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legibly, preferably  
in black type, or  
bold black lettering

\*insert full name  
of Company

**COMPANIES FORM No. 395****Particulars of a mortgage or charge**

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

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

18

00934776

Name of company

\* CeDo Limited (the "Acceding Company")

Date of creation of the charge

16 September 2009

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

Receivables accession deed between (1) the Acceding Company (2) Deco Acquisitions Limited (the "Parent") and (3) Lloyds TSB Commercial Finance Limited (the "Security Agent") (the "Accession Deed").

Amount secured by the mortgage or charge

All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of each present or future member of the Group to the Security Agent and/or the other Secured Parties (or any of them) under or pursuant to any Finance Document (including all monies covenanted to be paid under the Debenture (the "Secured Obligations")).

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

Lloyds TSB Commercial Finance Limited (company number 733011) with its registered office at Boston House, The Little Green, Richmond, Surrey

Postcode TW9 1QE

Presenter's name address and  
reference (if any):

DLA Piper UK LLP  
3 Noble Street  
London  
EC2V 7EE

FM 317724/1

Time critical reference

For official Use (02/06)  
Mortgage Section

Post room

THURSDAY



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24/09/2009

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COMPANIES HOUSE

**1. GRANT OF SECURITY**

**1.1 Nature of security**

All Security and dispositions created or made by or pursuant to the Debenture are created or made:

- (a) in favour of the Security Agent;
- (b) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994; and
- (c) as continuing security for payment of the Secured Obligations.

Continued at Addendum 4/4

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

Particulars as to commission allowance or discount (note 3)

Nil

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

Signed DLA PIPER UK LLP

Date 23 SEPTEMBER 2009

On behalf of ~~[company]~~ [mortgagee/chargee] †

**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 descriptions of the mortgages or persons entitled to the charge (continued)

## Addendum 4/4

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

**1.2 Qualifying floating charge**

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to the Debenture (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986).

**2. ACCESSION OF THE ACCEDING COMPANY****2.1 Accession**

The Acceding Company:

- (i) unconditionally and irrevocably undertook to and agreed with the Security Agent to observe and be bound by the Debenture; and
- (ii) and granted and created the charges, mortgages, assignments and other security which are stated to be granted or created by the Debenture,

as if it had been an original party to the Debenture as a Company.

**2.2 Covenant to pay, charge and assignment**

Without prejudice to the generality of clause 2(a) of the Accession Deed, the Acceding Company:

- (i) (jointly and severally with the other Companies) covenanted in the terms set out in clause 2 (*Covenant to pay*) of the Debenture; and
- (ii) with full title guarantee, charged and assigned (and agreed to charge and assign) to the Security Agent for the payment and discharge of the Secured Obligations, all its property, assets and undertaking on the terms set out in clauses 3 (*Grant of security*), 4 (*Fixed security*) and 5 (*Floating charge*) of the Debenture,

Name of company

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\* CeDo Limited (the "Acceding Company")

including (without limiting the generality of the foregoing):

- (A) by way of first legal mortgage all the freehold and leasehold Real Property (if any) vested in or charged to the Acceding Company, together with all buildings and fixtures (including trade fixtures) at any time thereon;
  - (B) by way of first fixed charge all Charged Securities together with all Securities Rights from time to time accruing thereto;
  - (C) by way of first fixed charge all Intellectual Property;
  - (D) by way of first fixed charge all Non-Vesting Domestic Debts and their proceeds now or in the future owing to the Acceding Company;
  - (E) by way of first fixed charge all Related Rights relating to any Non-Vesting Domestic Debts;
  - (F) by way of first fixed charge all Non-Vesting Export Debts and their proceeds now or in the future owing to the Acceding Company;
  - (G) by way of first fixed charge all Related Rights relating to any Non-Vesting Export Debts; and
  - (H) by way of assignment the Insurances, all claims under the Insurances and all proceeds of the Insurances.
- (iii) assigned and agreed to assign absolutely (subject to a proviso for reassignment on redemption) all its present and future right, title and interest in and to:
- (A) the Excluded Proceeds;
  - (B) each Credit Insurance Policy specified in part 1 of schedule 2 (*Details of Security Assets*) to the Accession Deed, all claims under each Credit Insurance Policy and the proceeds of each Credit Insurance Policy;
  - (C) each Inventory Insurance Policy specified in part 2 of schedule 2 (*Details of Security Assets*) to the Accession Deed, all claims under each Inventory Insurance Policy and the proceeds of each Inventory Insurance Policy;
  - (D) each P&M Insurance Policy specified in part 3 of schedule 2 (*Details of Security Assets*) to the Accession Deed, all claims under each P&M Insurance Policy and the proceeds of each P&M Insurance Policy; and
  - (E) the proceeds of the sale of any specified Plant & Machinery.

**3. FIXED SECURITY****3.1 Fixed charges**

The Acceding Company charged and agreed 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 the Acceding Company, or in which it from time to time has an interest:

- (a) by way of first legal mortgage all Real Property (if any) at the date of the Debenture vested in, or charged to the Acceding Company;

Name of company

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\* CeDo Limited (the "Acceding Company")

- (b) by way of first fixed charge:
  - (i) all Real Property and all interests in Real Property (not charged by clause 4.1(a) of the Debenture);
  - (ii) all licences to enter upon or use land and the benefit of all other agreements relating to land; and
  - (iii) the proceeds of sale of all Real Property;
- (c) by way of first fixed charge all Charged Securities;
- (d) by way of first fixed charge all Securities Rights relating to Charged Securities;
- (e) by way of first fixed charge all Intellectual Property owned by the Acceding Company;
- (f) to the extent that any Assigned Asset is not effectively assigned under clause 4.2 (*Security assignments*) of the Debenture, by way of first fixed charge, such Assigned Asset;
- (g) by way of first fixed charge (to the extent not otherwise charged or assigned in the Debenture):
  - (i) the benefit of all licences, consents, agreements and authorisations held or used in connection with the business of the Acceding Company or the use of any of its assets; and
  - (ii) any letter of credit issued in favour of the Acceding Company and all bills of exchange and other negotiable instruments held by it; and
- (h) by way of first fixed charge all of the goodwill and uncalled capital of the Acceding Company.

### 3.2 Security assignments

- (a) The Acceding Company assigned and agreed to assign absolutely (subject to a proviso for reassignment on redemption) all its present and future right, title and interest in and to:
  - (i) the Relevant Contracts, all rights and remedies in connection with the Relevant Contracts and all proceeds and claims arising from them;
  - (ii) a Credit Insurance Policy, all claims under the Credit Insurance Policy and all proceeds of a Credit Insurance Policy;
  - (iii) a Inventory Insurance Policy, all claims under the Inventory Insurance Policy and all proceeds of a Inventory Insurance Policy;
  - (iv) a P&M Insurance Policy, all claims under the P&M Insurance Policy and all proceeds of a P&M Insurance Policy;
  - (v) each of the following:
    - (A) each present and future Key-man Policy;
    - (B) the Insurances (save for the ABL Insurances and the Key-man Policies),  
and all claims under the Insurances and all proceeds of the Insurances;
  - (vi) the proceeds of the sale of any Plant & Machinery; and

Name of company

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(vii) all Other Receivables.

- (b) To the extent that any Assigned Asset described in clauses 4.2(a) of the Debenture is not assignable, the assignment which that clause purports to effect shall operate as an assignment of all present and future rights and claims of the relevant Company to any proceeds of the relevant asset.

### 3.3 Notice of assignment and/or charge - immediate notice

Promptly upon execution of the Accession Deed (and promptly upon the obtaining of any Insurance or the execution of any Acquisition Document or Hedging Agreement after the date of the Accession Deed) the Acceding Company:

- (a) in respect of each of its Insurances, delivered a duly completed notice of assignment to each other party to that Insurance, and shall use its reasonable endeavours to procure that each such party executes and delivers to the Security Agent an acknowledgement, in each case in the respective forms set out in schedule 3 (*Form of notice to and acknowledgement by insurers*) of the Debenture provided always that the provisions of clause 4.3(a) of the Debenture shall not apply to:
- (i) ABL Insurances in relation to which the provisions of clause 11.7 (*ABL Insurances*) of the Debenture shall apply; and
  - (ii) Key-Man Policies in relation to which the provisions of clause 4.3(c) of the Debenture shall apply;
- (b) in respect of each Hedging Agreement (to the extent that the Acceding Company is a party to the relevant document), delivered a duly completed notice of assignment to each other party to that document, and procure that each such party executes and delivers to the Security Agent an acknowledgement, in each case in the respective forms set out in schedule 2 (*Form of notice to and acknowledgement by party to Relevant Contract*) of the Debenture;
- (c) in respect of each Key-man Policy, delivered a duly completed notice to the insurer of the assignment in a form to be agreed between the relevant Company and the Security Agent and used all reasonable efforts to procure that the insurer acknowledges receipt of such notice to the Acceding Company (in a form to be agreed between the Acceding Company and the Security Agent) without undue delay; and

or, in each case, in such other form as the Security Agent shall agree.

### 3.4 Assigned Assets

The Security Agent is not obliged to take any steps necessary to preserve any Assigned Asset, to enforce any term of a Relevant Contract or to make any enquiries as to the nature or sufficiency of any payment received by it pursuant to the Debenture.

## 4. FLOATING CHARGE

The Acceding Company charged and agreed to charge by way of first floating charge all of its present and future:

- (a) assets and undertaking (wherever located) not otherwise effectively charged by way of first fixed mortgage or charge or assigned pursuant to clause 4.1 (*Fixed charges*) of the Debenture, clause 4.2 (*Security assignments*) of the Debenture or any other provision of the Debenture; and
- (b) (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland.

## 5. CONVERSION OF FLOATING CHARGE

Name of company

\*insert full name  
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\* CeDo Limited (the "Acceding Company")

**5.1 Conversion by notice**

The Security Agent may, by written notice to the Acceding Company, convert the floating charge created under the Debenture into a fixed charge as regards all or any of the assets of the Acceding Company specified in the notice if:

- (a) an Event of Default has occurred; or
- (b) the Security Agent (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.

**5.2 Small companies**

The floating charge created under the Debenture by the Acceding Company 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 Acceding Company.

**5.3 Automatic conversion**

The floating charge created under the 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:
  - (i) the Acceding Company creates (or attempts or purports to create) any Security (other than a Permitted Security) on or over the relevant Security Asset without the prior written consent of the Security Agent; or
  - (ii) 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 Acceding Company which are subject to a floating charge if an administrator is appointed in respect of the Acceding Company or the Security Agent receives notice of intention to appoint such an administrator (as contemplated by the Insolvency Act 1986).

**5.4 Partial conversion**

The giving of a notice by the Security Agent pursuant to clause 6.1 (*Conversion by notice*) of the Debenture in relation to any class of assets of the Acceding Company shall not be construed as a waiver or abandonment of the rights of the Security Agent to serve similar notices in respect of any other class of assets or of any other right of the Security Agent and/or the other Secured Parties.

**6. CONTINUING SECURITY****6.1 Continuing security**

The Debenture Security is continuing and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part. The Debenture shall remain in full force and effect as a continuing security for the duration of the Security Period.

**6.2 Additional and separate security**

The Debenture is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security which the Security Agent and/or any other Secured Party may at any time hold for any Secured

Name of company

\*insert full name  
of Company

\* CeDo Limited (the "Acceding Company")

Obligation.

**6.3 Right to enforce**

The Debenture may be enforced against the Acceding Company without the Security Agent and/or any other Secured Party first having recourse to any other right, remedy, guarantee or Security held by or available to it.

**7. LIABILITY OF COMPANIES RELATING TO SECURITY ASSETS**

Notwithstanding anything contained in the Debenture or implied to the contrary, the Acceding Company remains liable to observe and perform all conditions and obligations assumed by it in relation to the Security Assets. The Security Agent is under no obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.

**8. UNDERTAKINGS BY THE COMPANIES****8.1 Restrictions on dealing**

The Acceding Company shall not do or agree to do any of the following without the prior written consent of the Security Agent:

- (a) create or permit to subsist any Security or Quasi-Security on any Security Asset other than as created by the Debenture and except for a Permitted Security as permitted by the Common Terms Agreement (on or before the Senior Discharge Date) and thereafter the Mezzanine Facility Agreement;
- (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 Permitted Disposal or Permitted Transaction as permitted by the Common Terms Agreement (on or before the Senior Discharge Date) and thereafter the Mezzanine Facility Agreement.

**8.2 Security Assets generally**

The Acceding Company shall:

- (a) not, except with the prior written consent of the Security Agent (such consent not to be unreasonably withheld or delayed), enter into any onerous or restrictive obligation affecting any Security Asset; and
- (b) not do, cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value or marketability of any Security Asset (or make any omission which has such an effect).

**8.3 Charged Securities**

The Acceding Company shall not nominate another person to enjoy or exercise all or any specified rights of the Company in relation to its Charged Investments, as contemplated by section 145 of the Companies Act 2006 or otherwise.

**8.4 Intellectual Property**

Unless the Security Agent is of the opinion that the relevant Intellectual Property is of minor importance to the Group, the Acceding Company shall:

- (a) do all acts as are reasonably practicable to maintain, protect and safeguard (including, without limitation, registration with all relevant authorities) its Intellectual Property and not discontinue the use of any of its



Name of company

\*insert full name  
of Company

\* CeDo Limited (the "Acceding Company")

Intellectual Property; and

- (b) take all such reasonable steps, including the commencement of legal proceedings, as may be necessary to safeguard and maintain the validity, reputation, integrity, registration or subsistence of its Intellectual Property.

## 9. SET-OFF

### 9.1 Set-off

- (a) The Security Agent and each other Secured Party may (but shall not be obliged to) set off any obligation (present, future, actual, contingent, liquidated, unliquidated or unascertained), which is due and payable by the Acceding Company to the Security Agent or such other Secured Party (whether arising under the Finance Documents or otherwise) or which has been assigned to the Security Agent or such other Secured Party by any other Company, against any obligation (whether or not matured) owed by the Security Agent or such other Secured Party to the Acceding Company, regardless of the place of payment, booking branch or currency of either obligation.
- (b) At any time after the Debenture Security has become enforceable (and in addition to its rights under clause 18.1(a) of the Debenture), the Security Agent and each other Secured Party may (but shall not be obliged to) set-off any contingent liability owed by the Acceding Company under any Finance Document against any obligation (whether or not matured) owed by the Security Agent or such other Secured Party to the Acceding Company, regardless of the place of payment, booking branch or currency of either obligation.
- (c) If the obligations are in different currencies, the Security Agent or such other Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.
- (d) If either obligation is unliquidated or unascertained, the Security Agent or such other Secured Party may set off in an amount estimated by it in good faith to be the amount of that obligation.

### 9.2 Time deposits

Without prejudice to clause 18.1 (*Set-off*) of the Debenture, if any time deposit matures on any account which any Company has with the Security Agent or any other Secured Party at a time within the Security Period when:

- (a) this Debenture Security has become enforceable and provided that the applicable Event of Default is continuing; and
- (b) no Secured Obligation is due and payable,

such time deposit shall automatically be renewed for such further maturity as the Security Agent or such other Secured Party in its absolute discretion considers appropriate unless the Security Agent or such other Secured Party otherwise agrees in writing.

## 10. FURTHER ASSURANCES

### 10.1 Further action

The Acceding Company shall (and the Parent shall procure that each member of the Group shall), at its own expense, promptly take whatever action the Security Agent or a Receiver may require for:

- (a) creating, perfecting or protecting the Security intended to be created by the Debenture or any other Transaction Security Document;

Name of company

\*insert full name  
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\* CeDo Limited (the "Acceding Company")

- (b) facilitating the realisation of any Security Asset if the Debenture Security has become enforceable and the applicable Event of Default is continuing;
- (c) facilitating the exercise of any right, power or discretion exercisable by the Security Agent, any other Secured Party or any Receiver or any Delegate in respect of any Security Asset or provided by or pursuant to the Finance Documents or by law;
- (d) creating and perfecting Security in favour of the Security Agent or the Secured Parties over any property and assets of the Acceding Company located in any jurisdiction outside England and Wales equivalent or similar to the Security intended to be created by or pursuant to the Debenture or any other Transaction Security Document.

This includes:

- (i) the re-execution of the Debenture or such Transaction Security Document;
- (ii) the execution of any legal mortgage, charge, transfer, conveyance, assignment, assignation or assurance of any property required or intended to be created or perfected by the Debenture, whether to the Security Agent or to its nominee; and
- (iii) the giving of any notice, order or direction and the making of any filing or registration in relation to any of the Security Assets,

which, in any such case, the Security Agent may think expedient.

## 10.2 Finance Documents

The Acceding Company shall (and the Parent shall procure that each member of the Group shall) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Secured Parties by or pursuant to the Finance Documents.

## 10.3 Specific security

Without prejudice to the generality of clause 20.1 (*Further action*) of the Debenture, the Acceding Company shall forthwith at the request of the Security Agent execute any document contemplated by that clause over any Security Asset which is subject to or intended to be subject to any fixed security created by the Debenture in favour of the Security Agent (including any arising or intended to arise pursuant to clause 6 (*Conversion of floating charge*) of the Debenture) in such form as the Security Agent may require.

## 11. POWER OF ATTORNEY

- (a) The Acceding Company, by way of security, irrevocably and severally appointed the Security Agent, each Receiver and any Delegate to be its attorney to take any action which the Acceded Company is obliged to take under the Debenture, including under clause 20 (*Further assurances*) of the Debenture. The Acceding Company ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.
- (b) The Security Agent may only exercise its rights under clause 21(a) of the Debenture whilst a Default is continuing.

**Note.**

Name of company

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In this form:

## DEFINITIONS

**"ABL Agreement"** means an Original ABL Agreement unless that agreement has been terminated in accordance with its terms;

**"ABL Assets"** means Contracts of Sale, Receivables, Related Rights, Inventory (as defined in the ABLA), Plant & Machinery, ABL Insurance Policy (as defined in the ABLA) and the benefit of all other insurance policies which relate to any of those assets;

**"ABL Facility"** means an Original ABL Facility unless that facility has been cancelled or terminated in accordance with its terms;

**"ABL Insurance Policy"** means a Credit Insurance Policy, an Inventory Insurance Policy or a Plant & Machinery Insurance Policy;

**"ABL Insurances"** means the Credit Insurance Policy, the Inventory Insurance Policy and the P&M Insurance Policy and **"ABL Insurance"** means any of them;

**"ABL Obligor"** means an Original ABL Obligor unless it has ceased to be an ABL Obligor in accordance with the provisions of clause 25.4 (*Resignation of an Obligor*) of the Common Terms Agreement;

**"ABLA"** means the asset based lending agreement dated on or around the date of a Debenture Accession Deed delivered by the English Opco to the Security Agent (after the date of the Debenture) and made between, amongst others, (1) the Parent, (2) Cedo Limited, (3) the companies listed in part 1 of schedule 1 to it, (4) LTSBCF and (5) the Security Agent;

**"Accounting Principles"** means IFRS;

**"Acquisition"** means the acquisition by the Parent of the Target Shares on the terms of the Acquisition Documents;

**"Acquisition Agreement"** means the sale and purchase agreement dated on or about the date of the Common Terms Agreement relating to the sale and purchase of the Target Shares and made between the Parent and the Vendor;

**"Affiliate"** means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;

**"Ancillary Facility"** means any ancillary facility made available by an Ancillary Lender in accordance with clause 5 (*Ancillary Facilities*) of the Common Terms Agreement;

**"Ancillary Facility Limit"** means the amount specified as such in schedule 8 (*Financial particulars referable to all ABL Facilities*) of the Common Terms Agreement, or its equivalent in euro at the Euro Spot Rate of Exchange;

**"Ancillary Lender"** means a Financier (or Affiliate of a Financier) which makes available an Ancillary Facility in accordance with clause 5 (*Ancillary Facilities*) of the Common Terms Agreement and which, in the case of an Affiliate of a Financier, is or has become a party to this Agreement and the Intercreditor Agreement as an Ancillary Lender in accordance with the Intercreditor Agreement;

**"Assigned Assets"** means the Security Assets expressed to be assigned pursuant to clause 4.2 (*Security assignments*) of the Debenture;

**"Business Day"** means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

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

**"Charged Securities"** means:

- (a) any securities specified in a schedule to a Debenture Accession Deed; and

Name of company

\*insert full name  
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- (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 Debenture) now or in future owned (legally or beneficially) by a Company, held by a nominee on its behalf or in which such Company has an interest at any time;

**"Closing Date"** means the date on which Completion occurs;

**"Commencement Date"** means the date on which LTSBCF confirms to the Parent in writing that all documents and other evidence set out in parts 1 to 4 of schedule 1 (*Conditions precedent and subsequent*) of the Common Terms Agreement have been received or waived (as the case may be) to the satisfaction of the Financiers;

**"Common Terms Agreement"** means the common terms agreement dated on or around the date of the Debenture and made between, amongst others, (1) Deco Equity Limited, (2) the Parent, (3) LTSBCF, (4) Lloyds TSB Bank plc, Paris Branch and (5) the Security Agent;

**"Company"** means the Parent and any other company which accedes to the Debenture pursuant to an Debenture Accession Deed;

**"Company Intra-Group Loan Agreement"** means each loan agreement:

- (a) described as such in schedule 8 (*Financial particulars referable to all ABL Facilities*) of the Common Terms Agreement in the agreed form between certain members of the Group documenting the Structural Intra-Group Loans and a loan agreement; and
- (b) in the agreed form between the Parent and certain other members of the Group (save for the French Opco) pursuant to which those members of the Group have made or will make available a facility to the Parent up to a maximum aggregate principal amount equal to the aggregate principal amount of (plus interest on) the ABL Facilities, the Mezzanine Facility and the Investor Loan Notes;

**"Completion"** means the completion of the Acquisition in accordance with clause 8 (*Closing*) of the Acquisition Agreement;

**"Constitutional Documents"** means the memorandum and articles of association of Topco in the agreed form;

**"Contract of Sale"** means:

- (a) Contract of Sale, as defined in the ABLA;
- (b) Contrat de Vente, as defined in the French DPA; or
- (c) means any contractual arrangement (including the German Opco's general terms of business (*Allgemeine Geschäftsbedingungen*)) between the German Opco and a Customer in respect of Receivables,

and in respect of any other ABL Agreement, the equivalent term in that ABL Agreement;

**"Credit Insurance Policy"** means any credit insurance policy, the details of which are specified in a Receivables Accession Deed (or any other deed charging any Credit Insurance Policy (as defined in the ABLA) after the Commencement Date) and all cover notes relating to that policy and any other policy of insurance which may replace that policy of insurance;

**"Customer"** means:

- (a) Customer, as defined in the ABLA;
- (b) Débiteur, as defined in the French DPA; or
- (c) Debitor, as defined in the German DPA,

and in respect of any other ABL Agreement, the equivalent term in that ABL Agreement;

**"Debenture"** means the group debenture dated 29 July 2009 between (1) the Parent and (2) the Security Agent as acceded

Name of company

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\* CeDo Limited (the "Acceding Company")

to under the Accession Deed;

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

**"Debenture Security"** means the Security created by or pursuant to the Debenture or any Debenture Accession Deed;

**"Debt"** means any book debt or other monetary obligation (including any Tax or duty), present, future or contingent, of any Customer under a Contract of Sale together with its Related Rights, and a Debt, where the context permits, shall include part of a Debt and all or part of its Related Rights, but shall exclude Excluded Debts;

**"Default"** means a Termination Event or any event or circumstance specified in clause 22 (*Termination Events*) of the Common Terms Agreement which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be a Termination Event;

**"Delegate"** means any delegate, agent, attorney or co-trustee appointed by the Security Agent;

**"Disposal"** means, save for Receivables and Related Rights assigned to a Financier under an ABL Agreement, a sale, lease, licence, transfer, loan or other disposal by a person of any asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions);

**"Dutch Opco"** means CeDo Recycling B.V. (a company incorporated in the Netherlands and registered on the commercial register of Limburg, reg. no. 14066702);

**"Dutch Properties"** means a freehold property situated at De Asselen Kuil 15 in Geleen, Netherlands, recorded in the land register as Municipality of Geleen, section H number 221, 11.384 m<sup>2</sup> in size and a freehold property situated at De Asselen Kuil in Geleen, Netherlands, recorded in the land register as Municipality of Geleen, section H number 771, 17.105 m<sup>2</sup> in size;

**"English Obligor"** has the meaning given to that term in the ABLA;

**"English Opco"** means CeDo Limited, a company incorporated in England and Wales with company number 00934776;

**"English Receivables Facility"** has the meaning given to the term Receivables Facility in the ABLA;

**"Euro Spot Rate of Exchange"** means Lloyds TSB Bank plc's spot rate of exchange for the purchase of the relevant currency with Euro;

**"Event of Default"** means each Senior Event of Default or each Mezzanine Event of Default;

**"Excluded Debts"** means those classes of book debts listed in clause 4.4 (*Excluded Debts*) of the ABLA;

**"Excluded Proceeds"** means all and any monies paid to a Trust Account which are not the proceeds of Debts;

**"Existing FI Schedule"** means the schedule of existing facilities provided to the Target Group Company at the date of this Agreement and which is referred to at paragraph 2(g) of schedule 1 (*Conditions precedent and subsequent*) of the Common Terms Agreement;

**"Existing Local Facility"** means each of the financing facilities provided to a Target Group Company at the date of this and which are referred to in the column headed "Completion" in the Existing FI Schedule as "No change", and in the case of any bank account held by an English Obligor prior to the time limit to migrate those accounts to Lloyds TSB Bank Plc in accordance with clause 21.31 (*English Obligor's bank accounts*) of the Common Terms Agreement;

**"Export Debt"** means a Debt the Customer in relation to which is located outside England & Wales, Scotland and/or Northern Ireland;

**"Finance Documents"** means the Senior Finance Documents and the Mezzanine Finance Documents and **"Finance Document"** means any of them;

**"Finance Lease"** means any lease or hire purchase contract which would, in accordance with the Accounting Principles, be

Name of company

\*insert full name  
of Company

\* CeDo Limited (the "Acceding Company")

treated as a finance or capital lease;

**"Finance Party"** means a Financier, a Participant (if any), the Security Agent or a Hedge Counterparty or any Ancillary Lender;

**"Financial Group"** means Topco and any Subsidiary of Topco;

**"Financial Indebtedness"** means any indebtedness for or in respect of:

- (a) monies borrowed and debit balances at banks or other financial institutions;
- (b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- (c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) any Finance Lease;
- (e) receivables sold or discounted;
- (f) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (g) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);
- (h) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) or are otherwise classified as borrowings under the Accounting Principles;
- (i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 90 days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Principles; and
- (k) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above;

**"Financial Year"** means the annual accounting period of the Financial Group ending on or about 31 December each year;

**"Financier"** means LTSBCF or the French ABL Provider;

**"French ABL Provider"** means Lloyds TSB Bank plc, Paris Branch;

**"French DPA"** means the Contrat de Financement de Créances entered into between the French ABL Provider and the French Opco;

**"French Facility"** means the Receivables Facility provided under the French DPA;

**"French Opco"** means CeDo S.A.S., a company incorporated in France (RCS Meaux 380 265 496);

**"German DPA"** means the debt purchase agreement (*Forderungs-Ankauf-Vertrag*) governed by German law between the German Opco and LTSBCF entered into on or around the Commencement Date;

**"German Opco"** means CeDo Folien und Haushaltsprodukte GmbH, a German limited liability company (*Gesellschaft mit beschränkter Haftung*) registered with the local court (*Amtsgericht*) of Mönchengladbach under HRB 12845;

**"Group"** means the Parent and any Subsidiary of the Parent;

**"Guarantor"** means any member of the Group which gives a guarantee or indemnity to the Security Agent in respect of the obligations of an Obligor under a Finance Document, whilst such guarantee or indemnity is subsisting, including:

Name of company

\*insert full name  
of Company

\* CeDo Limited (the "Acceding Company")

(a) each Guarantor, as defined in the ABLA; and

(b) the Dutch Opco;

**"Hedging Agreement"** means any master agreement, confirmation, schedule or other agreement in the agreed form entered into or to be entered into by an obligor and a Hedge Counterparty for the purpose of hedging liabilities and/or risks;

**"Hedge Counterparty"** means a Financier or an Affiliate of a Financier which is or has become a party to the Intercreditor Agreement as a Hedge Counterparty in accordance with the Intercreditor Agreement;

**"Holding Company"** means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary;

**"IFRS"** means international financial reporting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements;

**"Insurances"** means all policies of insurance (and all cover notes) which are at any time held by, or written in favour of, a Company or in which a Company from time to time has an interest (including, without limitation, all present and future Key-man Policies and the ABL Insurances);

**"Intellectual Property"** means:

- (a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (b) the benefit of all applications and rights to use such assets of Topco and each member of the Group (which may now or in the future subsist);

**"Intercreditor Agreement"** means the intercreditor agreement more particularly described in paragraph 2(e) of part 1 of schedule 1 (*Conditions precedent and subsequent*) of the Common Terms Agreement;

**"Inventory"** means raw materials, work in progress and finished goods, which are the stock-in-trade of Cedo Limited;

**"Inventory Insurance Policy"** means any inventory insurance policy, the details of which are specified in a Receivables Accession Deed (or any other deed charging any Inventory Insurance Policy (as defined in the ABLA) after the Commencement Date) and all cover notes relating to that policy and any other policy of insurance which may replace that policy of insurance;

**"Investment Documents"** means the Shareholders' Agreement, the Constitutional Documents, the Investor Loan Note Instrument and, the Investor Loan Notes;

**"Investor Loan Note Instrument"** means the instrument in the agreed form pursuant to which the Investor Loan Notes are, or are to be, constituted;

**"Investor Loan Notes"** means the £24,618,413 15 per cent unsecured subordinated loan notes of due 31 March 2016 of the Parent;

**"Investor Short Term Loan Agreement"** means each loan agreement in the agreed form to be entered into on or about the Closing Date and made between the Parent as borrower and each of the Investors as lenders documenting a loan to be used solely to pay the purchase price under the Acquisition Agreement in a maximum amount set out in the Structure Memorandum;

**"Investors"** means Rutland Fund II LP and Rutland II CCLP each of Cunard House, 15 Regent Street, London SW1Y 4LR and their or any subsequent successors or assigns or transferees;

**"Joint Venture"** means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity;

**"Key-Man Policy"** means a life and permanent incapacity assurance policy on the lives of the following and in the

Name of company

\*insert full name  
of Company

\* CeDo Limited (the "Acceding Company")

following amounts:

Name of Individual	Amount (£)
David Pearce	£1,000,000

each such policy to secure payment to the Parent as beneficiary under such policy of such sums in the event of the Insured's death or permanent incapacity;

**"LTSBCF"** means the Lloyds TSB Commercial Finance Limited;

**"Mezzanine Event of Default"** means an *"Event of Default"* as that term is defined in the Mezzanine Facility Agreement;

**"Mezzanine Facility Agreement"** means the mezzanine facility agreement dated on or around the date of the Debenture and made between, inter alia, (1) Deco Equity Limited, (2) the Parent, (3) Indigo Capital V Sarl as the original lender (4) Indigo Capital LLP as agent and arranger and (5) the Security Agent;

**"Mezzanine Finance Documents"** means each *"Finance Document"* as that term is defined in the Mezzanine Facility Agreement;

**"Non-Obligor"** means a member of the Group which is not an Obligor;

**"Non-Vesting Domestic Debts"** means any Debt (other than an Export Debt) purportedly assigned to LTSBCF pursuant to the ABLA but which does not, for any reason, vest absolutely and effectively in LTSBCF;

**"Non-Vesting Export Debts"** means any Export Debt purportedly assigned to LTSBCF pursuant to the ABLA but which does not, for any reason, vest absolutely and effectively in LTSBCF;

**"Obligor"** means an ABL Obligor or a Guarantor;

**"Original ABL Agreement"** means the ABLA, the French DPA or the German DPA;

**"Original ABL Facility"** means:

- (a) any Facility as defined in the ABLA;
- (b) the French Facility; or
- (c) the debt purchase facility provided under the German DPA;

**"Original ABL Obligor"** means the English Opco, the French Opco or the German Opco;

**"Other Receivables"** means, save for Debts and Excluded Proceeds, all present and future book debts and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, any Company (whether actual or contingent and whether arising under contract or in any other manner whatsoever) together with:

- (a) the benefit of all rights, guarantees, Security and remedies relating to any of the foregoing (including, without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights); and
- (b) all proceeds of any of the foregoing;

**"P&M Insurance Policy"** means any plant and machinery insurance policy, the details of which are specified in a Receivables Accession Deed (or any other deed charging any Plant & Machinery Insurance Policy after the Commencement Date) and all cover notes relating to that policy and any other policy of insurance which may replace that policy of insurance;

**"Participant"** means any person who takes a participation in an ABL Facility;

**"Payment Terms"** means 30 days after the payment terms given to a Customer at the Commencement Date (or, in relation to any Customer which becomes a Customer after the Commencement Date, 30 days after the payment terms given to that



Name of company

\*insert full name  
of Company

\* CeDo Limited (the "Acceding Company")

Customer when it becomes a Customer);

**"Permitted Acquisition"** means:

- (a) the Acquisition;
- (b) an acquisition by a member of the Group of an asset sold, leased, transferred or otherwise disposed of by another member of the Group in circumstances constituting a Permitted Disposal;
- (c) an acquisition of shares or securities pursuant to paragraph (a) of Permitted Share Issue of the Common Terms Agreement;
- (d) the incorporation of a company which on incorporation becomes a member of the Group, provided that (A) the shares in the company are owned by an Obligor or the Parent and (B) clause 21.36 (*Further Security*) of the Common Terms Agreement is complied with in relation to the granting of security over the shares in the company;
- (e) an acquisition not being an acquisition by Topco for cash consideration, of (A) all of the issued share capital of any Permitted Entity or (B) (if the acquisition is made by a Permitted Entity whose sole purpose is to make the acquisition) a business or undertaking carried on as a going concern, but only if:
  - (i) no Default is continuing on the closing date for the acquisition or would occur as a result of the acquisition;
  - (ii) the acquired company, business or undertaking is incorporated or established, and carries on its principal business in the same jurisdiction as an existing Obligor (or such other jurisdiction as approved in writing by LTSBCF) and is engaged in a business substantially the same as that carried on by the Group;
  - (iii) the acquired company, business or undertaking has no contingent liabilities or Financial Indebtedness that will not be discharged on completion of the acquisition or that are not taken into account in the Acquisition Purchase Price or (in the reasonable opinion of the Parent) adequately covered by indemnities from the seller or insurance;
  - (iv) the consideration (including associated costs and expenses) for the acquisition and any Financial Indebtedness or other assumed actual or contingent liability, in each case remaining in the acquired company (or any such business) at the date of acquisition (the "**Acquisition Purchase Price**") does not:
    - (A) for any single acquisition (or series of related acquisitions) exceed €6,000,000 (or its equivalent in other currencies);
    - (B) in any Financial Year of the Parent, when aggregated with the Acquisition Purchase Price (including associated costs and expenses) for any other Permitted Acquisition (under this paragraph (e)) in the same Financial Year of the Parent, exceed in aggregate €12,000,000 (or its equivalent in other currencies);
    - (C) during the life of the ABL Facilities, when aggregated with the Acquisition Purchase Price (including associated costs and expenses) for any other Permitted Acquisition (under this paragraph (e)) during the life of the ABL Facilities, exceed in aggregate €30,000,000 (or its equivalent in other currencies);
  - (v) no acquired company is:
    - (A) immediately prior to the acquisition, a member of any occupational pension scheme which is not a money purchase scheme and which is not funded in accordance with the minimum funding requirement (as defined in section 56 of Pensions Act 1995) or the statutory funding objective under section 222 of the Pensions Act 2004;
    - (B) is or has at any time been "connected" with or an "associate" of (as those terms are used in sections 39 and 43 of the Pensions Act 2004) an employer (for the purposes of sections 38 to 51 of the Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both

Name of company

\*insert full name  
of Company

\* CeDo Limited (the "Acceding Company")

terms as defined in the Pensions Scheme Act 1993);

- (vi) the Parent has supplied to LTSBCF copies of all internal board approvals required to authorise the completion of the acquisition and all third party due diligence or other professional adviser reports relating to the acquisition which were considered by the board of directors of the Parent to be reasonable and prudent in the circumstances of the acquisition;
- (vii) if the Acquisition Purchase Price for the acquisition is greater than €3,000,000 (or its equivalent in other currencies) then at least 10 days prior to legally committing to acquire the company, business or undertaking, Parent delivers to LTSBCF a certificate signed by two directors of the Parent (one of whom shall be the Finance Director) to which must be attached a copy of the latest audited financial statements (or if not available, management accounts) of the Parent, setting out calculations showing in reasonable detail, and certifying that:
  - (A) the Parent would have remained in compliance with its obligations under clause 20.1 (*Financial Covenants*) of the Common Terms Agreement if the covenant tests were recalculated for the Relevant Period ending on the most recent Quarter Date on a pro forma basis on the assumption that the relevant acquisition occurred on the first day of the Relevant Period and taking into account any pro forma adjustment for synergies which are justifiable and reasonably achievable within the 12 Months of, and as a direct result of, the acquisition; and
  - (B) on the assumption that the relevant acquisition is completed, the Parent will (based on fair projections and reasonable assumptions) remain in compliance with its obligations under clause 20.1 (*Financial Covenants*) of the Common Terms Agreement for each of the Relevant Periods ending on the 4 Quarter Dates immediately following the acquisition;

(f) Receivables the subject of an ABL Agreement;

**"Permitted Disposal"** means any sale, lease, licence, transfer or other disposal which is on arm's-length terms:

- (a) of trading stock or cash made by any member of the Group in the ordinary course of trading of the disposing entity;
- (b) of any asset by a member of the Group (the "**Disposing Company**") to another member of the Group (the "**Acquiring Company**"), but if:
  - (i) the Disposing Company is an Obligor, the Acquiring Company must also be an Obligor;
  - (ii) the Disposing Company had given Security over the asset, the Acquiring Company must give equivalent Security over that asset; and
  - (iii) the Disposing Company is a Guarantor, the Acquiring Company must be a Guarantor guaranteeing at all times an amount no less than that guaranteed by the Disposing Company,

provided always that no Obligor may dispose of any ABL Asset other than Inventory under this paragraph (b);

- (c) provided no Default has occurred which is continuing, of assets other than shares, businesses, Contracts of Sale, Receivables, Related Rights, specified P&M, Specified Real Property, Intellectual Property or other assets the subject of a fixed charge (or purported fixed charge) under the Transaction Security;
- (d) of plant and equipment for cash in the ordinary course of the business of the Group;
- (e) save for any ABL Asset, of any asset to a Joint Venture to the extent permitted by the definition of Permitted Joint Venture;
- (f) of obsolete or redundant vehicles for cash;
- (g) with the prior written consent of LTSBCF, constituted by a licence of intellectual property rights permitted by clause 21.29 (*Intellectual Property*) of the Common Terms Agreement;

Name of company

\*insert full name  
of Company

\* CeDo Limited (the "Acceding Company")

- (h) arising as a result of any Permitted Security; and
- (i) arising as a result of any receivables financing permitted pursuant to paragraphs (i) or (j) of the definition of "Permitted Financial Indebtedness;

**"Permitted Entity"** means of the following types of company:

- (a) in relation to a company incorporated in England and Wales, a limited liability company;
- (b) in relation to a company incorporated in France, a société à responsabilité limitée, a société anonyme or a société par actions simplifiée;
- (c) in relation to a company incorporated in Germany, a German limited liability company (*Gesellschaft mit beschränkter Haftung*),

or in any other jurisdiction, the analogous type of company in that jurisdiction;

**"Permitted Financial Indebtedness"** means Financial Indebtedness:

- (a) arising under any of the ABL Agreements, Mezzanine Finance Documents, the Company Intra-Group Loan Agreements, the Investor Short Term Loan Agreement and the Investment Documents, in each case as in force on the date of the Debenture and subject always to the Debenture and the Intercreditor Agreement;
- (b) Permitted New Investor Debt;
- (c) arising under any letter of credit, guarantee or indemnity issued under an Ancillary Facility;
- (d) arising under a foreign exchange transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates where that foreign exchange exposure arises in the ordinary course of trade, but not a foreign exchange transaction for investment or speculative purposes, provided always that any such foreign exchange transactions entered into after the Commencement Date are entered into with Lloyds TSB Bank plc;
- (e) which is unconditionally and irrevocably paid and discharged in full by no later than the Commencement Date;
- (f) arising under (i) a Permitted Loan or (ii) a Permitted Guarantee or as permitted by clause 21.32 (*Treasury Transactions*) of the Common Terms Agreement; and
- (g) arising under finance or capital leases of vehicles, plant, equipment or computers, provided that the aggregate capital value of all such items so leased under outstanding leases by members of the Group does not exceed £250,000 (or its equivalent in other currencies) at any time;
- (h) arising under receivables financing raised by CeDo Russia provided that the aggregate maximum amount of Financial Indebtedness outstanding thereunder does not exceed €2,000,000 (or its equivalent in other currencies) at any time;
- (i) arising under receivables financing raised by any supplier finance arrangement or buying consortium agreement which is expressly permitted in the French DPA or German DPA;
- (j) which LTSBCF may permit in writing;
- (k) arising under an Ancillary Facility which is when aggregated with all Financial Indebtedness under any other Ancillary Facility within the Ancillary Facility Limit;
- (l) arising under an Existing Local Facility in respect of which an Ancillary Lender has provided a guarantee issued under an Ancillary Facility;
- (m) at any time prior to two Business Days after the Commencement Date, any Financial Indebtedness arising under the Investor Short Term Loan Agreements;
- (n) not permitted by paragraphs (a) to (m) above or as a Permitted Transaction and the outstanding amount of which does not exceed €1,000,000 (or its equivalent) in aggregate for the Group at any time;

Name of company

\*insert full name  
of Company

\* CeDo Limited (the "Acceding Company")

**"Permitted Guarantee" means:**

- (a) any performance or similar bond guaranteeing performance by an Obligor under any contract entered into in the ordinary course of trade;
- (b) any guarantee permitted under clause 21.24 (*Financial Indebtedness*) of the Common Terms Agreement (except that arising under paragraph (g)(ii) of the definition of "Permitted Financial Indebtedness");
- (c) any guarantee given in respect of the netting or set-off arrangements permitted pursuant to paragraph (b) of the definition of "Permitted Security";
- (d) any indemnity given in the ordinary course of the documentation of an acquisition or disposal transaction which is a Permitted Acquisition (for the avoidance of doubt, including by the Parent to the Vendor under the Acquisition Agreement) or Permitted Disposal which indemnity is in a customary form and subject to customary limitations; and
- (e) any guarantee of a Joint Venture to the extent permitted under clause 21.10 (*Joint Ventures*) of the Common Terms Agreement through paragraph (b)(ii)(B) of the definition of Permitted Joint Venture only;

**"Permitted Joint Venture" means any investment in any Joint Venture where:**

- (a) the Joint Venture is incorporated, or established, and carries on its principal business, in the same jurisdiction as a member of of the Group (or such other jurisdiction as approved in writing by LTSBCF) and is engaged in a business substantially the same as that carried on by the Group;
- (b) the Joint Venture is engaged in a business substantially the same as that carried on by the Group; and

provided always that in any financial year of the Parent, the aggregate of:

- (i) all amounts subscribed for shares in, lent to, or invested in all such Joint Ventures by any member of the Group;
- (ii) the contingent liabilities of any member of the Group under any guarantee given in respect of the liabilities of any such Joint Venture; and
- (iii) the book value of any assets transferred by any member of the Group to any such Joint Venture,

does not exceed €100,000 (or its equivalent in other currencies);

**"Permitted Loan" means:**

- (a) any trade credit extended by any Obligor to Customers within the Payment Terms and in the ordinary course of its trading activities;
- (b) Financial Indebtedness which is referred to in the definition of, or otherwise constitutes, Permitted Financial Indebtedness (except under paragraph (f)(i) of that definition);
- (c) a loan made to a Joint Venture to the extent permitted in accordance with the Permitted Joint Venture definition;
- (d) a loan made by an Obligor to another Obligor or made by a Non-Obligor to another member of the Group, provided always that the Non-Obligor accedes to the Intercreditor Agreement as an intra-group creditor if at any time a loan or loans given by the Non-Obligor to an Obligor or Obligors exceed an aggregate principal amount of €200,000 (or its equivalent in other currencies);
- (e) any trade credit extended by an Obligor to the Group in the ordinary course of trading activities;
- (f) the Structural Intra-Group Loans;
- (g) any loan (in addition to the Structural Intra-Group Loans) made by an Obligor to a member of the Group which is not an Obligor so long as the aggregate amount of the Financial Indebtedness under any such loans does not exceed €3,000,000 (or its equivalent) at any time;
- (h) a loan made by a member of the Group to an employee or director of any member of the Group if the amount of that

Name of company

\*insert full name  
of Company

\* CeDo Limited (the "Acceding Company")

loan when aggregated with the amount of all loans to employees and directors by members of the Group does not exceed €200,000 (or its equivalent) at any time;

**"Permitted New Investor Debt"** means additional funding provided by any of the Investors and/or the Warrant Holder after the Commencement Date by way of the issue of subordinated loan capital by the Parent:

- (a) on substantially the same terms as the Investor Loan Notes;
- (b) in a form which is subordinated as Investor Obligations (as defined in the Intercreditor Agreement) under the Intercreditor Agreement; and
- (c) in respect of which the Parent has delivered to LTSBCF certified copies of all documents constituting the Permitted New Investor Debt;

**"Permitted Security"** means:

- (a) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any member of the Group;
- (b) any netting or set-off arrangement entered into by an Obligor with an Ancillary Lender in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Group provided that the Ancillary Lender is party to the Intercreditor Agreement;
- (c) any liens arising under the general terms and conditions of any German banks who provide bank accounts to any member of the Group;
- (d) any payment or close out netting or set-off arrangement pursuant to any Treasury Transaction or foreign exchange transaction entered into by a member of the Group which constitutes Permitted Financial Indebtedness, excluding any Security or Quasi-Security under a credit support arrangement;
- (e) any Security or Quasi-Security over or affecting any asset of an Obligor which becomes an Obligor after the Commencement Date (or is obliged to become an Obligor in accordance with the terms of this Agreement), where the Security or Quasi-Security is created before the date on which that company becomes or is obliged to become an Obligor if:
  - (i) the Security or Quasi-Security was not created in contemplation of the acquisition of that company;
  - (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that company; or
  - (iii) the Security or Quasi-Security is removed or discharged within 90 days of the date of that company becoming a member of the Group;
- (f) any Security arising under any hire purchase credit-bail or conditional sale arrangement;
- (g) any Security or Quasi-Security (existing as at the date of this Agreement) over assets of any member of the Group so long as the Security or Quasi-Security is irrevocably removed or discharged by no later than the Commencement Date;
- (h) without prejudice to clause 13.12 (*Status and condition*) of the ABLA, any Security or Quasi-Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group;
- (i) any Security arising under rental deposit deed in respect of Real Property, entered into the ordinary course of business and in amounts representing not more than 12 months rent on that Real Property provided always that such Security does not extend to any ABL Assets or the proceeds thereof and the Parent provides evidence of the same to LTSBCF (to LTSBCF's reasonable satisfaction) upon request;
- (j) any Security or Quasi-Security arising as a consequence of any finance or capital lease permitted pursuant to

Name of company

\*insert full name  
of Company

\* CeDo Limited (the "Acceding Company")

paragraph (g) of the definition of "Permitted Financial Indebtedness" provided always that such Security does not extend to any ABL Assets or the proceeds thereof and the Parent provides evidence of the same to LTSBCF (to LTSBCF's reasonable satisfaction) upon request;

- (k) any Security or Quasi-Security given by any of CeDo Russia, the French Opco or the German Opco in relation to the receivables financing provided to it and which is (i) permitted pursuant to paragraphs (h) or (i) of the definition of "Permitted Financial Indebtedness" and (ii) fundamental to the operation of the relevant receivables financing, provided always that such Security does not extend to any ABL Assets or the proceeds thereof and the Parent provides evidence of the same to LTSBCF (to LTSBCF's reasonable satisfaction) upon request;
- (l) any Security contained in a Transaction Security Document;
- (m) any Security given by a Non-Obligor to the provider of an Existing Local Facility solely in respect of cash cover for indebtedness in respect of such Existing Local Facility; or
- (n) provided always that such Security does not extend to any ABL Assets or the proceeds thereof and the Parent provides evidence of the same to LTSBCF (to LTSBCF's reasonable satisfaction) upon request, any Security securing indebtedness of a Non-Obligor the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness of a Non-Obligor which has the benefit of Security given by any member of the Group other than any permitted under paragraphs (a) to (m) above) does not at any time exceed €100,000 (or its equivalent in other currencies,

provided always that in relation to Obligors incorporated in England and Wales or Scotland such security (excluding any security permitted under paragraphs (i), (j), (k) or (l)) is not registered against an Obligor's mortgages and Charges Register at Companies House (or in France, is not registered against the French Opco or its assets on any ordinary or special register with the *Greffe* of the *Tribunal de Commerce de Meaux* or registry of other French authority);

**"Permitted Transaction"** means:

- (a) any Disposal required by the terms of the Finance Documents or Mezzanine Finance Documents;
- (b) any Financial Indebtedness arising under the Finance Documents or Mezzanine Finance Documents;
- (c) any guarantee or indemnity entered into in favour of any Finance Party under the Finance Documents or Mezzanine Finance Documents;
- (d) any Security or Quasi-Security granted in favour of any Finance Party under the Finance Documents or Mezzanine Finance Documents;
- (e) any loan arising under the Finance Documents or Mezzanine Finance Documents; or
- (f) the solvent liquidation or reorganisation of any Non-Obligor so long as any payments or assets distributed as a result of such liquidation or reorganisation are distributed to other members of the Group;

**"Plant & Machinery"** means the machinery and equipment described in the Plant & Machinery Valuation, and such other machinery and equipment acquired by Cedo Limited from time to time in addition to or in replacement thereof;

**"Plant & Machinery Valuation"** means the valuation dated 11 June 2009 of certain Plant & Machinery produced by Edward Symmons and addressed to LTSBCF and any other valuation of Plant & Machinery conducted in accordance with the terms of the ABLA;

**"Quarter Date"** means in respect of any Financial Year:

- (a) 31 March;
- (b) 30 June;
- (c) 30 September;
- (d) 31 December;

Name of company

\*insert full name  
of Company

\* CeDo Limited (the "Acceding Company")

**"Quasi-Security"** has the meaning given to that term in clause 21.16 (*Negative pledge*) of the Common Terms Agreement;

**"Real Property"** means:

- (a) any freehold, leasehold or immovable property; and
- (b) any buildings, fixtures, fittings, fixed plant or machinery from time to time situated on or forming part of that freehold, leasehold or immovable property,

and any analogous property right in any Relevant Jurisdiction;

**"Receivables"** has the meaning given to:

- (a) Debt in the ABLA;
- (b) *Facture* in the French DPA (*Conditions Générales*); and
- (c) in relation to the German DPA, accounts receivables (*Forderungen über Lieferungen und Leistungen*) of the German Opco,

and in respect of any other ABL Agreement, the equivalent term in that ABL Agreement, and **"Receivable"** means any of them;

**"Receivables Accession Deed"** means an accession deed substantially in the form set out in part 1 of schedule 4 (*Forms of Debenture Accession Deed*) of the Debenture;

**"Receivables Facility"** means any of:

- (a) the English Receivables Facility;
- (b) the French Facility; or
- (c) the debt purchase facility provided under the German DPA,

or any other debt purchase or receivables financing facility provided under any other ABL Agreement;

**"Receiver"** means any receiver, receiver and manager or administrative receiver appointed of the whole or any part of the Security Assets by the Security Agent under the Debenture;

**"Related Rights"**

- (a) has the meaning given to Related Rights in the ABLA;
- (b) has the meaning given to *Droits Associés* in the French DPA (*Conditions Générales*);
- (c) in relation to the German DPA, means all present and future, actual and un-contingent ancillary rights and claims (*Hilfs-, Neben- und Vorzugsrechte*) pursuant to or in connection with the underlying contractual or other relationship under which the Receivables arise, including contractual powers (*Gestaltungsrechte*), and security interests (*Sicherheiten*) created in relation to the Receivables as well as any insurance in respect of goods to which Receivables relate (ie transport, fire or theft insurances),

and in respect of any other ABL Agreement, the equivalent term in that ABL Agreement;

**"Relevant Contract"** means:

- (a) the Acquisition Agreement;
- (b) each Hedging Agreement; and
- (c) each agreement specified in a Debenture Accession Deed as a *"Material Contract"*,

together with each other agreement supplementing or amending or novating or replacing the same;

**"Relevant Jurisdiction"** means, in relation to an Obligor:

Name of company

\*insert full name  
of Company

\* CeDo Limited (the "Acceding Company")

- (a) its jurisdiction of incorporation;
- (b) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated;
- (c) any jurisdiction where it conducts its business; and
- (d) the jurisdiction whose laws govern the perfection of any Transaction Security Document entered into by it;

**"Relevant Period"** has the meaning given to that term in part 2 of schedule 4 (*Operational and Financial Covenants*) of the Common Terms Agreement;

**"Secured Parties"** has the meaning given to that term in the Intercreditor Agreement and **"Secured Party"** means any of them;

**"Securities 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



Name of company

\*insert full name  
of Company

\* CeDo Limited (the "Acceding Company")

## 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 descriptions of the mortgages or persons entitled to the charge (continued)

## Addendum 4/4

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

**"Security Period"** means the period beginning on the date of the Deed 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 to a Company (whether arising under or pursuant to the Finance Documents or otherwise);

**"Senior Discharge Date"** has the meaning given to that term in the Intercreditor Agreement;**"Senior Event of Default"** means a *"Termination Event"* as that term is defined in the Common Terms Agreement;**"Senior Finance Documents"** means each *"Finance Document"* as that term is defined in the Common Terms Agreement;**"Senior Management"** means each and all of Alan Jamieson, Andrzej Ostrowski and David Pearce;**"Shareholders' Agreement"** means the investment agreement dated on or about the date of the Deed and made between Topco, the Senior Management, the Investors and Rutland Partners LLP;**"Specified Real Property"** means:

- (a) the Dutch Properties; and
- (b) any Real Property owned by CeDo Poland,

or any other Real Property owned by an Obligor and which the Parent and LTSBCF agree to designate as "Specified Real Property" at any time;

**"Structural Intra-Group Loans"** means the loans made under the Company Intra-Group Loan Agreements and as

Name of company

\*insert full name  
of Company

\* CeDo Limited (the "Acceding Company")

specified in the Structure Memorandum and as described as such in schedule 8 (*Financial particulars referable to all ABL Facilities*) of the Common Terms Agreement;

**"Structure Memorandum"** means the structure paper entitled "Project Domino – Tax Memorandum on Structure" describing the Group and the Acquisition and prepared by PricewaterhouseCoopers LLP in the agreed form;

**"Subsidiary"** of a company or corporation means any company or corporation:

- (a) which is controlled, directly or indirectly, by the first-mentioned company or corporation; or
- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first-mentioned company or corporation; or
- (c) which is a subsidiary of another subsidiary of the first mentioned company or corporation,

and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body;

**"Target Company"** means each company listed in schedule 7 (*The Target Companies*) of the Common Terms Agreement;

**"Target Group"** means the Vendor and its Subsidiaries;

**"Target Shares"** means all of the shares in each Target Company in respect of the share capital of each Target Company;

**"Tax"** or **"Taxes"** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);

**"Termination Event"** means any event or circumstance specified as such in clause 22 (*Termination Events*) of the Common Terms Agreement;

**"Topco"** means Deco Equity Limited (company number 06948195) with its registered office Cunard House, 15 Regent Street, London SW1Y 4LR;

**"Transaction Security"** means the Security created or expressed to be created in favour of the Security Agent pursuant to the Transaction Security Documents;

**"Transaction Security Documents"** means each of the documents specified in:

- (a) paragraph 2(b) of part 1 of schedule 1 (*Conditions precedent and subsequent*) of the Common Terms Agreement;
- (b) paragraph 2(e) of part 2 of schedule 1 (*Conditions precedent and subsequent*) of the Common Terms Agreement;
- (c) paragraph 2(c) of part 3 of schedule 1 (*Conditions precedent and subsequent*) of the Common Terms Agreement;
- (d) paragraph 2(c) of part 4 of schedule 1 (*Conditions precedent and subsequent*) of the Common Terms Agreement;
- (e) paragraph 2(c) of part 5 of schedule 1 (*Conditions precedent and subsequent*) of the Common Terms Agreement;

Name of company

\*insert full name  
of Company

\* CeDo Limited (the "Acceding Company")

- (f) paragraph 2(c) of part 6 of schedule 1 (*Conditions precedent and subsequent*) of the Common Terms Agreement;
- (g) any security given in favour of the Security Agent in respect of cash cover for an Ancillary Facility;
- together with any other document entered into by any Obligor creating or expressed to create any Security in favour of any Secured Party in relation to the obligations of any Obligor under any Finance Document;

**"Treasury Transaction"** means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price;

**"Trust Account"** means a bank account or bank accounts opened in the Acceding Company's name for which LTSBCF shall have the irrevocable right to appoint any of its officers as the only authorised signatories and which is unencumbered and declared in trust for LTSBCF;

**"Vendor"** means CeDo Haushaltsprodukte Holding GmbH (formerly known as CeDo Folien und Haushaltsprodukte GmbH), a limited liability company (*GmbH*) incorporated in Germany, registered in the commercial register at the local court of Bad Homburg under HR B 4405; and

**"Warrant Holder"** means Indigo Capital V LP.

## SCHEDULE

### Details of Security Assets

#### Part 1 - Credit Insurance Policy

Insurer	Insured risks	Policy number
Credit Indemnity & Financial Services	Credit risk	1319

#### Part 2 - Inventory Insurance Policy

Insurer	Insured risks	Policy number
HDI-Gerling Industrial Insurance Company	Inventory	810-01156687-14106

#### Part 3 - P&M Insurance Policy

Insurer	Insured risks	Policy number

Company number

00934776

Name of company

\*insert full name  
of Company

\* CeDo Limited (the "Acceding Company")

HDI-Gerling Industrial Insurance Company	Plant and machinery	810-01156687-14106
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## **CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE**

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

**COMPANY NO. 934776  
CHARGE NO. 8**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES  
HEREBY CERTIFIES THAT A RECEIVABLES ACCESSION DEED  
DATED 16 SEPTEMBER 2009 AND CREATED BY CEDO LIMITED  
FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM  
EACH PRESENT OR FUTURE MEMBER OF THE GROUP TO  
LLOYDS TSB COMMERCIAL FINANCE LIMITED (THE  
SECURITY AGENT) AND/OR THE OTHER SECURED PARTIES  
(OR ANY OF THEM) ON ANY ACCOUNT WHATSOEVER 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 24 SEPTEMBER 2009

GIVEN AT COMPANIES HOUSE, CARDIFF THE 27 SEPTEMBER  
2009

*P. S. elc.*



*Companies House*  
— for the record —



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES