

MR01

Particulars of a charge



Companies House

052877 / E13

A fee is payable with this form
Please see 'How to pay' on the
last page

You can use the Web
Please go to www.companieshouse.gov.uk

☒ What this form is for
You may use this form to register
a charge created or evidenced by
an instrument

☒ What this form is NOT for
You may not use this form to
register a charge where the charge
instrument Use form M01



LD4

L3227VVD

19/02/2014

#44

COMPANIES HOUSE

This form must be delivered to the Registrar for registration within
21 days beginning with the day after the date of creation of the charge. If
delivered outside of the 21 days it will be rejected unless it is accompanied by a
court order extending the time for delivery

☒ You must enclose a certified copy of the instrument with this form. This will be
scanned and placed on the public record

1 Company details

Company number 0 0 8 7 4 8 6 7

Company name in full SOTHEBY'S (the "Chargor")

0016 For official use

Filing in this form
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 1 3 0 2 2 0 1 4

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name GENERAL ELECTRIC CAPITAL CORPORATION
as Collateral Agent for itself and for the other Secured Parties,
Name such terms as defined in the Credit Agreements (as referred to in
the Deed of Charge and Assignment)

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

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Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

Continuation page

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

Description

The Deed of Charge and Assignment, at Clause 3 2, contains a fixed charge over all of the Chargor's right, title and interest in and to all present and future intellectual property rights

5

Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☒ Yes Continue

☐ No Go to Section 7

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

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Trustee statement ^①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

^① This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X

Sidley Austin LLP

X

This form must be signed by a person with an interest in the charge

MRO1

Particulars of a charge



Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name
James Hsia

Company name
Sidley Austin LLP

Address
Woolgate Exchange

25 Basinghall Street

Post town
London

County/Region

Postcode
E C 2 V 5 H A

Country
United Kingdom

DX

Telephone
0207 360 2062



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 a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



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 filed on paper.

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 or email 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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 874867

Charge code: 0087 4867 0016

The Registrar of Companies for England and Wales hereby certifies that a charge dated 13th February 2014 and created by SOTHEBY'S was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 19th February 2014

P

Given at Companies House, Cardiff on 21st February 2014



Companies House



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

EXECUTION VERSION

Dated 13 February, 2014

SOTHEBY'S
(the Company)

- and -

GENERAL ELECTRIC CAPITAL CORPORATION
(the Collateral Agent)

DEED OF CHARGE AND ASSIGNMENT

We certify that this is a complete
and accurate copy of the original
executed document, except that
certain amendments have been made
in accordance with Section 899G
of the Companies Act 2006

Sidley Austin LLP

SIDLEY AUSTIN (UK) LLP WOOLGATE EXCHANGE 25 BASINGHALL STREET LONDON EC2V 5HA

SIDLEY AUSTIN LLP
SIDLEY

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THIS DEED OF CHARGE AND ASSIGNMENT is made on 13 February, 2014

BETWEEN

- (1) **SOTHEBY'S**, a private unlimited company incorporated in England and Wales under registered number 00874867 whose registered office is at 34-35 New Bond Street, London W1A 2AA (the "Company"), and
- (2) **GENERAL ELECTRIC CAPITAL CORPORATION** (the "Collateral Agent", which expression shall include all successor security trustees as appointed from time to time), a Delaware corporation acting in its capacity as collateral agent under the Credit Agreements (as defined below) for itself and the other Secured Parties

RECITALS.

- (A) The Company has agreed to charge by way of security all of its right, title, interest and benefit in, to and under its assets, rights, revenues and undertaking in favour of the Collateral Agent as security for, *inter alia*, the obligations of the Foreign Credit Parties to the Collateral Agent or any other Secured Party under the Loan Documents, subject to and in accordance with the terms and conditions of this Deed
- (B) The Company's Board of Directors has concluded after due consideration of all relevant circumstances that entering into this Deed is in the best interests of the Company and is likely to promote the success of the Company for the benefit of all of its members
- (C) It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand

IT IS AGREED AND THIS DEED PROVIDES as follows

1. DEFINITIONS AND INTERPRETATION

1.1 Unless otherwise defined herein (or in the Recitals hereto) words and expressions defined in the Credit Agreements (or either of them) shall, in the absence of express indication to the contrary and save where the context or subject matter otherwise requires, have the same meanings when used in this Deed (or in the Recitals hereto)

1.2 In this Deed, the following words and expressions have the following meanings

"Administrator"	any person or persons for the time being acting as administrator of the Company pursuant to the provisions of the Insolvency Act,
"Assets"	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,
"Bank Product and Hedging Obligations"	together, "Bank Product and Hedging Obligations" as defined in the Auction Revolving Credit Agreement and "Bank Product and Hedging Obligations" as defined in the SFS Revolving Credit Agreement and "Bank Product and Hedging Obligation" shall be construed accordingly,

"Blocked Accounts"

each of the following accounts

- (i) GBP Account – Account Number 41[REDACTED]85 at JPMorgan Chase Bank, N A , London Branch, bank address 25 Bank Street, London, E14 5JP,
- (ii) GBP Account – Account Number 31[REDACTED]22 at HSBC Bank plc, bank address 129 New Bond Street, London, W1A 2JA,
- (iii) GBP Account – Account Number 31[REDACTED]30 at HSBC Bank plc, bank address 129 New Bond Street, London, W1A 2JA,
- (iv) GBP Account – Account Number 81[REDACTED]06 at HSBC Bank plc, bank address 129 New Bond Street, London, W1A 2JA,
- (v) GBP Account – Account Number 91[REDACTED]72 at HSBC Bank plc, bank address 129 New Bond Street, London, W1A 2JA,
- (vi) GBP Account – Account Number 91[REDACTED]64 at HSBC Bank plc, bank address 129 New Bond Street, London, W1A 2JA,
- (vii) GBP Account – Account Number 91[REDACTED]80 at HSBC Bank plc, bank address 129 New Bond Street, London, W1A 2JA,
- (viii) GBP Account – Account Number 41[REDACTED]99 at HSBC Bank plc, bank address 129 New Bond Street, London, W1A 2JA,
- (xi) GBP Account – Account Number 01[REDACTED]33 at HSBC Bank plc, bank address 129 New Bond Street, London, W1A 2JA,
- (x) EUR Account – Account Number 57[REDACTED]32 at HSBC Bank plc, bank address 129 New Bond Street, London, W1A 2JA,
- (xi) USD Account – Account Number 57[REDACTED]24 at HSBC Bank plc, bank address 129 New Bond Street, London, W1A 2JA,
- (xii) GBP Account – Account Number 01[REDACTED]26 at HSBC Bank plc, bank address 129 New Bond Street, London, W1A 2JA, and
- (xiii) GBP Account – Account Number 31[REDACTED]05 at HSBC Bank plc, bank address 129 New Bond Street, London, W1A 2JA,

"Book Debts"

all Charged Art Loans, Charged Extended Term Art Receivables, book and other debts (including rents) and other moneys, liabilities and monetary claims of any nature whatsoever now or hereafter due, owing or payable to the Company (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 government or governmental agency including in respect of Tax) and all other rights of the Company to receive money (but excluding all moneys now or hereafter standing to the credit of any account held by the Company with any bank) 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 now or hereafter owned or held by the Company in relation to any of the foregoing,

"cash"

cash within the meaning of Financial Collateral Arrangements (No 2) Regulations 2003,

"Centre of Main Interests"

in relation to a person, its centre of main interests within the meaning of the EC Regulation on Insolvency Proceedings 2000,

"Charged Art Loans"

all of the Art Loans owned on the date of this Deed or made or acquired by the Company after the date of this 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,

"Charged Extended Term Art Receivables"

all of the Extended Term Art Receivables owned on the date of this Deed or made or acquired by the Company after the date of this Deed, and any associated rights, including any promissory notes evidencing Extended Term Art Receivables and any security instruments, Security Interests, or other liens securing such Extended Term Art Receivables,

"Charged Assets"

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 this Deed or subject or expressed to be subject to Security Interests under or pursuant to the Share Charge, and "Charged Assets" includes any part of any of them and any right, title, interest or benefit therein or in respect thereof,

"Charges"	any or all of the Security Interests created or expressed to be created, or which may now or hereafter be created or expressed to be created, by or pursuant to this Deed, including any further Security Interests created pursuant to Clause 11,
"Collateral Documents"	together, "Collateral Documents" as defined in the Auction Revolving Credit Agreement and "Collateral Documents" as defined in the SFS Revolving Credit Agreement and "Collateral Document" shall be construed accordingly,
"Credit Agreements"	<p>together</p> <p>(i) the credit agreement dated on or about the date of this Deed in relation to an auction revolving credit facility between Sotheby's (a Delaware Corporation), Sotheby's, Inc , Oatshare Limited, the Company and Sotheby's Hong Kong Limited (as Borrowers), the other Credit Parties signatory thereto (as Credit Parties), the Lenders (as defined therein), the Administrative Agent (as defined therein) and the Collateral Agent (the "Auction Revolving Credit Agreement"), and</p> <p>(ii) the credit agreement dated on or about the date of this Deed in relation to an SFS revolving credit facility between Sotheby's, Inc , Sotheby's Financial Services, Inc , Sotheby's Financial Services California, Inc , Oberon, Inc., Sotheby's Ventures, LLC, the Company, Sotheby's Financial Services Limited and Sotheby's Hong Kong Limited (as Borrowers), the other Credit Parties signatory thereto (as Credit Parties), the Lenders (as defined therein), the Administrative Agent (as defined therein) and the Collateral Agent (the "SFS Revolving Credit Agreement"),</p>
"Delegate"	a delegate or sub-delegate appointed pursuant to Clause 14 5,
"Disputes"	any disputes which may arise out of or in connection with this Deed (including regarding (a) its existence, validity or termination and (b) any non-contractual obligations or liabilities arising out of or in connection with it),
"document"	any deed, instrument (including a negotiable instrument) or other document of any kind,
"Enforcement Event"	has the meaning set out in Clause 9,

"Equipment"	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) now or hereafter owned by the Company or in its possession 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,
"financial collateral"	financial collateral within the meaning of the Financial Collateral Arrangements (No 2) Regulations 2003,
"financial instruments"	financial instruments within the meaning of the Financial Collateral Arrangements (No 2) Regulations 2003,
"Fixed Charge Assets"	any part or parts of the Charged Assets effectively charged by way of fixed Security Interests or effectively mortgaged or assigned by way of fixed Security Interests under this Deed,
"Fixtures"	fixtures, fittings and fixed plant, machinery and equipment (including trade fixtures and fittings),
"Floating Charge Assets"	any part or parts of the Charged Assets subject to the floating charge contained in Clause 3 3,
"Foreign Credit Parties"	together, "Foreign Credit Parties" as defined in the Auction Revolving Credit Agreement, and "Foreign Credit Parties" as defined in the SFS Revolving Credit Agreement, and "Foreign Credit Party" shall be construed accordingly,
"Foreign Sotheby Entity"	any Sotheby Entity not incorporated in the United States of America,
"Holding Company"	a holding company within the meaning of section 1159 of the Companies Act 2006,
"Insolvency Act"	the Insolvency Act 1986,
"Insolvency Event"	in relation to any person, means <ul style="list-style-type: none"> (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 Collateral 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 Collateral 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,
the Insolvency Rules 1986,

"Insolvency Rules"

"Insurances"

contracts or policies of insurance or indemnity of any kind (including life insurance or assurance) now or hereafter taken out by or on behalf of the Company 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,

"Intellectual Property Rights"

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 now or hereafter owned by the Company 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,

"Investments"

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, depository, 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 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,

"Law of Property Act"

the Law of Property Act 1925,

"Loan Documents"

together, "Loan Documents" as defined in the Auction Revolving Credit Agreement and "Loan Documents" as defined in the SFS Revolving Credit Agreement and "Loan Document" shall be construed accordingly,

"Loss"

any liability, damages, claims, cost, loss, penalty, expense, demand (or actions in respect thereof) including, legal, accounting or other charges, fees, costs, disbursements and expenses in connection therewith,

"Potential Event of Default"

an event, condition or act which, with the giving of notice and/or the lapse of time and/or the Collateral Agent issuing any relevant notice, would constitute an Event of Default,

"Proceedings"

any proceedings, suits or actions arising out of or in connection with any Disputes or otherwise arising out of or in connection with this Deed (including regarding (a) its existence, validity or termination and (b) any non-contractual obligations or liabilities arising out of

	or in connection with it),
"receiver"	includes a manager, a receiver and manager and an "administrative receiver" as defined by Section 251 of the Insolvency Act,
"Receiver"	a receiver appointed under this 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,
"Receiver's Expenses"	all costs, charges, expenses, losses and liabilities of or in connection with any Receiver's appointment or the exercise of its rights, including its remuneration and outgoings,
"Relevant Charged Assets"	such part or parts of the Charged Assets in respect of which a Receiver has been appointed,
"Reservations"	the principle that equitable remedies are remedies which may be granted or refused at the discretion of the court, the limitation on enforcement as a result of laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws affecting the rights of creditors generally, the statutory time-barring of claims, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void, defences of set-off or counterclaim, steps necessary to perfect a Security Interest where such steps are not required to be performed under the terms of any of the Collateral Documents until a future date, rules against penalties and similar principles of law in other jurisdictions relevant in the context of the Loan Documents and/or the Collateral Documents,
"Secured Amounts"	all moneys and liabilities (present and future, actual or contingent) now or hereafter due, owing, incurred or payable or expressed to be due, owing, incurred or payable by (i) any of the Foreign Credit Parties to the Secured Parties under, pursuant to or in connection with any of the Loan Documents or (ii) any Foreign Sotheby Entity to any Secured Party under, pursuant to or in connection with any Bank Product and Hedging Obligations, and references to the Secured Amounts include references to any of them,
"Security Interest"	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 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),
"Share Charge"	the charge over shares dated the date of this Deed between the Company and the Collateral Agent,
"Special Account"	has the meaning given to it in Clause 6 6(c),
"Specific Bank Accounts"	(i) any Cash Collateral Account in the name of the Company, (ii) any Blocked Account in the name of the Company, and (iii) any other bank account maintained by the Company with any financial institution as the Collateral 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 now or hereafter standing to the credit of any such account including all interest from time to time thereon, the debt represented thereby and all rights in relation thereto,
"Specific Insurances"	the insurances listed in Schedule 1 held by the Company and any other insurances held by the Company as the Collateral Agent may from time to time designate in writing as a Specific Insurance including in each case any renewal thereof,
"Subsidiary"	a subsidiary within the meaning of Section 1159 of the Companies Act 2006,
"Taxes"	includes any tax, charge, duty, levy, contribution, impost, withholding or liability imposed, whether in the United Kingdom or elsewhere, for support of national, federal, provincial, municipal, state or local government and shall also include any penalty, fine, surcharge or interest payable in addition to or in connection with any such tax, charge, duty, levy, contribution, impost, withholding or liability and "Tax" and "Taxation" shall be construed accordingly,
"U K. GAAP"	accounting principles, standards and practices generally accepted in the United Kingdom,
"Value Added Tax"	value added tax imposed by the United Kingdom as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature whether imposed in the United Kingdom or any other jurisdiction, together with any applicable fines, penalties or interest payable in addition to or in connection therewith

13 In this Deed, unless otherwise specified

- (a) references to the neuter or to any gender include both genders and the neuter, references to a "company" shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established, and references to a "person" include any individual, firm, partnership, body corporate, unincorporated association, government, state or agency of a state, local or municipal authority or government body, trust, foundation, joint venture or association (in each case whether or not having separate legal personality),
- (b) references to parties, Clauses, sub-Clauses, paragraphs, sub-paragraphs and Schedules, Exhibits and Annexures are to Clauses, sub-Clauses and paragraphs and sub-paragraphs of, and the parties and Schedules to, this Deed, and references to this Deed include a reference to each of its Schedules, Exhibits and Annexures,
- (c) a reference to this Deed, an agreement or other document is a reference to this Deed, that agreement or document as supplemented, amended, novated or replaced from time to time in accordance with its terms, and to any agreement, deed or document executed pursuant thereto,
- (d) the words "include" and "including" are to be construed without limitation, general words introduced by the word "other" are not to be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things, and general words are not to be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words,
- (e) a reference to a "day" means a period of 24 hours running from midnight to midnight, a reference to a time of day is to London time,
- (f) headings are for convenience only and shall not affect the interpretation of this Deed,
- (g) a reference to the provision of any statute, statutory provision, order, instrument, rule or regulation is to that provision as amended or re-enacted from time to time, any provision of which it is a re-enactment or consolidation and any order, instrument, rule or regulation at any time made or issued under it,
- (h) the word "vary" shall be construed to include amend, modify and supplement, and "variation" and other cognate terms shall be construed accordingly,
- (i) a reference to a person shall include references to his permitted successors, transferees (including by novation) and assigns and any person deriving title under or through him, whether in security or otherwise, and any person into which such person may be merged or consolidated, or any company resulting from any merger, conversion or consolidation or any person succeeding to substantially all of the business of that person,
- (j) a reference to "sterling" or "pounds" or "£" is to the lawful currency for the time being of the United Kingdom, a reference to "dollars" or "\$" is to the lawful currency for the time being of the United States of America, and a reference to "euro" or "€" is to the currency introduced at the commencement of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended,

- (k) a document expressed to be "in the agreed form" means a document in a form which has been agreed by the parties and a copy of which has been identified as such and initialed by or on behalf of each of the parties,
 - (l) a reference to "rights" includes rights, remedies, benefits, authorities, powers, privileges, discretions, claims, remedies, liberties, easements, quasi-easements and appurtenances (in each case, of any nature whatsoever whether under this Deed, by statute, at law or in equity) or otherwise howsoever
- 1 4 The undertakings and other obligations of the Company, the Collateral Agent or any other person under this Deed shall at all times be read and construed as subject to the provisions of the Credit Agreements which shall prevail in case of any conflict
- 1 5 For the purpose of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, this Deed incorporates all the terms of the Credit Agreements and the other Loan Documents

2. COVENANT TO PAY

The Company covenants with the Collateral Agent duly and punctually to pay or discharge all Secured Amounts which may from time to time be or become due, owing, incurred or payable by any of the Foreign Credit Parties or any Foreign Sotheby Entity (whether as principal or surety and whether or not jointly with another) to or to the order of the Secured Parties under, pursuant to or in connection with (i) the Credit Agreements, this Deed and/or the other Loan Documents or (ii) any Bank Product and Hedging Obligations, in each case at the times when, and in the currency or currencies and in the manner in which, they are expressed to be due, owing, incurred or payable herein or therein

3 SECURITY

3 1 Mortgages

The Company hereby assigns by way of first fixed continuing mortgage to and in favour of the Collateral 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

3 2 Fixed Charges

The Company hereby charges by way of first fixed continuing security to and in favour of the Collateral 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,
- (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 this Deed if such consent has not been obtained) and the right to receive all compensation payable in respect thereof

3 3 Floating Charge

The Company hereby charges by way of first floating charge and by way of further continuing security to and in favour of the Collateral 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 stock in trade), including any expressed to be charged by any of the foregoing provisions of this Clause 3. The floating charge created by this Clause 3 3 shall rank behind all the fixed Security Interests created by or pursuant to this Deed or the Share Charge to the extent that they are valid and effective as fixed Security Interests but shall rank in priority to any other Security Interests hereafter created by the Company (except for Permitted Encumbrances which would rank in priority to the floating charge created by this Clause 3 3 created in favour of the Collateral Agent by operation of law)

3 4 Exclusion

Notwithstanding the preceding provisions of this Clause 3, there shall be excluded from the Charges set out in Clause 3 2 (and from the definition of "Fixed Charge Assets") (i) any Asset if and to the extent and for so long as it is effectively charged by way of first fixed charge under the Share Charge and (ii) 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

3 5 Full Title Guarantee

Each mortgage, assignment, charge or other disposition in favour of the Collateral Agent referred to in the previous provisions of this Clause 3 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

- (a) any charges, encumbrances or rights which the Company does not and could not reasonably be expected to know about,
- (b) any liabilities imposed and rights conferred by or under any enactment, whether or not such liabilities are, by reason of
 - (i) being, at the time of the disposition, only potential liabilities and rights in relation to the property, or
 - (ii) being liabilities and rights imposed or conferred in relation to property generally,not such as to constitute defects in title, and
- (c) anything (other than any particular matter to which such mortgage, assignment, charge or other disposition is by any other provision of this 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 Collateral Agent

3.6 Assignments

Until the occurrence of an Enforcement Event the Collateral Agent shall permit the Company to exercise all rights under any Specific Insurances assigned pursuant to Clause 3.1 to which it is a party, provided that the exercise of these rights in the manner proposed would not result in an Event of Default under the terms of either of the Credit Agreements

4. REDEMPTION OF SECURITY

On the irrevocable and unconditional payment or discharge in full of all of the Secured Amounts (or provision to the Collateral Agent, in substitution for this Deed, of any Security Interest, assurance or guarantee in each case satisfactory to the Collateral Agent in its absolute discretion), the Collateral Agent, at the request and cost of the Company but without being responsible or liable for any losses, costs, expenses, claims or liabilities occasioned by acting upon such request, shall release or discharge the Charged Assets from the Charges and reconvey, reassign or retransfer to or to the order of the Company or any other person entitled thereto any Charged Assets assigned to the Collateral Agent

5. REPRESENTATIONS AND WARRANTIES

5.1 The Company represents and warrants to the Collateral Agent that

- (a) it is an unlimited company duly incorporated and existing under the law of its jurisdiction of incorporation and has the power and authority to own its Assets and to conduct the business and operations which it conducts and/or proposes to conduct,
- (b) it has the power to enter into, and perform and comply with all the obligations expressed to be assumed by it under, this Deed, and to create the Charges,
- (c) all corporate authority and any other actions, conditions and things whatsoever required to be obtained, taken, fulfilled and done (including the obtaining of any necessary consents) in order to enable the Company lawfully to enter into, and perform and comply with all the obligations expressed to be assumed by it under, this Deed, to ensure that those obligations are valid, legal, binding and enforceable, to permit the creation of the Charges and ensure that (subject to all necessary registrations thereof being made and subject to the Reservations) the Charges are valid, legal, binding and enforceable and have and will have the priority and ranking which they are expressed to have (subject to the Reservations) and to make this Deed admissible in evidence in the courts of England have each been taken, fulfilled and done,
- (d) the obligations of the Company under this Deed and (subject to all necessary registrations thereof being made) the Charges are and will be until fully discharged, valid, legal, binding and enforceable and, in the case of the Charges, have and will have the effect and the priority and ranking which they are expressed to have, subject to the Reservations,
- (e) its entry into, and performance of and compliance with the obligations expressed to be assumed by it under this Deed, and the creation of the Charges under this Deed, do not and will not

- (i) contravene, breach or exceed any powers or restrictions granted or imposed by any law to which it, any of its Assets or its directors is subject or by its memorandum or articles of association,
 - (ii) contravene, breach or result in the termination of or entitle any other party to terminate any agreement or arrangement to which the Company is a party or which is binding on the Company or any of its Assets, or
 - (iii) result in the existence of, or oblige the Company to create, any Security Interest over its Assets (other than the Charges),
- (f) (save to the extent disclosed to the Collateral Agent in writing prior to the date of this Deed or where an Asset or Assets have been sold or otherwise disposed of in accordance with the terms of the Credit Agreements) it is the absolute sole beneficial owner of the Assets expressed to be mortgaged, assigned or charged by it under this Deed,
- (g) it has taken no action or steps to prejudice its right, title or interest in, to or in respect of any the Charged Assets (save any action or step permitted by the Credit Agreements),
- (h) no Security Interest (other than the Charges and the Permitted Encumbrances) or claims exists on, over or in respect of any of the Charged Assets,
- (i) (save to the extent disclosed to the Collateral Agent in writing prior to the date of this Deed or as permitted pursuant to the Credit Agreements) it has not disposed of or sold or granted any lease, tenancy, option or pre-emption right over or in respect of, any part of its right, title or interest in, to or in respect of any of the Charged Assets, and it has not agreed to do any of the foregoing,
- (j) it has obtained and has good title to all Intellectual Property Rights, leases, licences, authorisations and consents in respect of its Assets and its business in each case as are required or desirable to enable it lawfully to carry on its business as conducted at the date of this Deed,
- (k) so far as the Company is aware (having made due enquiry), no litigation, arbitration or administrative proceeding is current, pending or threatened (a) that would restrain the entry into, or performance or enforcement of or compliance with any of the obligations expressed to be assumed by the Company's obligations under, this Deed, to restrain the creation of the Charges under this Deed or any of the other Loan Documents, or (b) that has a reasonable risk of being determined adversely to the Company and that, if so determined, could reasonably be expected to have a Material Adverse Effect,
- (l) no Insolvency Event has occurred in relation to the Company and the Company is not insolvent or unable to pay its debts and could not be deemed by a court to be unable to pay its debts within the meaning of section 123 of the Insolvency Act nor will it become so in consequence of entering into or performing or complying with the obligations expressed to be assumed by it under this Deed or any of the other Loan Documents,
- (m) the Company's Centre of Main Interests is in the United Kingdom, and
- (n) each of the representations and warranties in the sub-paragraphs above shall survive the execution and delivery of this Deed and shall be true and correct on and as of the

date of any Advance, the incurrence of any Letter of Credit Obligations, or the conversion or continuation of any portion of the outstanding Revolving Loan into or as a LIBOR Loan, in each case as if repeated then by reference to the then existing circumstances

6. COVENANTS RELATING TO ASSETS – PERFECTION, RESTRICTIONS ON DEALINGS, PROTECTION

6.1 Documents of Title

If so requested by the Collateral Agent, the Company shall as soon as practicable deliver to it or any person nominated by the Collateral Agent all documents relating to such of the Book Debts, negotiable instruments charged by Clause 3.2, Specific Bank Accounts, all policies and contracts relating to Specific Insurances and any other documents relating to any of the Charged Assets which are expressed to be subject to fixed Charges, in each case as the Collateral Agent (acting reasonably) may specify generally or specifically

6.2 Negative Pledge

The Company shall not, save with the prior written consent of the Collateral Agent or as permitted by this Deed or the Credit Agreements

- (a) create or permit to subsist any Security Interest on or affecting the whole or any part of the Assets including the Charged Assets, except for the Charges, the Charges created by or pursuant to the Share Charge 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 Agreements) or permit any of the foregoing to occur, save that until any Enforcement Event occurs or the floating charge created by this Deed is converted into a fixed charge as regards the Assets concerned the Company may (subject to the provisions of the Credit Agreements) 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 Charges on that disposal being made

6.3 Assets and Charges Generally

The Company shall

- (a) take all action available to it (including making all filings and registrations) necessary for the creation, perfection, preservation, protection or maintenance of the Charges,
- (b) use all reasonable endeavours to promptly obtain, in form and substance reasonably satisfactory to the Collateral Agent, any consents necessary to enable any of the Assets of the Company specified by the Collateral Agent, from time to time, in a written notice to the Company to be subject to effective Security Interests pursuant to Clause 3 and the Asset concerned shall immediately upon obtaining any such consent become subject to the fixed Charges under Clause 3 and, promptly on obtaining any such consent, deliver a copy to the Collateral Agent and execute such further Charges in favour of the Collateral Agent in respect of such Assets as the Collateral Agent

may require,

- (c) punctually pay, as and when they become due, all rent, rates, Taxes, assessments, impositions, and outgoings assessed upon or payable in respect of the Charged Assets and all rents, hire, royalties and other sums reserved by any lease, hiring agreement or licence under which any Charged Assets are from time to time held or used and promptly on request by the Collateral Agent produce to the Collateral Agent or provide the Collateral Agent with copies of the related receipts,
- (d) at all times comply with all requirements, regulations, covenants, obligations or restrictions (statutory or otherwise) affecting any Charged Assets or the conduct of the Company's business (including without limitation all environmental laws and regulations in relation to any Assets of the Company) and with all obligations under any lease, agreement for lease, tenancy, hiring agreement or licence under which any Charged Asset is from time to time hired or used except to the extent that failure to comply could not reasonably be expected to have a Material Adverse Effect,
- (e) maintain preserve and protect all of its assets and properties used or useful in the conduct of its business, and keep in good repair, working order and condition in all material respects (taking into account ordinary wear and tear) from time to time make, or cause to be made, all necessary and appropriate repairs, replacements and improvements thereto consistent with industry practices,
- (f) after the occurrence of and during the continuation of an Enforcement Event or an Activation Event, at all times comply with any direction given by the Collateral Agent in relation to the Charged Assets provided that the Company shall not be required to comply with any direction compliance with which would require it to commit an illegal or unlawful act,
- (g) in addition and without prejudice to any other provisions of this Deed, at all times take all proper steps available to it to preserve and otherwise protect the Charged Assets and maintain all necessary Intellectual Property Rights, registrations, leases, licences, authorisations and consents to enable it to enforce its rights in, to and under the Charged Assets, unless the Company shall reasonably determine that such Intellectual Property Rights, registrations, leases, licences, authorisations and consents are not material to the conduct of its business or operations, and
- (h) in addition and without prejudice to any other provision of this Deed, not do or suffer to be done anything which could prejudice any of the Charges or their priority or the position of the Collateral Agent under this Deed (save any action or step permitted by the Credit Agreements)

6.4 Specific Insurances

Without prejudice and in addition to the other provisions of this Clause 6 and Clause 11 the Company shall

- (a) immediately after execution of this Deed, execute and deliver to the Collateral Agent notices of assignment, substantially in the form set out in Schedule 2 or such other form as the Collateral Agent may reasonably require, in respect of each of the Specific Insurances, and
- (b) use its reasonable endeavours to procure that each relevant insurer delivers to the Collateral Agent promptly following the date hereof an acknowledgement in writing substantially in the form attached to such notice,

- (c) comply with all obligations assumed by the Company under the Specific Insurances, and diligently pursue any rights available to it in respect of any material breach or claim arising in respect thereof, and
- (d) not (save with the Collateral Agent's prior written consent or as permitted by the terms of the Credit Agreements) permit any Specific Insurances to become invalid or ineffective or agree to or permit any variation, waiver, release or termination of any of the Specific Insurances or any rights under or pursuant to or otherwise in respect of any of the Specific Insurances

6.5 Book Debts and Specific Bank Accounts

Without prejudice and in addition to the other provisions of this Clause 6 and Clause 11

- (a) the Company shall deliver to the Collateral Agent promptly on its written request such documents relating to such of the Book Debts and the Specific Bank Accounts as the Collateral Agent may reasonably specify,
- (b) except as required by sub-paragraph (c) below or as expressly permitted by the terms of the Credit Agreements, the Company shall not sell, factor, discount, transfer, assign, lend or otherwise dispose of all or any part of, the Book Debts or release, compound, subordinate, defer or vary the terms of any of the same or agree to any of the foregoing,
- (c) following the occurrence of an Event of Default or Activation Event that is continuing, the Company shall execute and deliver to the Collateral Agent promptly on request, in such form as the Collateral Agent may reasonably require, a legal assignment of all the Company's right, title and interest in and to such of the Book Debts as the Collateral Agent may specify generally or specifically and any account the Collateral Agent may designate as a Specific Bank Account, and give such notices to the relevant debtors or account-holding bank or financial institution and take all such steps as the Collateral Agent may reasonably require to perfect or protect such assignment,
- (d) the Company shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on each of the Blocked Accounts (and any other bank account other than any Cash Collateral Account) unless and until an Enforcement Event has occurred and is continuing or an Activation Notice has been served. If an amount is withdrawn or otherwise transferred from a Blocked Account as permitted by this clause, that amount shall be automatically released from the Charges on that Blocked Account on that withdrawal or transfer being made,
- (e) the Company shall not be entitled to receive, withdraw or otherwise transfer any credit balance from time to time in any Cash Collateral Account other than in accordance with Paragraph (c)(iv) of Annex B to each of the Credit Agreements,
- (f) the Company shall, promptly upon opening any Specific Bank Account, serve a notice of assignment in the form set out in Schedule 3 to this Deed in respect of any such Specified Bank Account, and
- (g) the Company shall use its reasonable endeavours to procure that each person with whom it holds a Specific Bank Account acknowledges in writing to the Collateral Agent that such Specific Bank Accounts are subject to the fixed Charge created by Clause 3 and that, to the fullest extent permitted by applicable law, such person waives and agrees not to exercise any right of set-off or any other equities in respect

of such Specific Bank Accounts

6 6 Book Debts and negotiable instruments

Without prejudice and in addition to the other provisions of this Clause 6 and Clause 11, the Company shall

- (a) promptly get in, collect and realise in the ordinary course of its business
 - (i) all Book Debts,
 - (ii) all negotiable instruments (except any which are Investments),
 - (iii) all moneys payable in respect of Investments,
 - (iv) all royalties, fees and income of like nature in relation to its Intellectual Property Rights now or hereafter used in or necessary for its business, and
 - (v) all proceeds of Specific Insurances,
- (b) after the occurrence and during the continuation of an Enforcement Event or an Activation Event, hold the proceeds of such getting in and realisation (until payment in accordance with paragraph (c) below) upon trust for the Collateral Agent, and
- (c) after the occurrence and during the continuation of an Enforcement Event or an Activation Event, promptly pay the proceeds of such getting in, collection and realisation into such Collection Account, Specific Bank Account or Specific Bank Accounts as the Collateral Agent may specify in writing to the Company from time to time (collectively the "Special Account") or as the Collateral Agent may require

6 7 Intellectual Property Rights

Without prejudice and in addition to the other provisions of this Clause 6 and Clause 11, the Company shall

- (a) promptly on request by the Collateral Agent, execute and do all acts, things and documents as the Collateral Agent may reasonably require to record the Collateral Agent's interest in any registers relating to any of the Intellectual Property Rights,
- (b) as soon as practicable notify the Collateral Agent in writing of any existing or future contract for it to acquire (by licence or otherwise), or application to register, any material Intellectual Property Rights material to the business of the Company,
- (c) as soon as practicable notify the Collateral Agent in writing of any proceedings, suits, actions, litigation or claims in connection with any of the Intellectual Property Rights material to the business of the Company which could reasonably be expected to have a Material Adverse Effect and, at the Company's cost, take such action in relation thereto as the Collateral Agent may reasonably require, and
- (d) do all things reasonably necessary to safeguard and maintain its ownership and present and future rights in connection with all material Intellectual Property Rights at any time or from time to time used in or necessary for or prudent in connection with its business and to safeguard and maintain their subsistence, validity and value, including
 - (i) maintaining and renewing any registerable Intellectual Property Rights on the

relevant register, including payment of all renewal fees due in respect thereof,

- (ii) observing all covenants and stipulations relating to such Intellectual Property Rights and not using or permitting any Intellectual Property Rights to be used in any manner which may materially and adversely affect the value thereof,
- (iii) obtaining all necessary registrations in relation to such Intellectual Property Rights, and
- (iv) commencing and diligently prosecuting, or permitting the Collateral Agent in the name of but at the cost of the Company to commence and prosecute, all proceedings necessary to prevent any infringement of any such Intellectual Property Rights or to recover damages in respect thereof

7. GENERAL COVENANTS

7.1 The Company shall

- (a) not give financial assistance directly or indirectly for the purpose of acquiring shares in the Company or its Holding Company,
- (b) promptly after becoming aware of it, give notice in writing to the Collateral Agent of the occurrence of any Enforcement Event and also of any action taken or proposed to remedy it,
- (c) immediately on receipt or notice of the same supply to the Collateral Agent full details of any application to the court for an administration order under paragraph 10 of Schedule B1 of the Insolvency Act made in respect of the Company and (without prejudice to paragraph 12(2) of Schedule B1 to the Insolvency Act) of any actual or proposed appointment of an Administrator by the holder of a qualifying floating charge (within the meaning of paragraph 14 of Schedule B1 to the Insolvency Act) or (without prejudice to paragraph 26(1) of Schedule B1 to the Insolvency Act) by the Company or its directors,
- (d) other than at the instruction of the Collateral Agent, not apply, or permit its directors to apply, to the court for an administration order under the Insolvency Act, or appoint, or permit its directors to appoint, any Administrator, and
- (e) not have its Centre of Main Interests situated, or permit its Centre of Main Interests to be situated, outside the United Kingdom

8. CRYSTALLISATION OF FLOATING CHARGE

8.1 In addition and without prejudice to any other event resulting in crystallisation of the floating charge, but subject to any prohibition or restriction imposed by law, if at any time

- (a) an Event of Default occurs and is continuing, or
- (b) the Collateral Agent in good faith considers that the Charged Assets or any part thereof is in danger of being seized or sold under any form of distress, execution, diligence or other legal process levied or threatened or is otherwise in jeopardy, or
- (c) if any other circumstance occurs which the Collateral Agent considers does or is likely to threaten, jeopardise or prejudice any of the Charged Assets or Charges or the priority of any Charges,

the Collateral Agent may by notice in writing to the Company convert the floating charge created by Clause 3.3 into a fixed charge as regards any Floating Charge Assets as may be specified (generally or specifically) in that notice or, if none is specified, all the Floating Charge Assets

8.2 In addition and without prejudice to any law or other event resulting in crystallisation of the floating charge, but subject to any prohibition or restriction imposed by law, the floating charge created by Clause 3.3 shall without notice automatically be converted into a fixed charge over

- (a) all Floating Charge Assets, if and when
 - (i) the Company ceases to carry on business or a material part thereof or ceases to be a going concern,
 - (ii) an Insolvency Event occurs in relation to the Company, Oatshare Limited or Sotheby's Financial Services Limited, or
 - (iii) (without prejudice to sub-Clause (b) of this Clause 8.2) 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, or
- (b) any Floating Charge Assets which become subject or continue to be subject to any actual or purported Security Interest (other than Permitted Encumbrance) in favour of any person other than the Collateral Agent or which is/are the subject of any actual or purported sale, transfer or other disposition, in either case contrary to the covenants contained in this Deed or any of the Loan Documents, immediately prior to such actual or purported Security Interest arising or such actual or purported sale, transfer or other disposition being made, or
- (c) any Floating Charge Assets affected by any expropriation, attachment, sequestration, distress or execution, immediately prior to such expropriation, attachment, sequestration, distress or execution

9. ENFORCEMENT

9.1 The security constituted by this Deed shall, subject to any prohibition or restriction imposed by law, become enforceable upon and at any time after the occurrence of any of the following events (each an "Enforcement Event")

- (a) an Event of Default occurs and is continuing,
- (b) an Insolvency Event 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

9.2 At any time after the occurrence and during the continuation of an Enforcement Event, the Collateral Agent may (but shall not be obliged to) enforce all or any part of the Charges at such time, on such terms and in such manner as it thinks fit, and take possession of, hold or dispose of all or any part of the Charged Assets, and may (whether or not it has taken possession or appointed a Receiver or Administrator) exercise any rights conferred by the

Law of Property Act (as varied or extended by this Deed) on mortgagees or by this Deed or otherwise conferred by law on mortgagees

9 3 Without prejudice to the generality of the foregoing, at any time after the occurrence and during the continuation of an Enforcement Event the Collateral Agent may (but shall not be obliged to) by notice to the Company in writing appropriate all or any part of the Charged Assets which constitute financial collateral legally or equitably mortgaged to the Collateral Agent If the Collateral Agent exercises such power of appropriation

(a) it shall determine the value of any Charged Asset appropriated which consists of a financial instrument as at the time of exercise of that power as the current value of the cash payment which it determines would be received on a sale or other disposal of such Charged Asset effected for payment as soon as reasonably possible after such time Any such determination shall be made by the Collateral Agent on such basis as the Collateral Agent shall at its absolute discretion consider appropriate and, in any event, the valuation shall be carried out in a commercially reasonable manner, and

(b) any Charged Asset appropriated which constitutes cash and which is not denominated in a Contractual Currency (as defined in Clause 12 1) shall be valued as if it were converted to the Contractual Currency at the rate and in the manner referred to in Clause 12 1, and Clause 12 1 shall apply (with any necessary changes) to any cash appropriated

9 4 The exercise by the Collateral Agent of its right of appropriation under Clause 9 3 of any part of the Charged Assets shall not prejudice or affect any of the Collateral Agent's rights and remedies in respect of the remainder of the Charged Assets for any Secured Amounts which remain to be paid or discharged

10. CONTINUING SECURITY, OTHER SECURITY ETC.

10 1 The Charges, covenants, undertakings and provisions contained in or granted pursuant to this Deed shall remain in full force and effect as a continuing security to the Collateral Agent for the Secured Amounts and shall not be satisfied, discharged or affected by any intermediate payment or settlement of account of all or part of the Secured Amounts (whether any Secured Amounts remain outstanding thereafter) or any other act, event, matter, or thing whatsoever, except only the release or discharge by the Collateral Agent of all the Charges under Clause 4

10 2 The Charges are cumulative, in addition to and independent of, and shall neither be merged with nor prejudiced by nor in any way exclude or prejudice, any other Security Interest, guarantee, indemnity, right of recourse or any other right whatsoever which the Collateral Agent may now or hereafter hold or have (or would apart from this Deed or the Charges hold or have) from the Company or any other person in respect of any of the Secured Amounts

10 3 The restriction on consolidation of mortgages contained in section 93 of the Law of Property Act shall not apply in relation to the Charges

10 4 Without prejudice to the provisions of the Credit Agreements, if the Collateral Agent receives or is deemed to be affected by notice (actual or constructive) of any Security Interest or any other interest affecting any Charged Asset or if an Insolvency Event occurs in relation to the Company

(a) the Collateral Agent may open a new account or accounts with or on behalf of the Company (whether or not it allows any existing account to continue) and, if it does not, it shall nevertheless be deemed to have done so at the time it received or was deemed to have received such notice or at the time that the Insolvency Event

occurred, and

- (b) all payments made by the Company to the Collateral Agent after the Collateral Agent received or is deemed to have received such notice or after such Insolvency Event occurred shall be credited or deemed to have been credited to the new account or accounts, and in no circumstances whatsoever shall operate to reduce the Secured Amounts as at the time the Collateral Agent received or was deemed to have received such notice or as at the time that such Insolvency Event occurred

10 5 Without prejudice to Clause 6, if there is any Security Interest having priority to the Charges in respect of all or any part of the Charged Assets then

- (a) if any proceedings or steps are being taken to exercise or enforce any powers or remedies conferred by such prior Security Interest against the Charged Assets, the Collateral Agent or any Receiver may (but without prejudice to any rights the Collateral Agent or the Receiver may have under statute) redeem such prior Security Interest or procure the transfer thereof to itself or himself, as the case may be and may settle and pass the accounts of the prior chargee, and any account so settled and passed shall be conclusive and binding on the Company and the principal, interest, costs, charges, expenses, losses and liabilities of and incidental to such redemption or transfer shall be paid by the Company to the Collateral Agent promptly on demand, and
- (b) all the rights conferred by the prior charge upon the chargee or any receiver thereunder shall be exercisable by the Collateral Agent or a Receiver in like manner as if the same were expressly included herein and the Collateral Agent shall be entitled to exercise all the rights of a receiver appointed thereunder

10 6 This Deed shall remain valid and enforceable notwithstanding any change in the name, composition or constitution of the Collateral Agent or the Company or any amalgamation or consolidation by the Collateral Agent or the Company with any other corporation

11. FURTHER ASSURANCES, POWER OF ATTORNEY, ETC.

11 1 The covenants below are in addition to and not in substitution for the covenants for further assurance implied in this Deed by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994. The Company shall at any time and from time to time, on being required to do so by the Collateral Agent, at the cost of the Company 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 Collateral Agent or the Receiver (as the case may be), and as the Collateral Agent or the Receiver may specify

- (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 Collateral 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 Collateral Agent the full benefit of the rights conferred on it by this Deed or of the Security Interests created or intended to be created by or pursuant to this Deed or otherwise with a view to giving full effect to the provisions of this Deed (including executing and delivering such further or other mortgages, assignments, transfers, charges, notices or other documents, whether to the Collateral Agent or its nominees or to any other person, in relation to any Charged Assets as the Collateral Agent may specify whether generally or specifically), or

- (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 Collateral Agent or the Receiver (as the case may be)
- 11 2 The Company irrevocably and by way of security appoints the Collateral Agent and every Receiver jointly and also severally to be its attorney (with full power to appoint substitutes and to sub-delegate, including power to authorise the person so appointed to make further appointments) on behalf of the Company and in its name or otherwise, and at such time and in such manner as the attorney may think fit, to execute, deliver, perfect and do any deed, document, act or thing which the Collateral Agent or such Receiver (or any such substitute or sub-delegate) may, in its or his absolute discretion, consider appropriate in connection with this Deed, the Charged Assets (or Relevant Charged Assets in the case of the exercise of the power of attorney by a Receiver) or the exercise of any of the rights of the Collateral Agent or such Receiver, or which the Company is obliged to execute or do whether under this Deed or otherwise (including the execution and delivery of mortgages, assignments, transfers or charges or notices or directions in relation to any of the Charged Assets) Without prejudice to the generality of its right to appoint substitutes and to sub-delegate, the Collateral Agent may appoint the Receiver as its substitute or sub-delegate, and any person appointed the substitute or sub-delegate of the Collateral Agent shall, in connection with the exercise of such power of attorney, be the agent of the Company The Company acknowledges that such power of attorney is as regards the Collateral Agent and any Receiver granted irrevocably and for value to secure proprietary interests in and the performance of obligations owed to the respective donees within the meaning of the Powers of Attorney Act 1971
- 11 3 The Company hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do or purport to do in the exercise or purported exercise of all or any of the rights referred to in this Clause 11
- 11 4 References in Clause 11 1 and Clause 11 2 to the Collateral Agent or the Receiver shall include references to any Delegate
- 11 5 The Company hereby irrevocably authorises the Collateral Agent at any time and from time to time to file in any filing office in any jurisdiction in the United States of America any initial financing statements and amendments thereto that indicate the Collateral (i) as all assets of the Company or words of similar effect, or (ii) as being of an equal or lesser scope or with greater detail
- 11 6 Notwithstanding any other provision of this Deed, the Collateral Agent and the Company agree that the Collateral Agent shall only be entitled to require that a notice of the security interests granted hereunder be served in respect of any Art Loans and Extended Term Art Receivables after the occurrence and during the continuation of an Enforcement Event or an Activation Event

12. CURRENCY INDEMNITY

- 12 1 Each payment by the Company under or in connection with this Deed must be made in the currency specified in this Deed for that payment (the "Contractual Currency"), and the Company waives any right it may have in any jurisdiction to pay any amount under this Deed in a currency or currency unit other than that in which it is expressed to be payable No obligation to make any such payment shall be discharged or satisfied by tender in any other currency If for any reason whatsoever (including in order to obtain or enforce a judgment or order in any court, to make or lodge a claim or proof or to apply a sum in or towards discharge of any Secured Amounts) any sum due by the Company under or in connection with this Deed (a "Sum") is received, recovered or realised in a currency other than the

Contractual Currency, and when converted into the Contractual Currency is less than the Sum in the Contractual Currency expressed to be payable under or in connection with this Deed, the Company must (as a separate and independent obligation) promptly on demand indemnify the Collateral Agent against any loss, cost or liability incurred or suffered by the Collateral Agent as a result, including the costs of and any commission premium or Taxes payable in connection with the conversion. These indemnities are separate and independent obligations of the Company and shall continue to found separate and independent causes of action notwithstanding any indulgence granted by any party to whom any Sum is owed, or any judgment, order or award or any proof or claim in respect of any sum due under or in connection with this Deed. Any conversion referred to above shall be treated as being at the rate of exchange at which the Collateral Agent is able, in accordance with its usual practice, to purchase the Contractual Currency with the other currency in London on the date of receipt or recovery or, if it is not practicable to make the purchase on that date, on the first date when it is practicable to do so or, in the case that an Insolvency Event occurs in relation to the Company, the rate of exchange on the latest date permitted by applicable law for the determination of liabilities in relation to such Insolvency Event, and for the purposes of this Clause 12 it will be sufficient for the Collateral Agent to show that it would have sustained a loss had an actual conversion been effected.

- 12.2 If the Company fails to pay or discharge any of the Secured Amounts when due, the Collateral Agent may from time to time purchase an amount of the currency in which such Secured Amount is due with any other currency or currencies and the Company's obligation thereafter shall be to pay the Collateral Agent the amount of the other currency or currencies used for the purchase.
- 12.3 For the purposes of or pending discharge of any Secured Amounts the Collateral Agent may in its sole discretion convert any moneys received, recovered or realised in any currency under the Deed (including proceeds of any previous conversion under this Clause) into any other currency at such rate or rates of exchange as is or are then offered by the Collateral Agent to its commercial customers and at such time as the Collateral Agent thinks fit.

13. DEMANDS, INTEREST AND PAYMENT

- 13.1 The Company shall pay the amounts payable under Clauses 2, 6, 12, 13 and all other amounts from time to time payable to the Collateral Agent or the Receiver pursuant to this Deed promptly on demand (in accordance with the aforementioned clauses) together with interest after as well as before any demand, judgment or Insolvency Event in relation to the Company at the rate payable in respect of default interest under the Credit Agreements. Such interest shall be calculated day by day from the date on which the relevant costs, charges, losses, liabilities and other expenses or sums were expended, paid, charged or incurred or debited by the Collateral Agent or the Receiver (in the case of amounts payable under Clause 20, and without any need to make demand for such payment in such a case), or from the date on which the relevant Secured Amount became payable (in any other case), in each case until full payment or discharge of the relevant Secured Amount. Such interest may be debited by the Collateral Agent to any account of the Company and shall in any event form part of the Secured Amounts.
- 13.2 All payments under this Deed (including damages for its breach) shall be made in sterling and in such funds, to such account with such financial institution and in such other manner as the Collateral Agent and Company may agree or, if not so agreed, as the Collateral Agent may direct.
- 13.3 All sums payable to the Collateral Agent under this Deed shall be paid in cleared funds free and clear of any restriction, condition or set-off and free and clear of any deduction or withholding whatsoever save only as may be required by law. The provisions of Section

1 16(a)-(e) (inclusive) of each of the Credit Agreements shall apply *mutatis mutandis* to this Clause 13 3

- 13 4 A certificate signed by any officer of the Collateral Agent as to the amount of Secured Amounts and any part thereof, or as to any applicable rate of interest, shall (save in the case of manifest error) be conclusive and binding against the Company as to the amount and that such amount is payable or as to rate thereof (as the case may be), in each case for all purposes including for the purpose of any Proceedings relating to this Deed, the Charges or the Secured Amounts

14. THE COLLATERAL AGENT'S RIGHTS

- 14 1 The Secured Amounts shall become due for the purposes of section 101 of the Law of Property Act, and the statutory powers of sale and enforcement and of appointing a Receiver which are conferred on the Collateral Agent under that Act (as varied and extended by this Deed) and all other rights of a mortgagee conferred by the Law of Property Act shall be deemed to arise immediately after execution of and in accordance with this Deed
- 14 2 Section 103 of the Law of Property Act shall not apply to this Deed and upon the occurrence of an Enforcement Event the Charges shall become immediately enforceable and the rights conferred by the Law of Property Act and this Deed immediately exercisable by the Collateral Agent without the restrictions contained in the Law of Property Act
- 14 3 At any time after an Enforcement Event occurs and is continuing, the Collateral Agent shall, in addition to the powers of leasing and accepting surrenders of leases conferred by section 99 and 100 of the Law of Property Act, have power to make any lease or agreement to lease at a premium or otherwise, accept surrenders of leases and grant options, in each case on any terms and in any manner the Collateral Agent thinks fit without needing to comply with any restrictions imposed by such sections or otherwise
- 14 4 In making any sale or other disposal of any Charged Assets or making any acquisition in exercise of their respective rights, the Collateral Agent or any Receiver may do so for such consideration (including cash, shares, debentures, loan capital or other securities whatsoever, consideration fluctuating according to or dependent on profit or turnover, and consideration whose amount is to be determined by a third party, and whether such consideration is receivable in a lump sum or by instalments) and otherwise on such terms and conditions and in such manner as it or he thinks fit, and may also grant any option to purchase and effect exchanges
- 14 5 The Collateral Agent may at any time delegate to any person either generally or specifically, on such terms and conditions (including power to sub-delegate) and in such manner as the Collateral Agent thinks fit, any rights (including the power of attorney) from time to time exercisable by the Collateral Agent under or in connection with this Deed No such delegation shall preclude the subsequent exercise by the Collateral Agent of such right or any subsequent delegation or revocation thereof
- 14 6 The Collateral Agent may at any time after an Enforcement Event and from time to time thereafter, without notice to the Company and without prejudice to the Collateral Agent's other rights, and notwithstanding any settlement of account or other matter whatsoever, combine or consolidate all or any of the Company's existing accounts (including accounts in the name of the Company or the Collateral Agent or jointly with others) and may set off any Secured Amounts against any obligation or liability (matured or not and whether actual or contingent) owing by the Collateral Agent to, or any amount and sum held or received or receivable by it on behalf or to the order of, the Company or to which the Company is beneficially entitled (such rights extending to the set off or transfer of all or any part of any

credit balance on any such account, whether or not then due and whatever the place of payment or booking branch, in or towards satisfaction of any Secured Amounts) For that purpose, if any of the Secured Amounts is in a different currency from such obligation, liability, amount or sum (including credit balance), the Collateral Agent may effect any necessary conversion at its then prevailing spot rates of exchange (as conclusively determined by the Collateral Agent) and may pay out any additional sum which the UK or any other governmental or regulatory body of any jurisdiction may require the Collateral Agent to pay in respect of such conversion The Collateral Agent may in its absolute discretion estimate the amount of any liability of the Company which is unascertained or contingent and set off such estimated amount, and no amount shall be payable by the Collateral Agent to the Company unless and until all Secured Amounts have been ascertained and fully paid or discharged The Collateral Agent shall not be obliged to exercise any of its rights under this Clause, which shall be without prejudice and in addition to any rights of set-off, combination of accounts, bankers' lien or other right to which it is at any time otherwise entitled (whether by operation of law, contract or otherwise)

- 14 7 Notwithstanding Clause 17 1, for so long as any Secured Amounts have not been paid or discharged in full, the Collateral Agent may in its absolute discretion at any time and from time to time place and retain in an investment-bearing suspense account, for such period and in such manner as it thinks fit, any moneys it receives, realises or recovers from the Company, the Receiver or the Administrator or otherwise in connection with this Deed to the extent of the Secured Amounts, without being obliged to apply those moneys or any part of them in or towards the payment or discharge of any Secured Amounts
- 14 8 If the Company for any reason fails to observe or punctually to perform or to procure the observance or performance of any of the obligations expressed to be assumed by it to the Collateral Agent under this Deed, the Collateral Agent shall have the right (but shall not be obliged), on behalf of or in the name of the Company or otherwise, to perform the obligation and to take any steps which the Collateral Agent may in its absolute discretion consider appropriate with a view to remedying, or mitigating the consequences of, the failure, but the exercise of this right, or the failure to exercise it, shall in no circumstances prejudice the Collateral Agent's rights under this Deed or otherwise or constitute the Collateral Agent a mortgagee in possession
- 14 9 Without prejudice to the foregoing provisions of this Clause 14, if the Company fails to comply with Clause 6 4, the Collateral Agent may (but shall not be obliged to) effect or renew such Specific Insurances as mentioned in that Clause in the names of the Company and the Collateral Agent jointly or in the Company's name with the Collateral Agent's interest endorsed on such terms, in such amounts and against such risks as the Collateral Agent thinks fit
- 14 10 Without prejudice to the foregoing provisions of this Clause 14, if any Enforcement Event shall have occurred and is continuing, and the Collateral Agent, in its reasonable determination, concludes that the Company is unable or unwilling to carry out any contractual or fiduciary duties the Company may owe to an Account Debtor arising in connection with such Account Debtor's consignment to the Company of Works of Art which secure an Art Loan, or might otherwise violate its obligations to such an Account Debtor with respect to such Works of Art, the Collateral Agent may, on behalf of the Company, appoint a third party auctioneer of respectable international reputation and capabilities as the Company's sub-agent for the performance of such duties or obligations, including, without limitation, for the sale of such consigned Works of Art at auction, and the Company shall cooperate fully with respect to such sale by such third-party auctioneer, provided, however, that such sub-agent, in performing such duties and obligations, shall comply with each of the Company's obligations (contractual or otherwise) owing to such Account Debtor

14 11 Without prejudice to the foregoing provisions of this Clause 14, if any Enforcement Event shall have occurred and is continuing, the Company further agrees, at the Collateral Agent's request, to assemble the Charged Assets and make them available to the Collateral Agent at a place or places designated by the Collateral Agent which are reasonably convenient to the Collateral Agent and the Company, whether at the Company's premises or elsewhere. In addition, if any Enforcement Event shall have occurred and is continuing, the Company further agrees, at the Collateral Agent's request, to assemble and maintain any Works of Art securing repayment of Art Loans and make such Works of Art available to the Collateral Agent at a place or places designated by the Collateral Agent. Until the Collateral Agent is able to effect a sale, lease, or other disposition of the Charged Assets, the Collateral Agent shall have the right to hold or use the Charged Assets, or any part thereof, to the extent that it deems appropriate for the purpose of preserving the Charged Assets or their value or for any other purpose deemed appropriate by the Collateral Agent. The Collateral Agent shall have no obligation to the Company to maintain or preserve the rights of the Company as against third parties with respect to the Charged Assets while the Charged Assets are in the possession of the Collateral Agent. The Collateral Agent may, if it so elects, seek the appointment of a receiver or keeper to take possession of the Charged Assets and to enforce any of the Collateral Agent's remedies (for the benefit of the Collateral Agent and the Secured Parties), with respect to such appointment without prior notice or hearing as to such appointment. The Collateral Agent shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realisation or sale to the Secured Amounts as provided herein, and only after so paying over such net proceeds, and after the payment by the Collateral Agent of any other amount required by any provision of law, need the Collateral Agent account for the surplus, if any, to the Company. To the maximum extent permitted by applicable law, the Company waives all claims, damages, and demands against the Collateral Agent or any Secured Party arising out of the repossession, retention or sale of the Charged Assets except such as arise solely out of the gross negligence or wilful misconduct of the Collateral Agent or such Secured Party as finally determined by a court of competent jurisdiction. The Company agrees that ten (10) days prior notice by the Collateral Agent of the time and place of any public sale or of the time after which a private sale may take place is reasonable notification of such matters. The Company shall remain liable for any deficiency if the proceeds of any sale or disposition of the Charged Assets are insufficient to pay all Secured Amounts, including any attorneys' fees and other expenses incurred by the Collateral Agent or any Secured Party to collect such deficiency.

14 12 If, in the exercise of the remedies provided in this Deed, the Collateral Agent or any transferee of the Collateral Agent becomes the owner of any Art Loan or Extended Term Art Receivable, the Company with respect to such Art Loan or Extended Term Art Receivable, to the extent that the Company retains possession of any Work of Art securing repayment of such Art Loan or Extended Term Art Receivable, hereby acknowledges that it holds possession of such Work of Art for the benefit of the Collateral Agent or its transferee, as applicable, as a secured party, and agrees to act with respect to such Work of Art at the direction of the Collateral Agent.

15. APPOINTMENT OF ADMINISTRATOR

15 1 Paragraph 14 of Schedule B1 to the Insolvency Act applies to the floating charge created hereunder.

15 2 Subject to any relevant provisions of the Insolvency Act, the Collateral Agent may, by any instrument or deed of appointment, appoint one or more persons to be the Administrator of the Company at any time after

(a) the occurrence and during the continuation of an Enforcement Event, or

- (b) being requested to do so by the Company, or
 - (c) any application having been made to the court for an administration order under the Insolvency Act, or
 - (d) any person having ceased to be an Administrator as a result of any event specified in paragraph 90 of Schedule B1 to the Insolvency Act, or
 - (e) any notice of intention to appoint an Administrator having been given by any person or persons entitled to make such appointment under the Insolvency Act
- 15 3 Where any such appointment is made at a time when an Administrator continues in office, the Administrator shall act either jointly or concurrently with the Administrator previously appointed hereunder, as the appointment specifies
- 15 4 Subject to any applicable order of the Court, the Collateral Agent may replace any Administrator, or seek an order replacing the Administrator, in any manner allowed by the Insolvency Act
- 15 5 Where the Administrator was appointed by the Collateral Agent under paragraph 14 of Schedule B1 to the Insolvency Act, the Collateral Agent may, by notice in writing to the Company, replace the Administrator in accordance with paragraph 92 of Schedule B1 to the Insolvency Act
- 15 6 Every such appointment shall take effect at the time and in the manner specified by the Insolvency Act
- 15 7 If at any time and by virtue of any such appointment(s) any two or more persons shall hold office as Administrators of the same assets or income, such Administrators may act jointly or concurrently as the appointment specifies so that, if appointed to act concurrently, each one of such Administrators shall be entitled (unless the contrary shall be stated in any of the deed(s) or other instrument(s) appointing them) to exercise all the functions conferred on an Administrator by the Insolvency Act
- 15 8 Every such instrument, notice or deed of appointment, and every delegation or appointment by the Collateral Agent in the exercise of any right to delegate its powers herein contained, may be made in writing under the hand of any manager or officer of the Collateral Agent or any other authorised person or of any Delegate
- 15 9 Every Administrator shall have all the powers of an administrator under the Insolvency Act
- 15 10 In exercising his functions hereunder and under the Insolvency Act, the Administrator acts as agent of the Company and does not act as agent of the Collateral Agent
- 15 11 Every Administrator shall be entitled to remuneration for his services in the manner fixed by or pursuant to the Insolvency Act or the Insolvency Rules
- 16. RECEIVER**
- 16 1 None of the restrictions imposed by the Law of Property Act in relation to the appointment of receivers or the giving of notice or otherwise shall apply At any time and from time to time upon or after request by the Company or the occurrence and during the continuation of an Enforcement Event, the Collateral Agent may without notice or further notice to the Company, and in addition to all statutory and other powers of appointment or otherwise, by any instrument or deed signed under the hand of any manager or officer of the Collateral

Agent or any other authorised person or of any Delegate, appoint such person or persons (including an officer or officers of the Collateral Agent) as it thinks fit to be Receiver or Receivers (to act jointly and/or severally as the Collateral Agent may specify in the appointment) of (a) any Fixed Charge Assets or Asset, and/or (b) any Floating Charge Assets or Asset which do or does not (whether on its or their own or in conjunction with any other Charged Assets in respect of which the Collateral Agent has appointed such person Receiver or Receivers) comprise the whole or substantially the whole of the Company's Assets, so that each one of such Receivers shall be entitled (unless the contrary shall be stated in any deed(s) or other instrument(s) appointing them) to exercise individually all the powers and discretions conferred on the Receivers. If any Receiver is appointed of only part of the Charged Assets, references to the rights conferred on a Receiver by any provision of this Deed shall be construed as references to that part of the Charged Assets or any part thereof.

- 16 2 The Collateral Agent may appoint any Receiver on any terms the Collateral Agent thinks fit. The Collateral Agent may by any instrument or deed signed under the hand of any manager or officer of the Collateral Agent or any other authorised person or any Delegate (subject to section 62 of the Insolvency Act) remove a Receiver appointed by it whether or not appointing another in his place, and may also appoint another Receiver to act with any other Receiver or to replace any Receiver who resigns, retires or otherwise ceases to hold office.
- 16 3 The exclusion of any part of the Charged Assets from the appointment of any Receiver shall not preclude the Collateral Agent from subsequently extending his appointment (or that of the Receiver replacing him) to that part or appointing another Receiver over any other part of the Charged Assets.
- 16 4 Any Receiver shall, so far as the law permits, be the agent of the Company and (subject to any restriction or limitation imposed by applicable law) the Company shall be solely responsible for his remuneration and his acts, omissions or defaults and solely liable on any contracts or engagements made, entered into or adopted by him and any losses, liabilities, costs, charges and expenses incurred by him, and in no circumstances whatsoever shall the Collateral Agent be in any way responsible for or incur any liability in connection with any Receiver's acts, omissions, defaults, contracts, engagements, losses, liabilities, costs, charges, expenses, misconduct, negligence or default. If a liquidator of the Company is appointed, the Receiver shall act as principal and not as agent for the Collateral Agent.
- 16 5 Subject to section 36 of the Insolvency Act, the remuneration of any Receiver may be fixed by the Collateral Agent without being limited to the maximum rate specified by section 109(6) of the Law of Property Act (and may be or include a commission calculated by reference to the gross amount of all money received or otherwise and may include remuneration in connection with claims, actions or proceedings made or brought against the Receiver by the Company or any other person or the performance or discharge of any obligation imposed upon him by statute or otherwise), but such remuneration shall be payable by the Company alone, and the amount of such remuneration may be debited by the Collateral Agent from any account of the Company but shall, in any event, form part of the Secured Amounts and accordingly be secured on the Charged Assets under the Charges. Such remuneration shall be paid on such terms and in such manner as the Collateral Agent and Receiver may from time to time agree or failing such agreement as the Collateral Agent determines.
- 16 6 Any Receiver may be invested by the Collateral Agent with such of the powers, authorities and discretions exercisable by the Collateral Agent under this Deed as the Collateral Agent may think fit. Without prejudice to the generality of the foregoing, any Receiver shall (subject to any restrictions in his appointment) have in relation to the Relevant Charged Assets, in each case in the Company's name or his own name and on such terms and in such manner as he sees fit, all the rights referred to in Schedule 1 (and where applicable

Schedule 2) of the Insolvency Act, all rights of the Collateral Agent under this Deed, all the rights conferred by the Law of Property Act on mortgagors, mortgagees in possession and receivers appointed under the Law of Property Act, all rights of an absolute beneficial owner including rights to do or omit to do anything the Company itself could do or omit, and all rights to do all things the Receiver considers necessary, desirable or incidental to any of his rights or exercise thereof including the realisation of any Relevant Charged Assets and getting in of any Assets which would when got in be Relevant Charged Assets

- 16 7 Any Receiver shall in the exercise of his powers, authorities and discretions conform to any regulations, directions and restrictions from time to time made or given by the Collateral Agent. The Collateral Agent shall not (save only to the extent caused by its own negligence, fraud, wilful misconduct, breach of trust or breach of any obligation of the Collateral Agent hereunder) be liable for any losses or damages arising from such exercise of powers or discretions by any Receiver
- 16 8 The Collateral Agent may from time to time and at any time require any Receiver to give security for the due performance of his duties as such Receiver and may fix the nature and amount of the security to be so given but the Collateral Agent shall not be bound in any case to require any such security

17. APPLICATION OF MONEYS

- 17 1 All moneys realised, received or recovered by the Collateral Agent or any Receiver shall (subject to the discharge of any liabilities having by applicable law preference or priority to the payments mentioned below, and without prejudice to the Collateral Agent's right to recover any shortfall from the Company) be applied in or towards, in the following order
- (a) payment of all reasonable costs and expenses incurred by the Collateral Agent (in its capacity as such hereunder or under any other Loan Document) in connection with the collection or sale of the Charged Assets or otherwise in connection with this Deed or any of the Foreign Collateral Documents or any of the Secured Amounts, including all court costs and the reasonable fees and expenses of its agents and legal counsel (including, without limitation, all Receiver's Expenses), the repayment of all advances made by the Collateral Agent under any Loan Document on behalf any of the Foreign Credit Parties and any other reasonable costs or expenses incurred in connection with the exercise of any right or remedy against any of the Foreign Credit Parties hereunder or under any other Loan Document,
 - (b) to the payment of the Secured Amounts (all amounts allocated to the Secured Amounts pursuant to this Clause 17 1(b) shall be applied by the Collateral Agent in accordance with Sections 1 3(e) and 1 12 of each of the Credit Agreements), and
 - (c) payment of any surplus to the Company, its successors or assigns, or as a court of competent jurisdiction may otherwise direct
- 17 2 Section 109(8) of the Law of Property Act shall not apply in relation to any Receiver

18. PROTECTION OF THIRD PARTIES

- 18 1 No purchaser from, or other person dealing with, the Collateral Agent, any Receiver or any Delegate shall be concerned to enquire whether any event has happened upon which any of the rights which they have exercised or purported to exercise under or in connection with this Deed, the Law of Property Act or the Insolvency Act has arisen or become exercisable, whether the Secured Amounts remain outstanding, whether any event has happened to authorise the Collateral Agent, any Receiver or any Delegate to act, or whether the Receiver

is authorised to act, whether any consents, regulations, restrictions or directions relating to such rights have been obtained or complied with, or otherwise as to the propriety, regularity or validity of the exercise or purported exercise of any such right or as to the application of any moneys borrowed or raised or other realisation proceeds, and the title and position of a purchaser or such person shall not be impeachable by reference to any of those matters and the protections contained in sections 104 to 107 of the Law of Property Act, section 42(3) Insolvency Act or any other legislation from time to time in force shall apply to any person purchasing from or dealing with a Receiver, the Collateral Agent or any Delegate

- 18 2 The receipt of the Collateral Agent or the Receiver or any Delegate shall be an absolute and conclusive discharge to a purchaser or such person and shall relieve him of any obligation to see to the application of any moneys paid to or by the direction of the Collateral Agent or the Receiver
- 18 3 In Clauses 18 1 and 18 2 above, "purchaser" includes any person acquiring a lease of or Security Interest over, or any other interest or right whatsoever in respect of, any Charged Assets

19. PROTECTION OF COLLATERAL AGENT AND RECEIVER

- 19 1 In no circumstances (whether by reason of the creation of the Charges or the entry into or taking possession of any Charged Assets or for any other reason whatsoever and whether as mortgagee in possession or on any basis whatsoever) shall the Collateral Agent or any Receiver
- (a) be liable to the Company or any other person in respect of any cost, charge, expense, liability, loss or damage arising out of the exercise, or attempted or purported exercise of, or the failure to exercise, any of their respective rights, or arising out of the realisation of any Charged Assets or the manner thereof or arising out of any act, default, omission or misconduct of the Collateral Agent or any Receiver in relation to the Charged Assets or otherwise in connection with this Deed, save only to the extent such cost, charge, expense, liability, loss or damage arises solely as a result of its or his own fraud, gross negligence or wilful default, or
 - (b) be liable to account to the Company or any other person for anything in connection with this Deed except (after full payment or discharge of all Secured Amounts) the Collateral Agent's or Receiver's own actual receipts which have not been paid or distributed to the Company or to any other person who at the time of payment the Collateral Agent or Receiver as the case may be believed was entitled thereto

For the avoidance of doubt, neither the Collateral Agent nor any Receiver shall by virtue of this Clause 19 1 owe any duty of care or other duty to any person which it would not owe absent this Clause 19 1

- 19 2 Without prejudice to Clause 19 1, so far as permitted by law, the entry into and possession of any of the Charged Assets (including by an Administrator) shall not render the Collateral Agent or any Receiver liable to account as mortgagee in possession or to be liable for any loss on realisation or for any default or omission for which a mortgagee in possession might otherwise be liable in respect of any of the Charged Assets, and if the Collateral Agent or any Receiver takes possession of the Charged Assets, it or he may at any time relinquish such possession. In particular without prejudice to the generality of the foregoing the Collateral Agent shall not become liable as mortgagee in possession by reason of viewing the state of repair or repairing any of the Company's Assets

- 19 3 The preceding provisions of this Clause 19 applying to the Collateral Agent or any Receiver shall apply mutatis mutandis to any Delegate and to any officer, employee or agent of the Collateral Agent, any Receiver and any Delegate

20. COSTS, EXPENSES AND INDEMNITY

- 20 1 The Company shall promptly on demand indemnify the Collateral Agent (on a full indemnity basis) in respect of all costs, charges, losses, liabilities, expenses and other sums incurred, paid, expended or debited on account by the Collateral Agent (including reasonable legal advisers', accountants' and other professional fees, disbursements and out-of-pocket expenses and including any such costs, charges, losses, liabilities, expenses or other sums arising from any act or omission of or proceedings involving any third person), in connection with this Deed or any of the Charges including in connection with

- (a) any investigation of title, survey, valuation, inspection of any of the Company's Assets by the Collateral Agent (whether before or from time to time after the date of this Deed),
- (b) the negotiation, preparation, printing, execution, stamping, registration, filing, recording, perfecting and implementation of this Deed or the Charges and any other Foreign Collateral Documents or any other document relating thereto,
- (c) considering, negotiating, evaluating, dealing with or granting any waiver or consent sought by the Company or in connection with any variation or release in respect of this Deed or any other Foreign Collateral Documents,
- (d) any other action taken by or on behalf of the Collateral Agent or any Receiver with a view to or in connection with exercising, enforcing, protecting, preserving or realising any of the Collateral Agent's or Receiver's rights under this Deed, or with a view to suing for or collecting or recovering any Secured Amounts (or considering or seeking to do any of the same), or
- (e) any Proceedings or the contemplation thereof in connection with any of the foregoing,

save where such losses are the result of the Collateral Agent's gross negligence or wilful misconduct

- 20 2 The Company shall promptly on demand indemnify (on a full indemnity basis) the Collateral Agent, each Receiver and Delegate and their respective officers, employees and agents from and against all claims, actions, proceedings, liabilities, losses, costs, damages, charges and expenses whether in contract, tort or otherwise which the Collateral Agent or any Receiver or Delegate or their respective officers, employees, and agents (or any person for whose liability, act or omission the Collateral Agent or any Receiver may be answerable) may incur, pay, expend or debit on account (whether before or after any Charges have become enforceable)

- (a) in the exercise, or attempted or purported exercise, or consideration of the exercise of or failure to exercise any of their respective rights or in consequence of or in connection with any matter or thing done or purported to be done or omitted under or in connection with this Deed or any Charged Assets or occasioned by any failure by the Company to comply with any of the obligations expressed to be assumed by it to the Collateral Agent or any Receiver under or in connection with this Deed, or
- (b) in consequence of all or any part of any payment or discharge in respect of any Secured Amounts or Security Interest, assurance or guarantee given to the Collateral

Agent in respect of any Secured Amounts (in each case whether made by the Company or a third person) being avoided, invalidated or reduced for any reason whatsoever (and such indemnity shall extend to the Collateral Agent's funding costs and any loss of profit),

in each case save only to the extent such claims, actions, proceedings, liabilities, losses, costs, damages, charges and expenses arise solely as a result of the fraud, gross negligence or wilful breach of the provisions of this Deed by the person claiming to be entitled to be indemnified

- 20 3 The Company shall promptly on demand reimburse the Collateral Agent in respect of the Collateral Agent's management time and other resources employed by it in connection with any consent, variation, waiver or release referred to above or the recovery of any Secured Amounts
- 20 4 The Company shall promptly on demand pay and indemnify (on a full indemnity basis) the Collateral Agent, each Receiver and Delegate from and against any and all
- (a) Tax (including any stamp, registration or other documentary tax) and any recording and filing fee, if any, that may be payable or chargeable, or determined to be payable or chargeable, in connection with this Deed, or the execution, delivery, enforcement of, or consummation of any of the transactions contemplated by, or any amendment, supplement or modification of or any waiver or consent under or in respect of, this Deed, including any Value Added Tax that is properly chargeable on any supply made by the Collateral Agent, any Receiver or Delegate in connection with this Deed, provided that the Company shall not be required to indemnify the Collateral Agent, any Receiver or Delegate for any Tax assessed on such party under the law of the jurisdiction in which such party is (i) incorporated or, if different, treated as resident for tax purposes, or (ii) has a permanent establishment through which it is acting in connection with this Deed, where such Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by such party, and
 - (b) Loss which the Collateral Agent, any Receiver or Delegate may incur or suffer (in the currency in which such Loss may be incurred or suffered), insofar as such Loss arises out of or in relation to or in connection with this Deed or in respect of any representation or warranty failing to be true or correct when given or any breach of any of the agreements, indemnities, covenants and/or undertakings of the Company in this Deed
- 20 5 Where pursuant to this Deed, the Company is required to reimburse and/or indemnify the Collateral Agent, any Receiver or Delegate (including any obligation on the Company to make any payment directly to any person in respect of and by way of discharge (in whole or part) of any liability of the Collateral Agent, any Receiver or Delegate to such person) then
- (a) such reimbursement and/or indemnity shall be on an after-tax basis taking account of both the Tax (if any) chargeable on the Collateral Agent, Receiver or Delegate in respect of the amounts so reimbursed and/or indemnified and (if so be the case) the deductibility for the purpose of computing such Tax of any Loss or other amount the subject of such reimbursement and/or indemnity, and
 - (b) the Company shall in addition pay to the Collateral Agent, Receiver or Delegate on demand a sum equal to any irrecoverable Value Added Tax incurred by the Collateral Agent, Receiver or Delegate in any jurisdiction in connection with the Loss or other amount including legal or other professional fees the subject of such reimbursement and/or indemnity

20.6 The covenants contained in this Clause 20 shall continue from the date of this Deed until the Termination Date

21. CONSENTS, VARIATIONS, WAIVERS AND RIGHTS

No consent, variation or waiver in respect of any provision of this Deed shall be effective unless and until it is agreed in writing duly executed by or on behalf of the Collateral Agent. Any consent or waiver by the Collateral Agent under this Deed may be given subject to any conditions the Collateral Agent thinks fit and shall be effective only in the instance and for the purpose for which it is given. No failure by the Collateral Agent or any Receiver to exercise or delay in exercising any right provided by law or under this Deed shall operate to impair the same or be construed as a waiver of it. No single or partial exercise of any such right shall prevent any further or other exercise of the same or the exercise of any other right. No waiver of any such right shall constitute a waiver of any other right. The rights provided in this Deed are cumulative and not exclusive of any rights, provided by law.

22. PARTIAL INVALIDITY

If any provision of this Deed is or becomes or is found by a court or other competent authority to be illegal, invalid or unenforceable in any respect, in whole or in part, under any law of any jurisdiction, neither the legality, validity and enforceability in that jurisdiction of any other provision or part of this Deed, nor the legality, validity or enforceability in any other jurisdiction of that provision or part or of any other provision of this Deed, shall be affected or impaired and if any part of the Charges is invalid or unenforceable in any respect for any reason, no other Charges shall be affected or impaired.

23. COUNTERPARTS

This Deed (and each variation or waiver in respect of any provision of it) may be executed in any number of counterparts and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart. Each counterpart, once executed and delivered, shall constitute an original of this Deed, but all the counterparts together shall constitute one and the same instrument.

24. THIRD PARTIES

Except as otherwise provided in this Deed, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

25. LANGUAGE

All notices, certificates, documents, demands, requests, statements or other communications made, given or delivered between the parties pursuant to or in connection with this Deed shall be in writing and in the English language.

26. DETERMINATIONS AND DISCRETIONS

Any right which may be exercised or any determination which the Collateral Agent or any Receiver may make under this Deed may be exercised or made in its absolute discretion without any obligation to give any reasons. Any such determination shall (save in the case of manifest error) be conclusive.

27. ASSIGNMENT

- 27 1 The Company shall not (whether by way of security or otherwise howsoever) be entitled to assign, grant an equitable interest in or transfer and declare itself a trustee of all or any of its rights, interests or obligations hereunder without the prior written consent of the Collateral Agent (save with respect to its rights and benefits which shall be assigned or to be assigned to the Collateral Agent under this Deed)
- 27 2 The Collateral Agent may at any time without the consent of the Company assign or transfer all or any part of its rights or interests under this Deed or the Charges to any person to whom any of its rights or interests may be assigned under the Credit Agreements
- 27 3 Subject to Section 11 8 of each of the Credit Agreements, the Collateral Agent may disclose to an actual or proposed assignee or transferee any information the Collateral Agent considers appropriate regarding any provision of this Deed or the Company which it considers appropriate for the purposes of the proposed assignment or transfer

28. NOTICES

- 28 1 Any notice or other communication under this Deed
- (a) shall be in writing in the English language,
 - (b) shall be given in one of the ways referred to in Section 11 10 of each of the Credit Agreements, and
 - (c) shall be sent to the party to whom it is to be given at the applicable address or number, and marked for the attention, if any, provided in Annex I to the relevant Credit Agreement
- 28 2 A party may, by notice to the other, change the address, fax number, and marking details for notices or other communications to be given to it under this Agreement

29. TRUST

The Collateral Agent shall hold the benefit of the covenants, mortgages, assignments and charges given by the Company in this Deed upon trust for the Secured Parties

30. GOVERNING LAW AND JURISDICTION

- 30 1 This Deed (including any non-contractual obligations or liabilities arising out of it or in connection with it) is governed by and is to be construed in accordance with English law
- 30 2 Each party irrevocably agrees that
- (a) for the exclusive benefit of the Collateral Agent, the English courts have exclusive jurisdiction to hear and determine any Proceedings and to settle any Disputes and each party irrevocably submits to the jurisdiction of the English courts,
 - (b) any Proceedings may be taken in the English courts, and
 - (c) any judgment in Proceedings taken in the English courts shall be conclusive and binding on it and may be enforced in any other jurisdiction

- 30.3 Nothing in this Clause 30 shall limit the Collateral Agent's right to take Proceedings against the Company in any other jurisdiction or in more than one jurisdiction concurrently (to the extent allowed by law)
- 30.4 The Company also irrevocably waives (and irrevocably agrees not to raise) any objection which it might at any time have on the ground of forum non conveniens or on any other ground to Proceedings being taken in any court referred to in this Clause 30, and agrees that any judgment in Proceedings taken in any such court shall be conclusive and binding on it and may be enforced in any other jurisdiction

IN WITNESS WHEREOF the parties hereto have caused this Deed to be executed and delivered as a deed on the day and year first before written

**SCHEDULE 1
SPECIFIC ASSETS**

SPECIFIC INSURANCES

Type of Insurance	Insurer	Policy Number	Period of Cover
Fine Arts Property Policy	Fine Art Insurance, Ltd (Bermuda)	1-12101-01 2013	10/1/13 - 09/30/14

SCHEDULE 2
FORM OF NOTICE OF ASSIGNMENT OF SPECIFIC INSURANCES

To [Name of Insurer]

Date [] 2014

Dear Sirs,

We hereby give you irrevocable notice that, by a Deed (the "Deed") dated [] February, 2014 made between (1) Sotheby's (the "Company") and (2) General Electric Capital Corporation (the "Collateral Agent"), we, the Company, have assigned by way of security to the Collateral Agent as agent and trustee for the Secured Parties (as defined in the Deed) all of our right, title, interest and benefit, to, under, and in respect of [details of specific insurance policy] (the "Insurance") including all moneys which may be payable in respect of the Insurance

- 1 Following receipt by you of notice from the Collateral Agent that an Enforcement Event (as defined in the Deed) has occurred, all payments payable by you to us under or arising from the Insurance should be made to the Collateral Agent or to its order as it may specify in writing from time to time
- 2 By countersigning the acknowledgement below, you agree with us and the Collateral Agent that
 - (a) you will not cancel the Insurance without first giving the Collateral Agent not less than fourteen days' prior written notice of your intention to do so,
 - (b) that any misrepresentation, non-disclosure, breach or other act or omission by the Company or other insured person will not invalidate or prejudice or vitiate the Insurance in respect of the Collateral Agent's interest or affect the Collateral Agent's right to claim under the Insurance, and
 - (c) all rights, interests and benefits whatsoever accruing to or for our benefit arising from the Insurance have been assigned to the Collateral Agent and accordingly no changes may be made to the terms of the Insurance nor may the Insurance be cancelled by agreement between yourselves and the Company save with the Collateral Agent's prior written consent
- 3 You are authorised and instructed, without requiring further approval from us, to provide the Collateral Agent with such information relating to the Insurance as it may from time to time request and to send it copies of all notices issued by you under the Insurance as well as to us

This notice may not be revoked or waived, save with the prior written consent of the Collateral Agent

Please give the acknowledgement set out below by signing the duplicate copy of this notice and returning it to the Collateral Agent

Yours faithfully,

for and on behalf of
Sotheby's

[*On copy only*]

To General Electric Capital Corporation (the "Collateral Agent")
401 Merritt Seven
Norwalk, Connecticut 06851
Attention Sotheby's Account Manager
Telephone (203) 956-3640
Facsimile (203) 749-4307

with a copy to

General Electric Capital Corporation
401 Merritt Seven
Norwalk, Connecticut 06851
Attention Corporate Counsel – Commercial Finance
Telephone (203) 956-4379
Facsimile (203) 567-8215

Date [] 2014

At the request of the Collateral Agent and the Company, we acknowledge receipt of a notice of assignment in the terms set out above in respect of the Insurance (as described in those terms)

We confirm that we have not received notice of any previous assignments of, charges or other security interests over, or trusts in respect of, any of the rights, title, interests or benefits in, to, under or in respect of, the Insurance

In consideration of the Collateral Agent accepting this acknowledgement under the terms of the Deed, by countersigning this acknowledgement, we agree to be bound by the undertakings set out in the notice

For and on behalf of [*name of insurer*]

By

Dated [] 2014

SCHEDULE 3
FORM OF NOTICE OF ASSIGNMENT OF SPECIFIC BANK ACCOUNT

To [Name of Account Holding Bank]

[Date]

Dear Sirs,

We hereby give you irrevocable notice that, by a Deed (as amended and supplemented from time to time, the "**Deed**") dated [] February, 2014 made between (1) Sotheby's (the "**Company**") and (2) General Electric Capital Corporation (the "**Collateral Agent**"), we the Company have charged by way of first fixed security to the Collateral Agent as agent and trustee for the Secured Parties (as defined in the Deed) all of our right, title, interest and benefit in, to, under and in respect of account number [] (including any renewal or redesignation thereof) including all moneys and balances standing to the credit of that account from time to time (the "**Account**")

With effect from your receipt of [this notice]¹ [notice from the Collateral Agent (an "**Activation Notice**")]²

- (a) any existing payment instructions affecting the Account (except the instructions set out in paragraph (c) below) are to be terminated and all payments and communications in respect of the Account should be made to the Collateral Agent,
- (b) all rights, interests and benefits whatsoever accruing to or for our benefit arising from the Account belong to the Collateral Agent and accordingly no changes may be made to the terms of the Account nor may the Account be terminated save with the Collateral Agent's consent, and
- (c) we irrevocably instruct and authorise you to take instructions from the person or persons identified by the Collateral Agent in the attached schedule as a person authorised to sign on behalf of the Collateral Agent in respect of the Account together with their specimen signatures (each, an "**Authorised Signatory**") The Collateral Agent shall notify you of any amendments or additions to such list by providing notice in writing to you signed by any two of the Authorised Signatories

[Prior to your receipt of any Activation Notice, we are entitled to receive, withdraw or otherwise transfer any credit balance from time to time on the Account]³

¹ Include in all notices of assignment other than notices of assignment in respect of Blocked Accounts

² Include in notices of assignment in respect of Blocked Accounts only

³ Include in notices of assignment in respect of Blocked Accounts only

Please acknowledge receipt of this notice by signing the acknowledgment on the enclosed copy of this notice and returning it to the Collateral Agent

Yours faithfully,

for and on behalf of
Sotheby's

SCHEDULE
General Electric Capital Corporation
List of Authorised Signatories

Name	Position	Signature
Daniel T Eubanks	Authorised Signatory	
Philip Carfora	Authorised Signatory	

[On copy only]

To General Electric Capital Corporation (the "Collateral Agent")
401 Merritt Seven
Norwalk, Connecticut 06851
Attention Sotheby's Account Manager
Telephone (203) 956-3640
Facsimile (203) 749-4307

with a copy to

General Electric Capital Corporation
401 Merritt Seven
Norwalk, Connecticut 06851
Attention Corporate Counsel – Commercial Finance
Telephone (203) 956-4379
Facsimile (203) 567-8215

Date []

At the request of the Collateral Agent and the Company, we acknowledge receipt of a notice of assignment (the "Notice") relating to Sotheby's and the Account Capitalised terms used but not defined in this acknowledgement shall have the meanings given to them in the Notice

We confirm that, subject to what we say below, we will comply with the terms of the Notice

Subject always to paragraph (c) below, we confirm that[

- (i) nothing in the Notice shall prevent us operating the Account in the ordinary course of banking business including, without limitation, collecting cheques and other payment orders via any medium, electronic or otherwise and accepting monies for the credit of the Account and, until such time as we have received an Activation Notice, allowing the Company to draw cheques and make other payments and generally to withdraw funds from the Account, and
- (ii)⁴ we shall operate the Account on the basis of our standard terms and conditions as varied from time to time and such terms and conditions shall govern the closure of the account

All expenses for the maintenance of the account and all expenses arising under this arrangement shall be the responsibility of the Company and, notwithstanding paragraph (c) below, in the event that these are not otherwise met by the Company such expense shall be debited directly by us to the Account

We may rely on any notice or other document or information believed by us to be genuine and correct and to have been signed or communicated by the person by whom it purports to be signed and communicated and we shall not be liable for the consequence of such reliance as, we have no obligation whatsoever to verify that the facts or matters stated therein are true and correct, provided, in each case, that no manifest error is contained within such documentation or information

To the extent that an instruction for withdrawal from the Account is given which would in our opinion cause the account to be overdrawn we shall only transfer the outstanding cleared credit balance in the Account

⁴ Include in notice of assignments in respect of Blocked Accounts only

We shall not be obliged to comply with any instructions received if, due to circumstances which are not within our direct control, we are unable to comply with such instructions or if compliance with such instructions would breach a court order or be contrary to applicable law

We further confirm that

- (a) the balance standing to the Account at today's date is £[] and there are no restrictions on the payment of the credit balance on the Account or on the charge of the Account to the Collateral Agent,
- (b) we have not received notice of any previous assignments of, charges or other security interests over, or trusts in respect of, any of the rights, title, interests or benefits in, to, under or in respect of the Account, and
- (c) [following receipt of an Activation Notice,]⁵ we will not, save with the Collateral Agent's prior written consent, exercise any right of combination, consolidation or set-off [(except that on the date of our receipt of an Activation Notice, we may exercise any rights of set-off that have arisen on or prior to the date of the Activation Notice in connection with the overdraft of another account of the Company held with us)]⁶ which we may have in respect of the Account or terminate or close the Account (except that we may terminate or close the Account pursuant to our standard terms and conditions (as varied from time to time) provided that we give the Collateral Agent 30 days prior written notice of any such termination or closure of the Account)

The Collateral Agent and the Company acknowledge that

- (I) we are obliged to comply with the terms of this acknowledgement but that we have no notice of the particulars of the charge granted to the Collateral Agent by the Company other than as set out in the Notice and this acknowledgement, and
- (II) without prejudice to the other terms of the Notice and this acknowledgment, we shall not be liable to the Collateral Agent or the Company in any respect if the Account is operated in breach of any other agreement between the Collateral Agent and the Company

This acknowledgement is governed by and shall be construed in accordance with English law

For and on behalf of [name of account-holding bank]

By

Dated []

⁵ Include in notice of assignments in respect of Blocked Accounts only

⁶ Include in notice of assignments in respect of Blocked Accounts only

SIGNATORIES

**EXECUTED as a DEED by
SOTHEBY'S acting by**

a Director

in the presence of

Name _____

Occupation

Address

Director

Witness

VICKY HURST

LEGAL ASSISTANT

34-35 NEW BOND STREET
LONDON W1A 2AA


**EXECUTED as a DEED by
GENERAL ELECTRIC CAPITAL
CORPORATION**

a Delaware corporation, acting by

being a person who, in accordance with the laws of that territory, is acting under the authority of the corporation

SIGNATORIES

EXECUTED as a DEED by)
SOTHEBY'S acting by)
)
a Director) _____ Director
)
in the presence of)
) _____ Witness
Name) _____
)
Occupation) _____
)
Address) _____

EXECUTED as a DEED by)
GENERAL ELECTRIC CAPITAL)
CORPORATION)
a Delaware corporation, acting by) 
)
being a person who, in accordance)
with the laws of that territory, is)
acting under the authority of the)
corporation)

DANIEL T EUBANKS
DULY AUTHORIZED SIGNATORY