

# M

## COMPANIES FORM No. 395

718307/52

### Particulars of a mortgage or charge

# 395

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

CHFP025

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

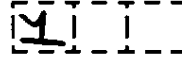
\*insert full name of Company

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number



6549359

Name of company

\* Character World Bidco Limited (the "Chargor")

Date of creation of the charge

4 April 2008

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

Composite guarantee and debenture (the "Guarantee and Debenture")

Amount secured by the mortgage or charge

The amount secured by the Guarantee and Debenture is all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of any Group Company to the Security Trustee and/or the other Secured Parties (or any of them) under or pursuant to any Finance Document (including all monies covenanted to be paid under the Guarantee and Debenture) (the "Secured Obligations").  
  
PROVIDED THAT no obligation or liability shall be included in the definition of "Secured Obligations" to the extent that, if it were so included, the Guarantee and Debenture (or any part of it) would constitute unlawful financial assistance within the meaning of sections 151 and 152 of the Companies Act 1985.

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

MARK SCHWEIGER in his capacity as security trustee for the Secured Parties (as defined herein) (the "Security Trustee") of c/o 33 Carlton Road, Hale, Cheshire  
  
Postcode WA15 8RH

Presentor's name address and reference (if any)

Hill Dickinson LLP  
50 Fountain St  
Manchester  
M2 2AS

PK/CP/Schweiger - Bidco

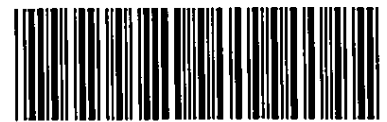
Time critical reference

For official Use (06/2005)

Mortgage Section

Post room

THURSDAY



\*A17WRYRU\*

A09

10/04/2008

155

COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

See Addendum 4/4

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

Particulars as to commission allowance or discount (note 3)

n/a

Signed *Hill Dickinson LLP*

Date 9 April 2008

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

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

Notes

†delete as appropriate

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

Name of company

\*insert full name  
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## Addendum 1/4

1 Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

## Addendum 2/4

2 Amount due or owing on the mortgage or charge (continued)

## Addendum 3/4

3 Names, addresses and description of the mortgages or persons entitled to the charge (continued)

## Addendum 4/4

4 Short particulars of all the property mortgaged or charged (continued)

1 FIXED CHARGES

Pursuant to the terms of the Guarantee and Debenture the Chargor charges and agrees to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by it, or in which it from time to time has an interest

(a) by way of first legal mortgage:

(1) the Property (if any) specified in part 1 of schedule 3 (*Details of Security Assets*) of the Guarantee and Debenture and part 1 of schedule 2 below, and

(11) all other Property (if any) at the date of the Guarantee and Debenture vested in, or charged to, the Chargor (not charged by clause 5.1(a)(1) of the Guarantee and Debenture),

(b) by way of first fixed charge:

(1) all other Property and all interests in Property (not charged by clause 5.1(a) of the Guarantee and Debenture); and

(11) all licences to enter upon or use land and the benefit of all other agreements relating to land,

(c) by way of first fixed charge all plant and machinery (not charged by clauses 5.1(a) or 5.1(b) of the Guarantee and Debenture) and the benefit of all contracts, licences and warranties relating to the same;

(d) by way of first fixed charge.

## Name of company

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(1) all computers, vehicles, office equipment and other equipment (not charged by clause 5 1(c) of the Guarantee and Debenture), and

(11) the benefit of all contracts, licences and warranties relating to the same,

other than any which are for the time being part of the Chargor's stock-in-trade or work-in-progress);

(e) by way of:

(1) first fixed charge the Charged Securities (if any) referred to in part 2 of schedule 3 (Details of Security Assets) of the Guarantee and Debenture and part 2 of schedule 2 below,

(11) first fixed charge all other Charged Securities (not charged by clause 5 1(e)(1) of the Guarantee and Debenture),

in each case, together with (A) all Related Rights from time to time accruing to those Charged Securities and (B) all rights which the Chargor may have at any time against any clearance or settlement system or any custodian in respect of any Charged Investments,

(f) by way of first fixed charge all accounts of the Chargor with any bank, financial institution or other person and all monies at any time standing to the credit of such accounts, together with all interest from time to time accrued or accruing on such monies, any investment made out of such monies or account and all rights to repayment of any of the foregoing,

(g) by way of first fixed charge the Intellectual Property,

(h) by way of first fixed charge (to the extent not otherwise charged or assigned in the Guarantee and Debenture):

(1) the benefit of all licences, consents, agreements and authorisations held or used in connection with the business of the Chargor or the use of any of its assets; and

(11) any letter of credit issued in favour of the Chargor and all bills of exchange and other negotiable instruments held by it, and

(1) by way of first fixed charge all of the goodwill and uncalled capital of the Chargor.

## 2. FLOATING CHARGE

The Chargor charges and agrees to charge by way of first floating charge all of its present and future:

(a) assets and undertaking (wherever located) which are not effectively charged by way of first fixed mortgage or charge or assigned pursuant to clause 5.1 (Fixed Charges) of the Guarantee and Debenture or any other provision of the Guarantee and Debenture, and

(b) (whether or not effectively so charged or assigned) heritable property and all

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other property and assets in Scotland

**3. CONVERSION OF FLOATING CHARGE****3.1 Conversion by notice**

By virtue of clause 7.1 of the Guarantee and Debenture, the Security Trustee may, by written notice to the Chargor, convert the floating charge created under the Guarantee and Debenture into a fixed charge as regards all or any of the assets of the Chargor specified in the notice if.

- (a) an Event of Default has occurred and is continuing; or
- (b) the Security Trustee (acting reasonably) considers any Security Assets (whether or not those specified in the notice) to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

**3.2 Small companies**

The floating charge created under the Guarantee and Debenture by the Chargor shall not convert into a fixed charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of the Chargor.

**3.3 Automatic conversion**

The floating charge created under the Guarantee and Debenture shall (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge

- (a) in relation to any Security Asset which is subject to a floating charge if:
  - (1) the Chargor creates (or attempts or purports to create) any Security Interest (other than Permitted Security) on or over the relevant Security Asset without the prior written consent of the Security Trustee, or
  - (11) any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such Security Asset, and
- (b) over all Security Assets of the Chargor which are subject to a floating charge if an administrator is appointed in respect of the Chargor or the Security Trustee receives notice of intention to appoint such an administrator.

**3.4 Partial conversion**

The giving of a notice by the Security Trustee pursuant to clause 7.1 (*Conversion by notice*) of the Guarantee and Debenture in relation to any class of assets of the Chargor shall not be construed as a waiver or abandonment of the rights of the Security Trustee to serve similar notices in respect of any other class of assets or of any other right of the Security Trustee and/or the other Secured Parties.

**3.5 Restrictions on dealing (Negative Pledge)**

The Chargor shall not do or agree to do any of the following without the prior

Name of company

\*insert full name  
of Company

\* Character World Bidco Limited (the "Chargor")

written consent of the Security Trustee:

- (a) create or permit to subsist any Security Interest on any Security Asset except Permitted Security; and
- (b) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not) the whole or any part of its interest in any Security Asset except for a disposal which is permitted by the Facilities Agreement

**DEFINITIONS APPLICABLE TO THIS FORM**

**"Accession Deed"** means an accession deed substantially in the form set out in schedule 4 (Form of Accession Deed) of the Guarantee and Debenture;

**"Charged Investments"** means the Charged Securities and all present and future Related Rights accruing to all or any of the Charged Securities,

**"Charged Securities"** means.

- (a) the securities (if any) specified in part 2 of schedule 3 (Details of Security Assets) of the Guarantee and Debenture and part 2 of schedule 2 below; and
- (b) all other stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or "investments" (as defined in part II of schedule II to the Financial Services and Markets Act 2000 as in force at the date of the Guarantee and Debenture) now or in future owned (legally or beneficially) by a Charging Company or in which such Charging Company has an interest at any time;

**"Charging Companies"** means the Original Charging Companies and any other company which accedes to the Guarantee and Debenture pursuant to an Accession Deed,

**"Company"** means Character World Bidco Limited, a company incorporated and registered under the laws of England and Wales with registered number 6549354 with its registered office at c/o UHY Hacker Young, St James Building, 79 Oxford Street, Manchester M1 6HT,

**"Event of Default"** means the happening of any of the events listed in clause 5 (Accelerated Repayment) of the Management Loan Note Instrument;

**"Facilities Agreement"** means the facilities agreement dated the same date as the Guarantee and Debenture and made between, amongst others, (1) the Company and (2) The Royal Bank of Scotland plc acting as agent for National Westminster Bank plc,

**"Finance Document"** means the Guarantee and Debenture, the Management Loan Note Instrument, the Management Loan Notes, the Security Trust Deed and any documents supplemental to any of the foregoing and any other document designated as such by the Security Trustee and the Company,

**"Group Companies"** means the Company and each of its Subsidiaries from time to time;

**"Intellectual Property"** means all present and future legal and/or equitable interests (including, without limitation, the benefit of all licences in any part of the world) of each Charging Company in, or relating to, registered and unregistered trade marks

Name of company

\*insert full name  
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and service marks, patents, registered designs, utility models, applications for any of the foregoing, trade names, copyrights, design rights, unregistered designs, inventions, confidential information, know-how, registrable business names, database rights, domain names and any other rights of every kind deriving from or through the exploitation of any of the foregoing (including, without limitation, the intellectual property rights (if any) specified in part 3 of schedule 3 (Details of Security Assets) of the Guarantee and Debenture and part 3 of schedule 2 below);

**"Management Loan Note Instrument"** means the deed dated the same date as the Guarantee and Debenture pursuant to which the Company constituted [f◆ subordinated secured loan notes 2017];

**"Management Loan Notes"** means the loan notes constituted and issued from time to time pursuant to the Management Loan Note Instrument,

**"Original Charging Companies"** means the companies listed in schedule 1 of the Guarantee and Debenture and schedule 1 below;

**"Permitted Security"** means any transaction security granted or to be granted by any Group Company as such term is defined in the Facilities Agreement;

**"Property"** means all estates and interests in freehold, leasehold and other immovable property (wherever situated) now or in future belonging to any Charging Company, or in which any Charging Company has an interest at any time (including the registered and unregistered land (if any) in England and Wales specified in part 1 of schedule 3 (Details of Security Assets) and part 1 of schedule 2 below), together with

- (a) all buildings and fixtures (including trade fixtures) and fixed plant and machinery at any time thereon,
- (b) all easements, rights and agreements in respect thereof,
- (c) all proceeds of sale of that property; and
- (d) the benefit of all covenants given in respect thereof,

**"Related Rights"** means, in relation to any Charged Security

- (a) all dividends, distributions and other income paid or payable on the relevant Charged Security or on any asset referred to in paragraph (b) of the definition of Related Rights;
- (b) all rights, monies or property accruing or offered at any time in relation to such Charged Security whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,

**"Secured Parties"** means the Security Beneficiaries as defined in the Security Trust Deed and any person to whom Management Loan Notes are issued from time to time and who becomes party to the Security Trust Deed (each a **"Secured Party"**),

**"Security"** means the Security Interests created by or pursuant to the Guarantee and Debenture,

**"Security Assets"** means all property and assets from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to the

Name of company

\*insert full name  
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Guarantee and Debenture,

**"Security Interest"** means any mortgage, pledge, lien, charge, assignment by way of security, hypothecation, security interest, title retention, preferential right or trust arrangement or any other security agreement or arrangement having the effect of security;

**"Security Period"** means the period beginning on the date of the Guarantee and Debenture and ending on the date on which

- (a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full, and
- (b) no Secured Party has any further commitment, obligation or liability under or pursuant to the Finance Documents,

**"Security Trust Deed"** means the security trust deed dated the same date as the Guarantee and Debenture and made between (1) the Security Trustee and (2) the parties listed in schedule 1 thereto as Security Beneficiaries;

**"Subsidiary"** means in respect of any company, any company directly or indirectly controlled by such company and **"Subsidiaries"** shall mean all or any of them, as appropriate, and

### 3.6 Interpretation

- (a) Unless a contrary indication appears, any reference in the Guarantee and Debenture to:
  - (1) the **"Company"** a **"Charging Company"**, the **"Security Trustee"** or any other **"Secured Party"** shall be construed so as to include its successors in title, permitted assigns and permitted transferees,
  - (11) **"Finance Document"** or any other agreement or instrument shall be construed as a reference to such other Finance Document or such other agreement or instrument as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the obligations of any Group Company or provides for further advances),
  - (111) **"assets"** includes any present and future properties, revenues and rights of every description and includes uncalled capital,
  - (1v) **"including"** or **"includes"** means including or includes without limitation,
  - (v) **"Secured Obligations"** includes obligations and liabilities which would be treated as such but for the liquidation or dissolution of or similar event affecting any Group Company;
  - (v1) a provision of law is a reference to that provision as amended or re-enacted, and
  - (v11) the singular includes the plural and vice versa



6549359

Name of company

\*insert full name of Company

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**SCHEDULE 1**

**Original Charging Companies**

Company name	Company number
Character World Holdco Limited	06542144
Character World Bidco Limited	06549359
Character World Limited	04160087
TDS Enterprises Limited	03077277

**SCHEDULE 2**

**Details of Security Assets**

**Part 1 - Property**

Does not specify any Property relating to the Chargor

**Part 2 - Charged Securities**

Does not specify any Charged Securities relating to the Chargor

**Part 3 - Intellectual Property Rights**

Does not specify any Intellectual Property Rights relating to the Chargor



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

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

**COMPANY NO. 6549359  
CHARGE NO. 1**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES  
HEREBY CERTIFIES THAT A COMPOSITE GUARANTEE AND  
DEBENTURE DATED 4 APRIL 2008 AND CREATED BY  
CHARACTER WORLD BIDCO LIMITED FOR SECURING ALL  
MONIES DUE OR TO BECOME DUE FROM ANY GROUP  
COMPANY TO MARK SCHWEIGER (IN HIS CAPACITY AS  
SECURITY TRUSTEE FOR THE SECURED PARTIES) AND/OR  
THE OTHER SECURED PARTIES (OR ANY OF THEM) UNDER  
THE TERMS OF THE AFOREMENTIONED INSTRUMENT  
CREATING OR EVIDENCING THE CHARGE WAS REGISTERED  
PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT  
1985 ON THE 10 APRIL 2008

GIVEN AT COMPANIES HOUSE, CARDIFF THE 16 APRIL 2008

