

37458104

~~XXXXXXXXXXXXXXXXXXXX~~ † (note 1)

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

The assistance is to be given to (note 2) Entertainment One Limited (a company incorporated in the
Cayman Islands), c/o M&G Corporate Services Limited, PO Box 309 G T, Ugland House South
Church Street, George Town, Grand Cayman, Barclays Bank plc of One Churchill Place, London, E14
5HP as security trustee and Lloyds TSB Bank plc of 25 Gresham Street, London, EC4V 7HN

See Part I of the Schedule attached to this Form 155(6)b

Entertainment One Ltd , c/o M&G Corporate Services Limited, PO Box 309 G T, Ugland House, South Church Street, George Town Grand Cayman, Cayman Islands

† delete as appropriate

See Part II of the Schedule attached to this Form 155(6)b

The value of any asset to be transferred to the person assisted is £ N11

Please do not
write in this
margin

The date on which the assistance is to be given is within 8 weeks of the date hereof

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

☒ We have formed the opinion, as regards this company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts (note 3)

(a) ☐ [If/We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)

* delete either (a) or
(b) as appropriate

(b) ☒ ~~We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)~~

And ☒ we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835

Declared at

Declarants to sign below

11 Pilgrim Street, London EC4V 6RW

Day Month Year
on

0	4	0	7	2	0	0	7
---	---	---	---	---	---	---	---

before me

Penny

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths

W. J. B. D. L.
Jan Hoff.
Ch. L.

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given, if a recipient is a company the registered office address should be shown
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form
- 5 The address for companies registered in England and Wales or Wales is -

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

or, for companies registered in Scotland -

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

SCHEDULE TO FORM 155(6)(b) (Film Resources Limited)

Contender Limited (the "Company")

Company Number 02989602

Part I

The Form of Financial Assistance (the "Financial Assistance")

The Financial Assistance will take the form of

- (a) the Subsidiary granting the Debenture,
- (b) the Subsidiary providing the Cross Guarantee contained in the Facilities Agreement,
- (c) the Subsidiary entering into the Intercreditor Deed, and
- (d) the Subsidiary entering into the Accession Letter,

in each case as such document is amended, restated, varied or supplemented from time to time (each of those documents referred to above being referred to as a "**Financial Assistance Document**" and together the "**Financial Assistance Documents**")

The Subsidiary will assume liabilities and obligations under each Financial Assistance Document in accordance with and subject to the terms of each such document

The Company has an issued share capital of 102,400 ordinary A shares of £0.25 each, 60,813 ordinary B shares of £1 each, 22,420 ordinary C shares of £1 each and 4,000 ordinary D shares of £1 each. The entire issued share capital of the Company will be acquired

The amount of cash to be transferred to the persons assisted will be the amounts transferred under the Intra-Group Loan Agreement from time to time

(Unless otherwise defined, capitalised terms are defined in Part III of this Schedule)

Part II

The Principal Terms of the Financial Assistance

The principal terms of each Financial Assistance Document are summarised and separately described below

1 Debenture

The principal terms on which the Financial Assistance pursuant to the Debenture will be given are

- (a) Clause 2, (*Covenant to pay*) The Subsidiary shall on demand pay to the Security Trustee or discharge, as the case may be, all the Secured Liabilities when the Secured Liabilities become due
- (b) Clause 4, (*Security*) By way of continuing security in favour of the Security Trustee for the payment and discharge of the Secured Liabilities, the Subsidiary with full title guarantee hereby charges to the Security Trustee or assigns to the Security Trustee as follows
 - (i) Clause 4 1, (*Scheduled Property*) by way of first fixed charge by way of legal mortgage, the Scheduled Property and all Rights relating to the Scheduled Property in existence at the date of the Debenture
 - (ii) Clause 4 2, (*Other Property*) by way of first fixed charge any property (except the Scheduled Property validly charged in Clause 4 1 (Scheduled Property) above) and all Rights relating to any such property
 - (iii) Clause 4 3(*Rent*) by way of absolute assignment, all the Subsidiary's rights, title, interest and benefit in and to all rental income
 - (iv) Clause 4 4 (*Contracts*) By way of absolute legal assignment, the Contracts
 - (v) Clause 4 5 (*Book Debts*) By way of first fixed charge, the Book Debts
 - (vi) Clause 4 6, (*Intellectual Property*) By way of first fixed charge, all the Intellectual Property owned, possessed or controlled by the Subsidiary
 - (vii) Clause 4 7, (*Plant and Machinery*) By way of first fixed charge, the Plant and Machinery
 - (viii) Clause 4 8, (*Shares and Derivative Assets*) By way of legal mortgage, the Shares and Derivative Assets
 - (ix) Clause 4 9, (*Goodwill*) By way of first fixed charge, all the goodwill and uncalled capital for the time being of the Subsidiary
 - (x) Clause 4 10 (*Floating charge*) By way of first floating charge, all the undertaking and assets of the Subsidiary whatsoever, wherever situate, whether movable, immovable, present or future (including, without limitation, its uncalled capital for the time being and all the undertaking and assets of the Subsidiary referred to above which are, for any reason, not validly charged or assigned pursuant to Clause 4 1 to Clause 4 9 (Goodwill) inclusive) of the Debenture

(c) Clause 6.1 (*Grant of further security*)

The Subsidiary shall

- (i) forthwith, at any time if so required by the Security Trustee, at its own expense execute and deliver to the Security Trustee such further legal or other mortgages, charges, assignments, securities, authorities and documents as the Security Trustee may in its discretion require of the whole or such part of the Charged Property as the Security Trustee may specify, in such form as the Security Trustee may in its discretion require, to secure the payment or discharge of the Secured Liabilities, including, without limitation, in order to vest the whole or such part of the Charged Property in the Security Trustee, the nominee of the Security Trustee or in any purchaser from the Security Trustee or the Receiver,
- (ii) pending the execution and delivery of any such assignments, hold such Charged Property upon trust for the Security Trustee subject to the provisions of the Debenture, and
- (iii) pending the execution and delivery of any such mortgages, charges, or other security, hold such Charged Property subject to the provisions of the Debenture

2 **Cross-Guarantee**

The principal terms on which the Financial Assistance pursuant to the Cross-Guarantee will be given are

(a) Clause 20.1 (*Guarantee and indemnity*)

Each Guarantor irrevocably and unconditionally jointly and severally

- (i) guarantees to each Finance Party punctual performance by each Borrower of all that Borrower's obligations under the Finance Documents,
- (ii) undertakes with each Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor, and
- (iii) indemnifies each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover

(b) Clause 20.2, (*Continuing Guarantee*) The Cross Guarantee is a continuing guarantee and will extend to the ultimate balance of sums

payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part

- (c) Clause 20 4, (*Waiver of Defences*) -the Subsidiary's obligation under the Cross-Guarantee will not be released or otherwise affected by
 - (i) any time, waiver or consent granted to, or composition with, any Obligor or other person,
 - (ii) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group,
 - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security Interest over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security Interest,
 - (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person,
 - (v) any amendment (however fundamental) or replacement of a Finance Document or any other document or Security Interest,
 - (vi) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security Interest, or
 - (vii) any insolvency or similar proceedings
- (d) Clause 20 7, (*Deferral of rights*) Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, the Subsidiary will not exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents
 - (i) to be indemnified by an Obligor,
 - (ii) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents, and/or
 - (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or Security Interest taken pursuant to, or in connection with, the Finance Documents by any Finance Party

3 **Intercreditor Deed**

The Obligors agree to subordinate payments owed to the Subordinated Creditors (as defined in the Intercreditor Deed) to payments owed to the Lender

4 **The Accession Letter**

Pursuant to the Accession Letter, the Target and the Subsidiaries accede to the Loan Agreements. The Target accedes as Borrower and both the Target and the Subsidiaries accede as Guarantor

Following the entering into, by the Subsidiary, of the Financial Assistance Documents, the Parent or the Buyer shall utilise a portion of the money drawn down pursuant to the Facilities Agreement to discharge all indebtedness owed by the Group to Lloyds TSB Bank plc, part of which indebtedness was incurred for the purposes of the Target acquiring the entire issued share capital of the Subsidiary and of Medusa Communications and Marketing Limited

Part III

Definitions

"Accession Letter" means a document substantially in the form set out in Schedule 6 of the Facilities Agreement (*Form of Accession Letter*)

"Agent" means Barclays Bank plc as agent to the other Finance Parties

"Arranger" means Barclays Bank plc

"Beneficiaries" means the Arranger, Agent, Security Trustee, the Buyer and the Hedge Counterparty

"Book Debts" means

- (a) all book and other debts in existence from time to time (including, without limitation, any sums whatsoever owed by banks or similar institutions), both present and future, due, owing to or which may become due, owing to or purchased or otherwise acquired by the Subsidiary, and
- (b) the benefit of all rights whatsoever relating to the debts referred to above including, without limitation, any related agreements, documents, rights and remedies (including, without limitation, negotiable or non negotiable instruments, guarantees, indemnities, legal and equitable charges, reservation of proprietary rights, rights of tracing, unpaid vendor's liens and all similar connected or related rights and assets)

"Borrower" means the parties set out in schedule 1 of the Facilities Agreement, including E-One UK Limited

"Buyer" means E-One UK Limited

"Charged Property" means the whole or any part of the property, assets, income and undertaking of the Subsidiary from time to time mortgaged, charged or assigned to the Security Trustee pursuant to the Debenture

"Contracts" means all the Subsidiary's rights, title, interest and benefit in and to

- (a) all the agreements short particulars of which are set out in schedule 2 of the Debenture, and
- (b) any contract in respect of the whole or any part of the Charged Property to which the Subsidiary is a party,

as from time to time modified, amended, varied, supplemental or novated with the full benefit of all negotiable or non-negotiable instruments, guarantees, indemnities, debentures, mortgages, charges, liens and other security in respect of the same

"Cross Guarantee" means the cross guarantee contained in Clause 20 of the Facilities Agreement and described in paragraph 2 of Part II of this Schedule

"Debenture" means a debenture to be made between, amongst others, the Borrower and the Lender

"Derivative Assets" means all stocks, shares, warrants or other securities, rights, dividends, interest or other property (whether of a capital or income nature) accruing, offered, issued or deriving at any time by way of dividend, bonus, redemption, exchange, purchase, substitution, conversion, consolidation, subdivision, preference, option or otherwise attributable to any of the Shares or any Derivative Assets previously described

"Facilities Agreement" means a facilities agreement dated 14 June 2007, as amended, between, amongst others, the Borrower and the Lender pursuant to which the Lender is granted a £10,000,000 term loan facility, a £3,000,000 term loan facility, a £7,000,000 revolving credit facility and various ancillary facilities

"Finance Documents" has the meaning given to that term in the Facilities Agreement

"Finance Party" has the meaning given to that term in the Facilities Agreement

"Fixtures" means all assets of whatsoever nature, apart from land and buildings, forming part of any freehold or leasehold property owned by the Subsidiary and deemed by law to be immovable property

"Group" means the Buyer, the Target and each of their respective subsidiaries for the time being

"Guarantor" means each member of the Group or a company that becomes a Guarantor under the provisions of the Facilities Agreement

"Intellectual Property" means all subsisting patents and subsisting rights of a similar nature held in any part of the world, applications for patents and such rights, divisions and continuations of such applications for patents, registered and unregistered trade marks, registered and unregistered service marks, registered designs, utility models (in each case for their full period and all extensions and renewals of them), applications for any of them and the right to apply for any of them in any part of the world, inventions, confidential information, Know-how, business names, trade names, brand names, copyright and rights in the nature of copyright, design rights and get-up and any similar rights existing in any country, and the benefit (subject to the burden) of any and all agreements, arrangements and licences in connection with any of the foregoing

"Intercreditor Deed" means the intercreditor deed to be made between, amongst others, the Buyer, and the Companies

"Intra-Group Loan Agreement" means an intra-group loan agreement to be made between the Company and the Buyer

"Lender" means Barclays Bank plc

"Loan Agreements" means the Facilities Agreement and the Debenture

"Nominees" means the Security Trustee, its agents, nominees and any other person holding the Shares and the Derivative Assets on behalf of the Security Trustee from time to time

"Obligor" means the Buyer, the Target and each of their respective subsidiaries for the time being

"Parent" means Entertainment One Ltd

"Plant and Machinery" means all plant and machinery, equipment, fittings, installations and apparatus, tools, motor vehicles and all other such assets (other than fixtures) whatsoever, wherever situate, which are now, or at any time after the date of the Debenture become, the property of the Subsidiary

"Receiver" means any receiver appointed pursuant to the Debenture

"Rights" means all the Subsidiary's rights, title and interest from time to time in any lease, licence or occupational right whatsoever together with the entire benefit of all the Subsidiary's rights, title and interest from time to time in any renewal of, replacement of or variation to any such lease, licence or occupational right

"Scheduled Property" means all the property short particulars of which are set out in schedule 1 of the Debenture (if any), including, without limitation, all Fixtures on such property

"Secured Liabilities" means all moneys, debts and liabilities from time to time due, owing or incurred by the Subsidiary to the Beneficiaries on any current or other account whatsoever pursuant to the Finance Documents, in each case

(a) whether present or future,

- (b) whether alone or jointly with any other person,
- (c) whether actual or contingent,
- (d) whether as principal or as surety,
- (e) in whatsoever name, firm or style,
- (f) in whatsoever currency denominated, or
- (g) otherwise,

including, without limitation, all liabilities in connection with foreign exchange transactions, accepting, endorsing or discounting notes or bills, under bonds, guarantees, indemnities, documentary or other credits or any instruments from time to time entered into by the Beneficiaries for or at the request of the Subsidiary together with interest to the date of payment at such rates and upon such terms as may from time to time be agreed and all commission, fees, costs (including, without limitation, legal fees) on a full indemnity basis and other charges

"Security Interest" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect

"Security Trustee" means Barclays Bank plc

"Shares" means all stocks, shares and other securities

- (a) listed in schedule 4 of the Debenture, or
- (b) for which the stock or share certificates or other documents of title have from time to time been deposited by the Subsidiary with the Security Trustee or its Nominees or which are held to the order of the Security Trustee,

in each case whether held in the United Kingdom or elsewhere and irrespective of whether in any such case the deposit was made or the certificates or other documents were received by the Security Trustee or its Nominees for the purposes of creating security, safe custody, collection or otherwise

"Subsidiary" means Film Resources Limited (company number 03293818)

"Subsidiaries" has the meaning given to that term in the Accession Letter

"Target" means Contender Limited



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20 Farringdon Street
London EC4A 4PP
United Kingdom

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Fax +44 (0) 20 7311 3311
DX 38050 Blackfriars

Private & confidential

The Directors
Contender Limited
120 New Cavendish Street
London
W1W 6XX

Our ref Clsm

4 July 2007

Dear Sirs

Auditors' report to the directors of Contender Limited (the "Company") pursuant to Section 156(4) of the Companies Act 1985 (as amended) (the "Act")

We have examined the attached statutory declaration of the directors dated 4 July 2007 in connection with the proposal that the Company's subsidiary, Film Resources Limited, should give financial assistance for the purchase of ordinary shares in the Company

This report is made solely to the company's directors as a body in accordance with section 156(4) of the Companies Act 1985. Our work has been undertaken so that we as the company's auditors might state to the company's directors those matters we are required to state to them in a report under section 156(4) of that Act and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's directors as a body for our work under section 156(4) of that Act or for this report

We have enquired into the state of the company's affairs in order to review the bases for the statutory declaration

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances

Yours faithfully

KPMG Audit Plc
Registered Auditor



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DX 38050 Blackfriars

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The Directors
Contender Limited
120 New Cavendish Street
London
W1W 6XX

Our ref Clsm

4 July 2007

Dear Sirs

Auditors' report to the directors of Contender Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors dated 4 July 2007 in connection with the proposal that the company should give financial assistance for the purchase of the company's ordinary shares

This report is made solely to the company's directors as a body in accordance with section 156(4) of the Companies Act 1985. Our work has been undertaken so that we as the company's auditors might state to the company's directors those matters we are required to state to them in a report under section 156(4) of that Act and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's directors as a body for our work under section 156(4) of that Act or for this report.

We have enquired into the state of the company's affairs in order to review the bases for the statutory declaration.

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully

KPMG Audit Plc.

KPMG Audit Plc
Registered Auditor

MONDAY

LD4 16/07/2007 265
COMPANIES HOUSE