

# M

## COMPANIES FORM No. 395

### Particulars of a mortgage or charge

# 395

A fee of £10 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

1113

02143888

Name of company

\* LG Electronics U.K. Ltd (the "Chargor")

Date of creation of the charge

8th October, 2003

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

Security Agreement dated 8th October, 2003 between LG Electronics U.K. Ltd as the Chargor and the Bank (as defined elsewhere in this form) (the "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 in any other capacity whatsoever) of each Obligor to the Bank under any Closing Document, except for any obligation which, if it were so included, would result in this Deed contravening Section 151 of the Companies Act 1985 (the "Secured Liabilities").

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

Société Générale Bank Nederland N.V. (the "Bank"), Amstelplein 1, 1096 HA Amsterdam, the Netherlands

Postcode

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

Allen & Overy  
26 Boulevard des Capucines  
75009 Paris  
France

RVLC/SSMM/PA:142611.1

Time critical reference

For official Use  
Mortgage Section

Post room



A15  
COMPANIES HOUSE

0253  
20/10/03

CHFP025

Please do not write in this margin

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

\*insert full name of Company

Please see continuation sheet.

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)

Nil

Signed

*Allen & Overy*

Date 17th October, 2003

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

A fee of £10 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 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-  
  
Companies House, Crown Way, Cardiff CF14 3UZ

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

**1. CHARGE AND ASSIGNMENT**

- (a) The Chargor charges by way of a first fixed charge:
- (i) all of its Relevant Receivables together with all Related Security and Related Rights thereto;
  - (ii) all moneys due and owing to it in connection with its Relevant Receivables; and
  - (iii) the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under paragraph 2.1 (a) or (b) of the Deed.
- (b) The Chargor assigns absolutely by way of security all of its rights, title and interest in respect of the Relevant Receivables and in respect of all Related Security and Related Rights thereto except to the extent that such right, title and interest is subject to the fixed security created under paragraph (a) above.

**2. FLOATING CHARGE**

- (a) The Chargor charges by way of a first floating charge all its Relevant Receivables together with all Related Security and Related Rights thereto not at any time otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment under Clause 2 of the Deed.
- (b) Except as provided below, the Bank may by notice to the Chargor convert the floating charge created by Subclause 2.3 of the Deed into a fixed charge as regards any of the Chargor's assets specified in that notice, if:
- (i) an Event of Early Amortisation is outstanding; or
  - (ii) the Bank considers those assets 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.
- (c) The floating charge created by Subclause 2.3 of the Deed may not be converted into a fixed charge solely by reason of:
- (i) the obtaining of a moratorium; or
  - (ii) anything done with a view to obtaining a moratorium,
- under the Insolvency Act 2000.
- (d) The floating charge created by Subclause 2.3 of the Deed will automatically convert into a fixed charge over all of the Chargor's Relevant Receivables if an administrator is appointed or the Bank receives notice of an intention to appoint an administrator.
- (e) The floating charge created by Subclause 2.3 of the Deed is a **qualifying floating charge** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

### **3. RESTRICTIONS ON DEALINGS**

The Chargor must not:

- (a) create or permit to subsist any Security Interest on any Security Asset; or
  - (b) sell, transfer, licence, lease or otherwise dispose of any Security Asset,
- except as expressly allowed under the Master Agreement.

### **4. REALISATION**

The Chargor must get in and realise its Relevant Receivables and all Related Rights and Related Security related thereto in the ordinary course of its business and hold the proceeds of the getting in and realisation (until payment into the UK Collection Account) on trust for the Bank.

### **5. WHEN SECURITY BECOMES ENFORCEABLE**

#### **5.1 Event of Early Amortisation**

The Security created by the Deed will become immediately enforceable if an Event of Early Amortisation occurs.

#### **5.2 Discretion**

After the Security has become enforceable, the Bank may in its absolute discretion enforce all or any part of the Security created by the Deed in any manner it sees fit.

#### **5.3 Power of sale**

The power of sale and other powers conferred by Section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

### **6. ENFORCEMENT OF SECURITY**

#### **6.1 General**

- (a) For the purposes of all powers implied by statute, the Secured Liabilities are deemed to have become due and payable on the date of the Deed.
- (b) Section 103 of the Act (restricting the power of sale) and Section 93 of the Act (restricting the right of consolidation) do not apply to the Security created by the Deed.

#### **6.2 No liability as mortgagee in possession**

Neither the Bank nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable.

### **6.3 Privileges**

Each Receiver and the Bank is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that Section 103 of the Act does not apply.

### **6.4 Protection of third parties**

No person (including a purchaser) dealing with the Bank or a Receiver or its or his agents will be concerned to enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Bank or a Receiver is purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due under the Closing Documents; or
- (d) how any money paid to the Bank or to that Receiver is to be applied.

### **6.5 Redemption of prior mortgages**

- (a) At any time after the Security created by the Deed has become enforceable, the Bank may:
  - (i) redeem any prior Security Interest against any Security Asset; and/or
  - (ii) procure the transfer of that Security Interest to itself; and/or
  - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.
- (b) The Chargor must pay to the Bank, immediately on demand, the costs and expenses incurred by the Bank in connection with any such redemption and/or transfer, including the payment of any principal or interest.

### **6.6 Contingencies**

If the Security created by the Deed is enforced at a time when no amount is due under the Closing Documents but at a time when amounts may or will become due, the Bank (or the Receiver) may pay the proceeds of any recoveries effected by it into a suspense account.

## **DEFINITIONS**

**Act** means the Law of Property Act 1925.

**Additional Deposit** means each additional deposit made by the Depositor with the Bank in accordance with the terms of clause 18 (Deposits) of the Master Agreement and the Master Additional Deposit Agreement, and if designated in a Relevant Currency, such additional deposit made in such currency.

**Affiliate** means a Subsidiary or a holding company of a person or any other Subsidiary of that holding company and for these purposes "**holding company**" in respect of a person means an entity of which that person is a Subsidiary.

**Closing Documents** means, this Agreement, the Master Subordinated Deposit Agreement, the Master Additional Deposit Agreement, each Collection Account Pledge, each Transfer Document, the Stamp Duty Agreement, the cash collateral agreement dated on or about the date hereof between the French Seller and the Bank, the bank account agreement dated on or about the date hereof between the French Seller, the Bank and Société Générale, the Mandate Letter, each Receivables Pledge and any other document designated as such by the Bank and the Depositor.

**Collection Account** means:

- (a) in the case of the German Seller, and for Euro, bank account number 2.106.243.00, sort code 30080000 opened in the books of Dresdner Bank;
- (b) in the case of the French Seller, and for Euro, bank account number 30003 03875 00020624730 97 opened in the books of Société Générale;
- (c) in the case of the French Seller, and for USD bank account number 30003 03915 00120810273 84 opened in the books of Société Générale; and
- (d) in the cash of the Spanish Seller, and for Euro bank account number 2038 2487 57 6000160450 opened in the books of Caja De Ahorros Y Monte De Piedad De Madrid.

**Collection Account Pledge** means:

- (a) in the case of the German Seller, the account pledge (*Kontenverpfändung*) in relation to each of its Collection Accounts;
- (b) in the case of the French Seller, the *nantissement de solde de compte bancaire* in relation to each of its Collection Accounts; and
- (c) in the case of the Spanish Seller, the Spanish law pledge over the credit rights standing on each of its Collection Accounts.

**Credit Insurance Policy** means any credit insurance policy subscribed to by a Seller with a Credit Insurer in order to cover the insolvency risk of any Debtor.

**Credit Insurer** means any insurance company with which a Seller enters into a Credit Insurance Policy in order to cover the insolvency risk of any Debtor under one or more Relevant Receivables.

**Debtor** means the primary obligor in respect of one or more Relevant Receivables or Transferred Receivables.

**Depositor** means LG Electronics Services Europe B.V.

**Depositor's Account** means each current account in the Depositor's name opened by the Depositor in the books of Société Générale, Amsterdam branch, for the purposes of the Master Agreement, and if designated:

- (a) the Depositor's Account for Euro, such account denominated in Euro (being account number 027.02.05.470);

- (b) the Depositor's Account for GBP, such account denominated in GBP (being account number 027.02.05.497); and
- (c) the Depositor's Account for USD, such account denominated in USD (being account number 027.02.05.489).

**Eligible Transferred Receivable** means a Transferred Receivable which satisfies the criteria set out in Part II of Schedule 2 of the Master Agreement.

**English Seller** means LG Electronics U.K. Ltd, a company incorporated in England and Wales whose principal office is at LG House, 264 Bath Road, Slough, Berkshire SL1 4DT as seller of receivables.

**Euro** or € means the currency of the participating member states of the European Communities in accordance with the definition given in the article 109-L-4 of the European Union Treaty and in the Council Regulation (EC) n° 974/98 of 3rd May, 1998 on the introduction of the euro.

**Event of Early Amortisation** means any of the events set out in clause 15 (Events of Early Amortisation) of the Master Agreement.

**French Seller** means Goldstar France S.a.r.l., a French *société à responsabilité limitée unipersonnelle*, having its registered office at 12, rue Lech Walesa - 77185 Lognes, France, registered with the Companies Registry of Meaux under no. B 380 130 567 as seller of receivables.

**GBP** or £ means the lawful currency, for the time being, of the United Kingdom.

**German Seller** means LG Electronics Deutschland GmbH, a German limited liability company organised under German law, having its registered office at Jakob Kaiser Straße 12, 47877 Willich, Germany, registered with the Companies Registry of Krefeld under no. HRB 3918 as seller of receivables.

**Group** means the Depositor, each Seller and each of their respective Subsidiaries.

**Letter of Offer** means any letter from a UK Seller offering to sell to the Bank Relevant Receivables in the circumstances set out in Clause 5 (Transfer of Relevant Receivables) of the Master Agreement substantially in the form of Part II of Schedule 6 of the Master Agreement.

**Mandate Letter** means the mandate letter substantially in the form of Schedule 7 of the Master Agreement executed by the Depositor in favour of Société Générale containing the instructions of the Depositor for operation of the Depositor's Accounts.

**Master Additional Deposit Agreement** means the agreement dated the date of the Master Agreement between the Bank and the Depositor, under which the Depositor makes the Additional Deposits with the Bank.

**Master Agreement** means the master agreement for the transfer of receivables dated 8th October, 2003 entered into between LG Electronics Services Europe B.V. as Depositor, the Sellers (as defined therein, including the Chargor) and the Bank.

**Master Subordinated Deposit Agreement** means the agreement dated the date of the Master Agreement between the Bank and the Depositor, under which the Depositor makes the Subordinated Deposits with the Bank.

**Obligor** means the Depositor and each Seller.

**Payment** means any payment made by the Bank to the Depositor in its various capacities set forth in the Master Agreement in accordance with Clause 5.2(c)(i)(A) (Method of transfer of Relevant Receivables) of the Master Agreement.

**Receivables Pledge** means:

- (a) in relation to each UK Seller, the security agreement dated on or about 8th October, 2003 between such UK Seller and the Bank over certain Relevant Receivables of such UK Seller; and
- (b) in relation to the German Seller, security assignment agreement (*Sicherungsabtretung*) dated on or about 8th October, 2003 between the German Seller and the Bank in relation to certain of the Relevant Receivables of the German Seller.

**Receiver** means an administrative receiver, receiver and manager or a receiver, in each case, appointed under the Deed.

**Relevant Receivable** means each receivable which satisfies the following criteria:

- (a) the receivable is owing to a Seller by a customer of that Seller and results from the sale of products and services in the normal course of that Seller's business;
- (b) the Debtor under the receivable owing to a particular Seller is a private legal entity (being a company, body corporate or partnership between corporate entities and not, for the avoidance of doubt, a governmental entity, body or agency or natural person) which, in each case, is duly incorporated;
- (c) the receivable owing to a Seller arises under a Sales Contract governed by the law of the place of incorporation of that Seller;
- (d) the receivable has been originated by a Seller and from the date of its origination to the Transfer Date on which it is transferred to the Bank monitored in all material respects in accordance with the Sales Administration Guidelines and in a manner which complies in all material respects with the provisions of all laws and regulations applicable to each such receivable;
- (e) the receivable is denominated in a Relevant Currency and payable in the jurisdiction in which the Seller to which that receivable is payable is incorporated;
- (f) title, ownership and all rights of property and Related Security and Related Rights in and to the receivable are fully capable of transfer in accordance with the Closing Documents without restriction or the requirement of any consents from a Debtor or any third party;
- (g) the receivable is not owing by a Debtor which is a member of the Group or an Affiliate of any member of the Group;
- (h) the receivable does not constitute a shareholder loan or inter-company loan and is not insured by an export credit agency;
- (i) where a receivable is evidenced by a negotiable instrument, that instrument has not been negotiated, released or delivered to, or endorsed in favour of, any person other than the Bank;



- (j) the receivable does not arise out of a Sales Contract the performance of which has been wholly or partly subcontracted by the Seller concerned;
- (k) the receivable has not been the subject of the transfer back procedure referred to in Clause 5.5 (Transfer back of Transferred Receivables); and
- (l) the express terms of the General Terms of Sale of the Seller, to which the receivable is payable, legally bind the relevant Debtor and such receivable is not subject to negotiations with the Debtor or any third party and is not open to challenge or the subject of any arbitration or court proceedings as to its existence or amount.

**Related Rights** means, with respect to any Relevant Receivable, Transferred Receivable or Eligible Transferred Receivable (each a "**Receivable**") all of the Seller concerned's rights, privileges, benefits and claims of any nature whatsoever relating to that Receivable under the Sales Contract under which the Relevant Receivable, Transferred Receivable or Eligible Transferred Receivable arises (other than Related Security).

**Related Security** means, with respect to any Relevant Receivable, Transferred Receivable or Eligible Transferred Receivable (each a "**Receivable**") or Sales Contract all Credit Insurance Policies (if any), security, deposits, guarantees, indemnities, letters of credit, bills of exchange, cheques, other negotiable instruments, warranties, retention of title, priority claims and other agreements and arrangements created or made by the relevant Debtor supporting or securing payment of such Receivable and all other rights and benefits attached to such Receivable.

**Relevant Currency** means each of Euro, GBP and USD.

**Relevant Receivable** means a receivable satisfying the criteria set out in Part I of Schedule 2 of the Master Agreement.

**Sales Contract** means each contract in writing between a Seller and a Debtor under which Relevant Receivables, Transferred Receivables or Eligible Transferred Receivables arise or are outstanding.

**Security Assets** means all assets of the Chargor the subject of any security created by the Deed.

**Security Interest** means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect.

**Security Period** means the period beginning on the date of the Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full.

**Seller** means each of the English Seller, the Welsh Seller, the German Seller, the Spanish Seller and the French Seller.

**Spanish Public Document** means a *póliza* or *escritura pública* executed before a Spanish notary public.

**Spanish Seller** means LG Electronics España, S.A., a Spanish public limited company ("*sociedad anónima*"), having its registered office at Avda. de Europa 21, Parque Empresarial La Moraleja, Alcobendas, 28108 Madrid, Spain, with Tax Identification Number A-81304487 and registered with the Madrid Commercial Registry at Volume 10411, Section 8, Sheet number M-165493 as seller of receivables.

**Stamp Duty Agreement** means a stamp duty agreement between each UK Seller, the Depositor and the Bank substantially in the form of Schedule 10 of the Master Agreement.

**Subordinated Deposit** means each subordinated deposit made by the Depositor with the Bank in accordance with the terms of clause 18.1 (Subordinated Deposit) of the Master Agreement and the Master Subordinated Deposit Agreement, and if designated in a Relevant Currency, such subordinated deposit made in such currency.

**Subsidiary** means an entity from time to time of which a person has direct or indirect control or owns directly or indirectly 50 per cent. or more of the share capital or similar right of ownership.

**Transfer Document** means in relation to a transfer of Relevant Receivables arising under a Sales Contract governed by:

- (a) French law, an *acte de cession de créances professionnelles* substantially in the form of Part I;
- (b) German law, an agreement substantially in the form of Part II; and
- (c) Spanish law, an agreement substantially in the form of Part III,

in each case of Schedule 5 of the Master Agreement.

**Transferred Receivable** means each Relevant Receivable which has been transferred by a Seller to the Bank pursuant to the Master Agreement by means of a Transfer Document or, in the case of a UK Seller, by means of a Letter of Offer and corresponding acceptance Payment and which has not been transferred back to any such Seller pursuant to clause 5.5 (Transfer back of Transferred Receivables) of the Master Agreement.

**USD or \$** means the lawful currency, for the time being, of the United States of America.

**UK Collection Account** means:

- (a) in the case of the English Seller, and for GBP, bank account number 40419362, sort code 20.78.58, opened in the books of Barclays Bank, plc;
- (b) in the case of the English Seller, and for USD, bank account number 62276799, sort code 20.71.02, opened in the books of Barclays Bank, plc; and
- (c) in the case of the Welsh Seller, and for USD, bank account number 37995557, sort code 40.05.15, opened in the books of HSBC Bank plc.

**UK Seller** means each of the English Seller and the Welsh Seller.

**Welsh Seller** means LG Electronics Wales Ltd, a company incorporated in England and Wales whose principal office is at Imperial Park, Newport, Gwent NP1 9ZY as seller of receivables.

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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. 02143888

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SECURITY AGREEMENT DATED THE 8th OCTOBER 2003 AND CREATED BY LG ELECTRONICS U.K. LTD FOR SECURING ALL MONIES DUE OR TO BECOME DUE OF EACH OBLIGOR TO SOCIETE GENERALE BANK NEDERLAND N.V. 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 20th OCTOBER 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 22nd OCTOBER 2003.

*RB*



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES



*Companies House*

— for the record —