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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

11314

01934366

Name of company

* Paramount Limited

Date of creation of the charge

28 September 2006

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

Debenture dated 28 September 2006 between (1) Paramount Holdings Limited and Paramount Acquisitions Limited (as "Security Providers") and (2) the Royal Bank of Scotland plc (as the "Security Trustee") (the "Deed")

Amount secured by the mortgage or charge

The "Secured Liabilities" as defined in the attached continuation sheets.

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

The Royal Bank of Scotland plc
280 Bishopsgate, London

Postcode

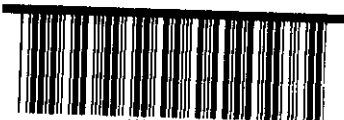
Presentor's name address and
reference (if any):

Herbert Smith LLP
Exchange House
Primrose Street
London
EC2A 2HS

For official Use (06/2005)

Mortgage Section

Post room



A18
COMPANIES HOUSE

AUAHKJEC

564
05/10/2006

Time critical reference

Tel: 020 7466 2128

The "Charged Assets" as defined in the attached continuation sheets.

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)

Signed

Herbert Smith LLP

Date

3/10/06

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)

† delete as
appropriate

Notes

- 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

A. DEFINITIONS AND INTERPRETATION

In this Form 395 the following terms shall have the following meanings:

"Accounts" means all accounts (including the Cash Collateral Accounts), and all monies from time to time standing to the credit (including any interest thereon) of such accounts and all rights in relation thereto, with any bank, building society, financial institution or other person in any jurisdiction now or at any time hereafter (and from time to time) owned, operated or held by any Security Provider or in which any Security Provider has an interest.

"Account Proceeds" means, in relation to each Security Provider, all amounts (including interest) from time to time standing to the credit of any Account and the debts represented thereby.

"Acquisition" means the acquisition by Bidco 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 hereof relating to the sale and purchase of the Target Shares and made between Bidco and the Vendors;

"Administrator" means a person appointed under Schedule B1 to the Insolvency Act 1986 to manage a Security Provider's affairs, business and property.

"Bidco" means Paramount Acquisitions Limited, a company incorporated in England and Wales with registered number 05938866 and with its registered office at 10 Norwich Street London EC4A 1BD.

"Cash Collateral Account" means any mandatory prepayment account and / or any holding account.

"Charged Assets" means, in relation to each Security Provider, the property of such Security Provider described in Clauses 2.1, 2.2 and 2.3 below.

"Commitment" means a facility A commitment, facility B commitment, facility C commitment, capex facility commitment or revolving facility commitment under the Senior Facilities Agreement;

"Debts" means, in relation to each Security Provider, all of such Security Provider's present and future book and other debts, revenues and monetary claims, whether actual or contingent, and whether originally owing to such Security Provider or purchased or acquired by it, and all things in action which may give rise to any debt, revenue or monetary claim and the benefit of any related Security, guarantee or other right of any nature relating thereto and any proceeds of any of the above.

"Declared Default" means an Event of Default that has resulted in the Senior Agent exercising any of its rights under Clause 30.18 (*Acceleration*) of the Senior Facilities Agreement or the Mezzanine Agent exercising any of its rights under Clause 24.18 (*Acceleration*) of the Mezzanine Facility Agreement.

"Event of Default" means any event or circumstance specified as such in Clause 30 (Events of Default) of the Senior Facilities Agreement;

"Facilities Agreements" means the Senior Facilities Agreement and the Mezzanine Facility Agreement.

"Holding Account" means an account:

- (a) held by a member of the group with the Senior or Mezzanine Agent (as appropriate) or Security Trustee;
- (b) identified in a letter between the Parent and the Senior or Mezzanine Agent (as appropriate) as a Holding Account; and
- (c) subject to Security in favour of the Security Trustee which Security is in form and substance satisfactory to the Security Trustee (acting reasonably), (as the same may be redesignated, substituted or replaced from time to time);

"Incapacity", in relation to a person, means the insolvency, liquidation, dissolution, winding-up, administration, receivership, amalgamation, reconstruction or other incapacity of that person whatsoever (and, in the case of a partnership, includes the termination or change in the composition of the partnership) or any analogous proceeding occurring in relation to that person whatsoever.

"Insurance Policies" means, in relation to each Security Provider, all present and future contracts or policies of insurance (including life and critical illness policies and the Key-man Policy) in which such Security Provider has an interest, or in which it may from time to time have an interest, (whether solely, jointly, as loss payee or otherwise) excluding, in each case, contracts and policies of insurance or assurance which relate to liabilities to third parties.

"Insurance Proceeds" means all monies from time to time payable to any Security Provider under or pursuant to the Insurance Policies, including (without limitation) the refund of any premiums.

"Intellectual Property Rights" means:

- (A) all of the property specified in Schedule 3 (*Intellectual Property*) of the Deed ; and
- (B) all other patents, patent applications, trade marks and service marks (whether registered or not), trade mark and/or service mark applications, trade names, registered designs, design rights, copyrights, computer software, know-how, trade secrets, inventions and other intellectual property rights and interests, whether registered or unregistered, the benefit of all applications and the rights to use such assets and all Related Property Rights.

"Intercreditor Agreement" means the intercreditor agreement dated the same date as the Deed and made between among others the Parent, Bidco, the Security Trustee and Barclays Bank PLC as mezzanine agent.

"Limitation Acts" means the Limitation Act 1980 together with all primary and secondary legislation which prescribes time limits within which a claim must be made following a cause of action.

"LPA" means the Law of Property Act 1925.

"Mandatory Prepayment Account" means an interest-bearing account:

- (a) held by a borrower with the Senior or Mezzanine Agent (as appropriate) or Security Trustee;

- (b) identified in a letter between the Parent and the Senior or Mezzanine Agent (as appropriate) as a Mandatory Prepayment Account;
 - (c) subject to Security in favour of the Security Trustee which Security is in form and substance satisfactory to the Agent and Security Trustee; and
 - (d) from which no withdrawals may be made by any members of the Group except as contemplated by the Facilities Agreements,
- (as the same may be redesignated, substituted or replaced from time to time).

"Mezzanine Agent" means Barclays Bank PLC, as agent of the other Mezzanine Finance Parties.

"Mezzanine Facility Agreement" means the £9,000,000 mezzanine facility agreement dated on or around the date of the Deed between (among others), Bidco and the Security Trustee.

"Mezzanine Finance Documents" means the Mezzanine Facility Agreement, any Accession Letter, the Upstream Intra-Group Loan Agreement, any Compliance Certificate, any Fee Letter, the Hedging Letter, any Hedging Agreement, the Intercreditor Agreement, any Resignation Letter, any Selection Notice, any Transaction Security Document, the Utilisation Request and any other document designated as a "Finance Document" by the Mezzanine Agent and the Parent.

"Mezzanine Finance Party" means the Mezzanine Agent, the Arranger, the Security Trustee, a Lender or a Hedge Counterparty.

"Non-Material Leasehold Property" means any leasehold property (whether registered or unregistered) owned by any Security Provider wherever situate, in respect of which the EBITDA generated by the business run at such leasehold property is, as at the end of the Financial Year ending on or around 30 June 2006, less than or equal to £120,000 per annum and which shall comprise the properties not marked with a "✓" in the right hand column entitled "*Bank to take legal charge (subject to completion of Outstanding Transfer and / or obtaining consent to charge?)*" of the table in Schedule 2 of the Deed.

"Outstanding Transfers" means the assignments or subleases of the Real Properties referred to in Part II of Schedule 2 (*Real Property*) of the Deed to the relevant Security Provider which, as at the date of the Deed, remain to be completed.

"Parent" means Paramount Holdings Limited, a company incorporated in England and Wales with registered number 05938858 and with its registered office at 10 Norwich Street London EC4A 1BD.

"Permitted Security" means any security permitted under the Senior Facilities Agreement and / or the Mezzanine Facility Agreement.

"Reports" means the accountants' report, the legal due diligence report, the insurance report and the structure memorandum;

"Real Property" means, in relation to each Security Provider:

- (A) all of the freehold and/or leasehold property of such Security Provider specified in Schedule 2 (*Real Property*) of the Deed; and
- (B) all freehold and/or leasehold property of such Security Provider now or hereinafter from time to time owned situate in England and Wales (other than the property referred to in paragraph (A) above); and

(C) any buildings, fixtures, including trade fixtures, (subject, in the case of tenant's fixtures, to any tenant's rights in respect of those fixtures), fittings, fixed plant or machinery from time to time on or forming part of the property referred to in paragraphs (A) and (B) above; and

(D) all Related Property Rights,

excluding in each case Non-Material Leasehold Properties and, for the avoidance of doubt, buildings and structures and fixtures of all or any part of any Non-Material Leasehold Properties.

"Receiver" means any person appointed by the Security Trustee to be a receiver or receiver and manager or administrative receiver or administrator of any property subject to the Security created by the Deed.

"Related Property Rights" means, in relation to any property or asset:

- (A) the proceeds of sale and/or other realisation of that property or asset (or any part thereof or interest therein);
- (B) all Security, options, agreements, rights, easements, benefits, indemnities, guarantees, warranties or covenants for title in respect of such property or asset; and
- (C) all rights under any lease, licence or agreement for lease, sale or use in respect of such property or asset.

"Related Securities Rights" means all allotments, rights, benefits and advantages (including all voting rights) at any time accruing, offered or arising in respect of or incidental to any Securities and all money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option, dividend, distribution, interest or otherwise in respect of Securities.

"Secured Liabilities" means, in relation to each Security Provider, all monies, obligations and liabilities covenanted to be paid or discharged by such Security Provider pursuant to Clause 1.1 below (*Covenants to Pay*).

"Securities" means, in relation to each Security Provider, all of such Security Provider's right, title, benefit and interest in all stocks, shares, bonds, notes, warrants and other securities of any kind whatsoever (including warrants or options to acquire or subscribe any of the same) whether in bearer or registered form, and all other interests in any person and all Related Securities Rights whether the same are held directly by or to the order of such Security Provider or by any trustee, fiduciary, clearance system (including any depository for any clearance system and any other person whose business is or includes the provision of clearance services or the provision of security accounts or any nominees or depository for any such person), custody system, settlement system or custodian on behalf of such Security Provider or whether the same have been delivered to or to the order of the Security Trustee or its nominee including all Related Property Rights and all rights against any such trustee, fiduciary, clearance system or other person holding such to the order of such Security Provider.

"Security Period" means the period from the date of the Deed until the date on which the Security Trustee has determined that all of the Secured Liabilities have been irrevocably and unconditionally paid and discharged in full.

"Security Providers" means the persons listed in Schedule 1 (*The Security Providers*) of the Deed and any other Subsidiary of the Parent which becomes a party to the Deed in such

capacity pursuant to a Supplemental Deed, and **"Security Provider"** shall be construed accordingly.

"Security Trustee" means The Royal Bank of Scotland Plc of 280 Bishopsgate, London, EC2M 4RB, or such other person who may be appointed Security Trustee pursuant to the terms of the Intercreditor Agreement.

"Senior Agent" means the Royal Bank of Scotland plc, as agent of the other Senior Finance Parties.

"Senior Discharge Date" means the date, as determined by the Security Trustee, on which all liabilities under the Senior Finance Documents have been paid and discharged in full to the satisfaction of the Security Trustee and no Commitment is in force under the Senior Finance Documents.

"Senior Facilities Agreement" means the £68,000,000 senior facilities agreement entered into on or about the date of the Deed between (among others), Parent, Bidco and the Security Trustee.

"Senior Finance Documents" means the Senior Facilities Agreement, any Accession Letter, any Ancillary Document, any Supplemental Document, the Upstream Intra-Group Loan Agreement, any Compliance Certificate, any Fee Letter, the Hedging Letter, any Hedging Agreement, the Intercreditor Agreement, the Vendor Loan Note Guarantee, any Resignation Letter, any Selection Notice, any Transaction Security Document, any Utilisation Request and any other document designated as a "Finance Document" by the Senior Agent and the Parent.

"Senior Finance Parties" means the Senior Agent, the Arranger, the Joint Lead Arranger, the Security Trustee, a Lender, the Issuing Bank, a Hedge Counterparty or any Ancillary Lender.

"Subsidiary" means in relation to any company, corporation or legal entity (a **"holding company"**), any company, corporation or legal entity:

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

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

"Supplemental Deed" means a deed supplemental to the Deed executed by a Subsidiary of the Parent substantially in the form set out in a Schedule of the Deed, by virtue of which that Subsidiary becomes bound by the Deed in the capacity of a Security Provider.

"Target" means Craftbutton Limited, a company incorporated under the law of England and Wales with registered number 04905213.

"Target Shares" means all of the shares of Target.

B. Amount secured by the mortgage or charge**1. COVENANT TO PAY****1.1 Covenant to Pay Secured Liabilities**

Under the Deed each Security Provider covenants that it shall on demand pay to the Security Trustee all monies and discharge all obligations and liabilities now or hereafter due, owing or incurred by it to the Senior Finance Parties and the Mezzanine Finance Parties, or any of them, under or pursuant to the Senior Finance Documents and the Mezzanine Finance Documents, in each case when the same become due for payment or discharge whether by acceleration or otherwise, and whether such moneys, obligations or liabilities are express or implied; present, future or contingent; joint or several; incurred as principal or surety; originally owing to the Senior Finance Parties and/or the Mezzanine Finance Parties or any of them or purchased or otherwise acquired by any of them; denominated in Sterling or in any other currency, or incurred on any banking account or in any other manner whatsoever.

1.2 Potential Invalidity

Neither the covenant to pay in Clause 1.1 (*Covenant to Pay Secured Liabilities*) nor the Security created by the Deed shall extend to or include any liability or sum which would, but for this Clause 1.2, cause such covenant or Security to be unlawful under any applicable law.

C. Short particulars of all property mortgaged or charged**2. FIXED SECURITY****2.1 Creation of fixed security**

Under the Deed, each Security Provider charges to the Security Trustee, by way of first fixed charge (which, so far as relates to freehold or leasehold property in England and Wales vested in such Security Provider at the date of the Deed, shall be a charge by way of legal mortgage) with full title guarantee as a continuing security for the payment and discharge of the Secured Liabilities, all of its rights to, and title and interest from time to time in, any and each of the following:

- 2.1.1 the Real Property, subject in the case of Real Property for which there is an Outstanding Transfer to completion of the relevant assignment or subletting;
- 2.1.2 all plant, machinery, vehicles, computers, office and other equipment and chattels and all Related Property Rights;
- 2.1.3 (to the extent that the same are not the subject of a fixed charge under Clause 2.1.4), all Debts;
- 2.1.4 all Account Proceeds;
- 2.1.5 all amounts standing to the credit of any Cash Collateral Account;
- 2.1.6 all of its Securities and all Related Securities Rights;
- 2.1.7 all of its Intellectual Property Rights;
- 2.1.8 all goodwill and uncalled capital; and
- 2.1.9 (to the extent not effectively assigned under Clause 2.3 (*Assignments*)), the Insurance Policies and the Insurance Proceeds and all Related Property Rights.

2.2 Acquisition Agreement and Reports

Under the Deed, each Security Provider charges to the Security Trustee by way of first fixed charge with full title guarantee as a continuing security for the payment and discharge of the Secured Liabilities all of its rights, title, benefits and interests whatsoever (whether present or future, proprietary, contractual or otherwise) under or arising out of the Acquisition Agreement and the Reports (in each case as from time to time extended, varied or replaced), including without limitation (i) any indebtedness arising from or in any way connected with the Acquisition or the financing of the Acquisition, (ii) all claims for damages or other remedies in respect of any breach of, or inaccuracy in, any Acquisition Agreement or the Reports, and (iii) the benefit of (and the right to make any claims under or in respect of) all warranties, indemnities and representations given to it in or pursuant to the Acquisition Agreement or the Reports.

2.3 Assignments

Under the Deed, each Security Provider assigns to the Security Trustee with full title guarantee as a continuing security for the payment and discharge of the Secured Liabilities all of its rights to and title and interest from time to time in the Insurance Policies (subject to obtaining any necessary consent to such assignment from any third party), the Insurance Proceeds and all Related Property Rights.

3. FLOATING CHARGE

3.1 Creation of floating charge

Under the Deed, each Security Provider charges to the Security Trustee by way of first floating charge with full title guarantee and as a continuing security for the payment and discharge of the Secured Liabilities all of its rights to and title and interest from time to time in the whole of its property, assets, rights and revenues, whatsoever and wheresoever, present and future, other than any assets validly and effectively charged or assigned (whether at law or in equity) pursuant to Clauses 2.1 (*Creation of fixed security*), 2.2 (*Acquisition Agreement and Reports*) or 2.3 (*Assignments*).

D. The Deed is subject to the following restrictions:

4. RESTRICTIONS ON DEALING WITH CHARGED ASSETS

Under the Deed, each Security Provider undertakes to the Security Trustee that during the Security Period it shall not, without the prior written consent of the Security Trustee (acting on the instructions of the other Senior Finance Parties and Mezzanine Finance Parties in accordance with the terms of the Senior Facilities Agreement and the Mezzanine Facility Agreement)

- 4.1 create or attempt to create or permit to subsist in favour of any person other than the Security Trustee any Security (except Permitted Security) on or affecting the Charged Assets or any part thereof; or
- 4.2 dispose of the Charged Assets or any part thereof or attempt or agree so to do except in the case of (i) assets which are the subject only of the floating charge created by the Deed which may, subject to the other provisions of the Deed, be disposed of in the ordinary course of business, and (ii) disposals expressly permitted by the terms of the Senior Facilities Agreement and the Mezzanine Facility Agreement, but only then with the requisite consent (if any).

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 01934366

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 28th SEPTEMBER 2006 AND CREATED BY PARAMOUNT LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM EACH SECURITY PROVIDER TO THE SENIOR FINANCE PARTIES AND THE MEZZANINE FINANCE 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 5th OCTOBER 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 10th OCTOBER 2006.

A handwritten signature in black ink, appearing to be 'R. R.' or similar.



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES