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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Please do not write
in this margin

Pursuant to section 395 of the Companies Act 1985

CHA 287

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

To the Registrar of Companies

For official use

Company number

3398022

Name of company

* SCHOLZ & FRIENDS London Limited (the "Company")

* insert full name
of company

Date of creation of the charge

19 April 2002

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

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

Norton Rose
Kempson House
Camomile Street
London EC3A 7AN

WLLS/86/AA41128. G & D 395 Forms
(doc no 452980)

Time critical reference

For official Use
Mortgage Section

Post room



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

Composite Guarantee and Debenture between the Company (1), Cordiant Communications Group Plc (the "Parent")(2), Atlas Advertising Limited, Bamber Forsyth Limited, Bates Europe Limited, Bates Healthworld Limited, Bates Overseas Holdings Limited, Bates UK Limited, Bulletin International Limited, Bulletin International UK Limited, Business Communications International Group Limited, C&FD (Holdings) Limited, CCG.XM, CCG.XM Holdings Limited, CCG.XM (UK) Limited, Clarion Communications (P.R.) Limited, Colwood Healthworld Limited, Connect Five Limited, Connect One Limited, Connect Six Limited, Cordiant Group Limited, Cordiant Overseas Holdings Limited, Cordiant Property Holdings Limited, Cordiant (US) Holdings Limited, Corporate & Financial Design Limited, Deckchair Studio Limited, Financial Dynamics Holdings Limited, Financial Dynamics Limited, Fitch Design Consultants Limited, Fitch International Limited, Fitch Limited, Fitch Worldwide Limited, Garrot Dorland Crawford Holdings Limited, Headcount Worldwide Field Marketing Limited, Healthworld Holdings Limited, Healthworld UK Holdings Limited, ICM International Limited, Lighthouse Holdings (UK) Limited, Milton Marketing Group Limited, Milton Marketing Limited, N.A.S.A.2.0 London Limited, PCI LiveDesign Limited, Propose Two Limited, PSD Associates Limited, Secure Two Limited, Sonic Sun Limited, Swot Plus Limited, Ted Bates Holdings Limited, The Decision Shop Limited and XMSS Limited (the "Charging Subsidiaries")(3) and HSBC Investment Bank Plc (the "Common Security Trustee")(4) (the "Debenture")

Amount secured by the mortgage or charge

All moneys, obligations and liabilities now or hereafter due, owing or incurred by the Company to the Finance Parties (defined below) or any of them under or pursuant to:

- (a) the following documents (together, and each as it may amended, varied, novated, supplemented or replaced, the "Finance Documents"), namely:
- (i) a loan agreement dated 4 July 2000, as amended and restated by the Restructuring Deed (defined below), between the Parent, certain subsidiaries of the Parent, HSBC Investment Bank Plc as agent (the "Agent"), The Bank of New York and HSBC Investment Bank Plc as arrangers (the "Arrangers"), certain banks and financial institutions who are from time to time party to such agreement (the "Banks"), The Bank of New York as swingline bank (the "Swingline Bank"), HSBC Bank Plc as overdraft bank (the "Overdraft Bank"), HSBC Investment Bank Plc as security trustee (the "Security Trustee") and as common security trustee (the "Common Security Trustee") (collectively, the "Bank Finance Parties") (the "Facilities Agreement");
 - (ii) a restructuring deed dated 19 April 2002 between the Parent, certain subsidiaries of the Parent and the Bank Finance Parties;
 - (iii) the letters entered into from time to time by the Parent setting out any fees paid by the Parent to a Bank Finance Party in connection with the Facilities Agreement;
 - (iv) all substitution certificates effecting novations of all or any part of the rights, benefits or obligations of the Banks;
 - (v) all agreements in relation to the accession of additional borrowers to the Facilities Agreement;

Amount secured by the mortgage or charge

(vi) all agreements in relation to the accession of overdraft borrowers to the Facilities Agreement;

(vii) any other documentation from time to time entered into between a subsidiary of the Parent and the Overdraft Bank in relation to an overdraft facility made available pursuant to the Facilities Agreement;

(viii) a guarantee given by each company listed at (a) to (s) below, each guarantee dated 30 August 2000, in favour of the Security Trustee:

(a) Atlas Advertising Limited;

(b) Bates Europe Limited;

(c) Bates UK Limited;

(d) Cordiant Communications Plc;

(e) ICM International Limited;

(f) The Decision Shop Limited;

(g) Bates Advertising USA Inc;

(h) Bates Churchill Advertising Inc;

(i) Bates Churchill Public Relations Inc;

(j) Bates Healthworld Inc;

(k) Bates Travel & Tourism Inc;

(l) Bates US Holdings Inc;

(m) Bates Worldwide (Delaware) Inc;

(n) CCG.XM INC;

(o) Falk Worldwide Inc;

(p) GHBM Inc;

(q) Healthworld Corporation Inc;

(r) The Communications Group Pty. Limited; and

Amount secured by the mortgage or charge

(s) Bates Deutschland Holdings GmbH;

(ix) a guarantee given by each company listed at (a) to (c) below, each guarantee dated 3 October 2000, in favour of the Security Trustee:

(a) Lighthouse Global Network Inc;

(b) Fitch Inc; and

(c) Morgen Walke Associates Inc;

(x) a guarantee dated 5 April 2001 between the Parent and certain noteholders who are from time to time party (the "Noteholders") to the Amended and Restated Note Purchase Agreement (defined below), as such guarantee is amended and restated by the Amended and Restated Note Purchase Agreement (defined below)(the "Existing Parent Guarantee");

(xi) a guarantee given by each company listed at (a) to (s) below, each guarantee dated 5 April 2001, in favour of the Noteholders:

(a) Atlas Advertising Limited;

(b) Bates Europe Limited;

(c) Bates UK Limited;

(d) ICM International Limited;

(e) The Decision Shop Limited;

(f) Bates Advertising USA Inc.;

(g) Bates Churchill Advertising Inc.;

(h) Bates Churchill Public Relations Inc.;

(i) Bates Healthworld Inc.;

(j) Cordiant US Holdings Inc.;

(k) Bates Worldwide (Delaware) Inc.;

(l) CCG.XM Inc;

(m) Falk Healthworld Inc;

(n) Healthworld Corporation Inc.;

Amount secured by the mortgage or charge

(o) Cordiant Communications Group Australia Pty. Limited;

(p) Bates Deutschland Holdings GmbH;

(q) Lighthouse Global Network Inc.;

(r) Fitch Inc.; and

(s) Morgen Walke Associates Inc;

(the "Noteholder Guarantees");

(xii) a guarantee dated 19 April 2002 between the Parent, Bates Advertising USA, Inc., Bates Churchill Advertising, Inc., Bates Churchill Public Relations, Inc., Bates Healthworld, Inc., Bates Worldwide (Delaware), Inc., CCG.XM, Inc., CCG.XM Holdings, Inc., Channelex, Inc., Cordiant Finance, Inc., Cordiant US Holdings, Inc., Drummer Associates, Inc., DWP Bates Technology LLC., Falk Healthworld, Inc., Fitch Inc., Healthworld Corporation, Healthworld International Holdings, Inc., Interactive Edge, Inc., Lighthouse Global Network, Inc., MicroArts Corporation, Morgen Walke Associates, Inc., Peclers Paris North America, Inc., Primo Angeli Inc., S&S McC AND McC Inc., The Decision Shop, Inc., The Leonhardt Group Inc., Bates Deutschland Holdings GmbH, Bates Germany Werbeagentur GmbH, Cordiant Holdings GmbH, EMC Starke & Gerlach GmbH, N.A.S.A 2.0 GmbH, XCEED! Agentur für Medianberatung und innovative Kommunikation GmbH, Chafma B.V., Cordiant Finance B.V., Cordiant Communications (Australia) Pty Limited, Cordiant Communications Group Australia Pty Limited and the Common Security Trustee;

(xiii) any other guarantee entered into from time to time in favour of the Common Security Trustee;

(xiv) a security trust deed dated 30 August 2000 between the Parent, certain subsidiaries of the Parent, the Arrangers, the Banks, the Swingline Bank, the Overdraft Bank, the Agent and the Security Trustee (the "Security Trust Deed");

(xv) a common security trust deed dated 19 April 2002 between the Parent, certain subsidiaries of the Parent, the Noteholders and the Bank Finance Parties (and any accession documents entered into in relation thereto);

(xvi) an English law share charge over 65% of the issued share capital of Healthworld Holdings Limited dated 19 April 2002 between Healthworld International Holdings Inc. and the Common Security Trustee;

(xvii) an English law share charge over 35% of the issued share capital of Healthworld Holdings Limited dated 19 April 2002 between Healthworld International Holdings Inc. and the Common Security Trustee;

(xviii) an English law share charge over 65% of the issued share capital of Lighthouse Holdings (UK) Limited dated 19 April 2002 between Lighthouse Global Network Inc. and the Common Security Trustee;

Amount secured by the mortgage or charge

(xix) an English law share charge over 35% of the issued share capital of Lighthouse Holdings (UK) Limited dated 19 April 2002 between Lighthouse Global Network Inc. and the Common Security Trustee;

(xx) an English law share charge over 65% of the issued share capital of CCG.XM Holdings Limited dated 19 April 2002 between CCG.XM Holdings Inc. and the Common Security Trustee;

(xxi) an English law share charge over 35% of the issued share capital of CCG.XM Holdings Limited dated 19 April 2002 between CCG.XM Holdings Inc. and the Common Security Trustee;

(xxii) an English law share charge over all of the issued share capital of N.A.S.A. 2.0 London Limited dated 19 April 2002 between N.A.S.A.2.0 GmbH and the Common Security Trustee;

(xxiii) a US law pledge over shares in Bates Advertising USA, Inc., Bates Churchill Advertising, Inc., Bates Churchill Public Relations, Inc., Bates Healthworld, Inc., Bates Worldwide (Delaware), Inc., CCG.XM Holdings, Inc., CCG.XM, Inc., Channelex, Inc., Cordiant Finance, Inc., Cordiant US Holdings, Inc., The Decision Shop, Inc., Drummer Associates, Inc., DWP Bates Technology LLC, Falk Healthworld, Inc., Fitch Inc., Healthworld Corporation, Healthworld International Holdings, Inc., Interactive Edge, Inc., The Leonhardt Group, Inc., Lighthouse Global Network, Inc., MicroArts Corporation, Morgen-Walke Associates, Inc., Peclers Paris North America, Inc., Primo Angeli Inc., S&S McC AND McC, Inc. dated 19 April 2002 between Bates Advertising USA, Inc., Bates Worldwide (Delaware), Inc., CCG.XM Holdings, Inc., Chafma B.V., Cordiant US Holdings, Inc., Cordiant US Holdings Ltd., Drummer Associates, Inc., Healthworld Corporation, Lighthouse Global Network, Inc. and the Common Security Trustee;

(xxiv) a German law pledge over the shares in Cordiant Holdings GmbH, BATES Deutschland Holding GmbH, n.a.s.a.2.0 GmbH, BATES Germany Werbeagentur GmbH, XCEED! Agentur für Medienberatung und Innovative Kommunikation GmbH and EMC Starke & Gerlach GmbH dated 19 April 2002 between Cordiant Communications Group plc, Cordiant Holdings GmbH, Bates Deutschland Holding GmbH, Bates Germany Werbeagentur GmbH and the Common Security Trustee;

(xxv) a German law abstract acknowledgement of indebtedness dated 19 April 2002 entered into between the Parent and the Common Security Trustee;

(xvi) a Dutch law pledge over the shares in Chafma B.V. dated 19 April 2002 between the Parent and the Common Security Trustee;

(xxvii) a Dutch law pledge over the shares in Cordiant Finance BV dated 19 April 2002 between Chafma B.V. and the Common Security Trustee;

(xxviii) a Dutch law pledge over certain of the shares in Bates Nederland Holdings B.V. dated 19 April 2002 between Chafma B.V. and the Common Security Trustee;

(xxix) a second ranking Dutch law pledge of bank accounts dated 19 April 2002 between Cordiant Finance B.V. and the Common Security Trustee;

Amount secured by the mortgage or charge

(xxx) an Australian law equitable mortgage over certain of the shares in Cordiant Communications Group Australia Pty Limited dated 19 April 2002 between the Parent and the Common Security Trustee;

(xxxi) an Australian law equitable mortgage over the shares in Cordiant Communications (Australia) Pty Limited dated 19 April 2002 between Chafma BV and the Common Security Trustee;

(xxxii) any other guarantee or encumbrance provided from time to time to guarantee and/or secure the obligations owing to the Finance Parties (defined below) under any Finance Document (whether or not also in respect of any other indebtedness);

(xxxiii) the intercreditor agreement dated 19 April 2002 between the Parent and certain of its subsidiaries, Cordiant Finance, Inc. (the "Issuer"), the Bank Finance Parties and the Noteholders (and any accession documents entered into in relation thereto);

(xxxiv) any other documents which the Agent and the Parent agree shall be a Finance Document;

(xxxv) an agreement in principle dated 28 March 2002 between the Parent, the Issuer, the Noteholders, the Agent, the Arrangers, the Banks, the Swingline Bank, the Overdraft Bank and the Security Trustee (the "Agreement in Principle");

(xxxvi) an amended and restated note purchase agreement dated 19 April 2002 between the Issuer, the Parent and the Noteholders (the "Amended and Restated Note Purchase Agreement");

(xxxvii) the 7.61% guarantee senior notes due 2011 issued from time to time pursuant to the terms of the Amended and Restated Note Purchase Agreement;

(xxxviii) acknowledgments and consents from certain subsidiaries of the Parent, each of which reaffirms that its obligations under the Noteholder Guarantees are continuing obligations;

(xxxix) any other agreements, documents and instruments to which any Noteholder, the Issuer, the Parent, any subsidiary of the Parent which is a guarantor or which provides security pursuant to the Amended and Restated Note Purchase Agreement or any other subsidiary of the Parent is a party;

insofar as such money was not borrowed or such liability incurred for the purpose of, or in connection with, the acquisition of shares in Propose Two Limited and Secure Two Limited or the reduction or discharge of any existing liability for the purpose of, or in connection with, such acquisition;

(b) the guarantees and indemnities given by the Company under the Debenture, which secure all the obligations under the Finance Documents of each of the Parent, the Charging Subsidiaries, each other person which becomes a party to the Debenture as a chargor and each other subsidiary of the Parent and any other person (other than any Bank Finance Party or Noteholder) which is or becomes a party to any Finance Document; and

Amount secured by the mortgage or charge

(c) all other provisions of the Debenture.

For these purposes:

"Finance Parties" means:

- (i) the Bank Finance Parties; and
- (ii) the Noteholders.

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

HSBC Investment Bank Plc of City Place House, 55 Basinghall Street, London, EC2V 5DU
(and its successors in title) for and on behalf of itself, the Noteholders and the banks and
financial institutions from time to time parties to the Finance Documents.

Short particulars of all the property mortgaged or charged

1. The Debenture creates a first fixed charge over all of the present and future assets of the Company of the following types (the "Charged Assets");

- (a) freehold and leasehold property (other than heritable property in Scotland), interests in land and fixtures;
- (b) plant, machinery and other equipment;
- (c) stocks, shares, bonds and other securities of any kind;
- (d) book and other debts, revenues and claims;
- (e) the proceeds of collection of debts and claims and credit balances at banks;
- (f) the benefit of insurances;
- (g) goodwill and uncalled capital; and
- (h) registered patents, trademarks, service marks and designs and all other intellectual property rights of any kind,

in each case, together with all associated rights.

2. The Debenture also creates a first floating charge over all other present and future property, assets and rights of the Company.

3. The Debenture contains a covenant by the Company that it will not, without the prior written consent of the Common Security Trustee or as specifically permitted by the express

Short particulars of all the property mortgaged or charged

terms of the Facilities Agreement or the Debenture:

(a) dispose of, or create or attempt to create or permit to subsist or arise any encumbrance on or over its book and other debts, revenues and claims or any part thereof or release, set off or compound or deal with the same;

(b) create or attempt to create or permit or subsist in favour of any person other than the Common Security Trustee any encumbrance over any of the Charged Assets;

(c) dispose of, or attempt or agree to dispose of any of the Charged Assets or any part thereof.

4. If the Company creates or attempts to create any encumbrance (except as specifically permitted by the express terms of the Debenture) over any of the assets subject to the floating charge without the prior written consent of the Common Security Trustee or if any person levies or attempts to levy any form of execution or other process in respect of any of such assets, the floating charge over the assets concerned will automatically be converted into a fixed charge.

Particulars as to commission allowance or discount (note 3)

Nil

Signed *Norton Rose*

Date *26 April 2002*

On behalf of **mortgagee/chargee**

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.

Please do not write
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Please complete
legibly, preferably
in black type, or
bold block
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FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03398022

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A COMPOSITE GUARANTEE AND DEBENTURE DATED THE 19th APRIL 2002 AND CREATED BY SCHOLZ & FRIENDS LONDON LIMITED FOR SECURING ALL MONIES OBLIGATIONS AND LIABILITIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE FINANCE PARTIES OR ANY OF THEM UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 26th APRIL 2002.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 1st MAY 2002.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House
— for the record —

LC
MB