars of the property mortgaged or charged

Short particulars

**Sotheby's Financial Services Limited, Company Number: 00597920**

**Continuation Page No. 14**

**"Rate Management Transaction"** means any transaction (including an agreement with respect thereto) existing on the date of the Deed or thereafter entered by a Sotheby Entity that is a rate swap, basis swap, forward rate transaction, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, or equity prices.

**"receiver"** includes a manager, a receiver and manager and an "administrative receiver" as defined by Section 251 of the Insolvency Act 1986

**"Receiver"** means a receiver appointed under the Deed or pursuant to any applicable law, and includes more than one such receiver and any substituted receiver but not an administrative receiver as defined in Section 251 of the Insolvency Act 1986

**"Restatement Effective Date"** means December 19, 2012

**"Revolving Loan" and "Revolving Loan Outstandings"** mean, at any time, the sum of (i) the Dollar equivalent of the aggregate amount of revolving credit advances outstanding to the Borrowers plus (ii) the Dollar equivalent of the aggregate Letter of Credit Obligations incurred on behalf of the Borrowers. Unless the context otherwise requires, references to the outstanding principal balance of the Revolving Loan shall include the outstanding balance of Letter of Credit Obligations.

**"Revolving Note"** means the notes executed by each Borrower and delivered to each Lender to evidence the Commitment of, and revolving credit advances made by, that Lender, pursuant to the Credit Agreement

**"Secured Obligations"** means, collectively, (i) the Obligations and (ii) the Bank Product and Hedging Obligations

**"Secured Parties"** means the holders of the Secured Obligations from time to time (including, without limitation, each holder of Bank Product and Hedging Obligations and their respective assignees).

**"Security Interest"** means any mortgage or sub-mortgage, standard security, fixed or floating charge or sub-charge, pledge, lien, assignment or assignation by way of security or subject to a proviso for redemption, encumbrance, hypothecation, retention of title, or other

**Continued on Continuation Page No 15 to Section 6 (Short particulars of all the property mortgaged or charged) of this Form MG01**

# MG01 - continuation page

Particulars of a mortgage or charge



## 6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

**Sotheby's Financial Services Limited, Company Number 00597920**

**Continuation Page No 15**

security interest whatsoever howsoever created or arising and its equivalent or analogue whatever called in any other jurisdiction, and any agreement or arrangement having substantially the same economic or financial effect as any of the foregoing (including any "hold back" or "flawed asset" arrangement).

**"Sotheby Entity"** means any Borrower or any subsidiary of any Borrower, and **"Sotheby Entities"** shall mean all such Persons, collectively

**"Specific Bank Accounts"** means (i) any Cash Collateral Account in the name of the Company, (ii) any blocked account in the name of the Company (including its account with HSBC Bank plc); and (iii) any other bank account maintained by the Company with any financial institution as the Agent may from time to time designate in writing as a Specific Bank Account, including in each case any redesignation or renewal thereof and all balances standing to the credit of any such account on the date of the Deed or thereafter including all interest from time to time thereon, the debt represented thereby and all rights in relation thereto.

**"Specific Insurances"** means the fine arts property insurance policy with number 1-12101-01 2012 provided by Fine Art Insurance, Ltd (Bermuda) held by the Company and any other insurances held by the Company as the Agent may from time to time designate in writing as a Specific Insurance including in each case any renewal thereof

**"Sterling"** or **"£"** means the lawful currency of Great Britain

**"Swing Line Commitment"** means, as to the Swing Line Lender, the commitment of the Swing Line Lender to make swing line advances as set forth on Annex J to the Credit Agreement, which commitment constitutes a subfacility of the Commitment of the Swing Line Lender

**"Swing Line Lender"** means GE Capital

**"Swing Line Loan"** means, as the context may require, at any time, the aggregate amount of swing line advances outstanding to any Borrower or to all Borrowers.

**"Swing Line Note"** means the promissory note executed and delivered by each Borrower to the Swing Line Lender to evidence the Swing Line Commitment pursuant to Section 1.1(b)(ii) of the Credit Agreement

**"Trademark Security Agreements"** means the trademark security agreements made in favour of Agent, on behalf of Lenders, by each applicable Credit Party

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# MG01 - continuation page

Particulars of a mortgage or charge



## 6 Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

Sotheby's Financial Services Limited, Company Number: 00597920

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"Work of Art" means any item of goods of a type purchased, sold, taken as collateral for an Art Loan, or consigned to the Credit Parties for sale, in each case in the ordinary course of the Credit Parties' business



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

**Pursuant to section 869(5) & (6) of the Companies Act 2006**

**COMPANY NO. 597920  
CHARGE NO. 7**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES  
HEREBY CERTIFIES THAT A DEED OF CHARGE AND  
ASSIGNMENT DATED 19 DECEMBER 2012 AND CREATED BY  
SOTHEBY'S FINANCIAL SERVICES LIMITED FOR SECURING  
ALL MONIES DUE OR TO BECOME DUE FROM ANY OF THE  
FOREIGN CREDIT PARTIES TO THE SECURED PARTIES ON ANY  
ACCOUNT WHATSOEVER UNDER THE TERMS OF THE  
AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING  
THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1  
PART 25 OF THE COMPANIES ACT 2006 ON THE 7 JANUARY  
2013

GIVEN AT COMPANIES HOUSE, CARDIFF THE 11 JANUARY  
2013



**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**