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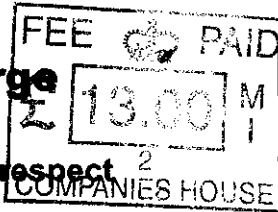
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legibly, preferably
in black type, or
bold block lettering

*insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

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



395

203721/13

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

113

5415747

Name of company

* Candu Entertainment Group Limited (the "Assignor")

Date of creation of the charge

27 March 2006

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

Key-Man Policies Assignment dated 27 March 2006 made between the Assignor (1) in favour of Barclays Bank PLC (in its capacity as Senior Security Agent for the Finance Parties (as defined in the attached Schedule)) (2) (the "Assignment").

Amount secured by the mortgage or charge

The Secured Sums.

References to any Finance Document include references to such Finance Document as varied in any manner from time to time, even if changes are made to the composition of the parties to such document or to the nature or amount of any facilities made available under such document.

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

Barclays Bank PLC (in its capacity as Senior Security Agent for the Finance Parties (as defined in the attached Schedule)), 1 Churchill Place, London

Postcode E14 5HP

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

Lovells
Atlantic House
Holborn Viaduct
London
EC1A 2FG
F3/JM/MJC/1563644.1

Time critical reference

For official Use (02/00)

Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

See Part II of the attached Schedule.

The attached Schedule refers to covenants by, and restrictions on, the Assignor which protect and further define the charges created by the Assignment and which must be read as part of those charges.

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

Particulars as to commission allowance or discount (note 3)

Not applicable

Signed

Louis

Date

6 April 2006

Stiles

On behalf of ~~XXXXXX~~ [mortgagee/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

SCHEDULE TO FORM 395 FOR CANDU ENTERTAINMENT GROUP LIMITED

Part I

Definitions

In this Schedule, references to Clauses and Schedules are to Clauses of, and Schedules to, the Assignment unless otherwise specified. References in this Schedule to the Assignment or to any other document (including any Finance Document) include reference to the Assignment, or to such other document, as varied in any manner from time to time. In this Form 395 the following expressions have the following meanings respectively set out below:

"Assignment Date" means 27 March 2006;

"Facilities Agreement" means the facilities agreement dated 10 June 2005 between the Assignor (as the Company) and Barclays Bank PLC (as Arranger, Original Lender, Agent and Senior Security Agent) (each as defined in the Facilities Agreement unless otherwise defined in this Schedule);

"Finance Document" means the Facilities Agreement, any Fee Letter, any Accession Letter, any Compliance Certificate, the Intercreditor Agreement, any Selection Notice, any Transaction Security Document, any Utilisation Request, any Transfer Certificate or undertaking delivered pursuant to Clause 27 (*Changes to the Lenders*) of the Facilities Agreement, each Hedging Agreement and any other document designated as such by the Agent and the Assignor (each as defined in the Facilities Agreement unless otherwise defined in this Schedule);

"Finance Party" means the Agent, the Arranger, the Senior Security Agent, a Lender or a Hedge Counterparty (each as defined in the Facilities Agreement unless otherwise defined in this Schedule);

"Hedge Counterparties" has the meaning given to that term in the Intercreditor Agreement;

"Hedging Agreement" has the meaning given to that term in the Intercreditor Agreement;

"Key-Man Policies" means the insurance policies effected by the Assignor in respect of the lives, disability and critical illness of the persons referred to in Part IV of this Schedule in the amount and for the term set against the name of each such person;

"Insurer" means the company or companies or office or offices issuing or directed by the Senior Security Agent to issue the Policies or any new or substituted policy assigned or intended to be assigned;

"Intercreditor Agreement" means the intercreditor agreement dated 10 June 2005 and made between the Company, the other Obligors, the Senior Security Agent, the Agent, the Arranger, the Lenders, the Hedge Counterparties, the Secured Loan Note Holders, the Investors and certain others (each as defined therein unless otherwise defined in this Schedule);

"Policies" the Key-Man Policies and all other new substituted policies whatsoever relating to or substituted for the Key-Man Policies or otherwise assigned to the Senior Security Agent in accordance with the terms of the Assignment;

"Secured Sums" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Assignor to all or any of the Finance Parties under any of the Finance Documents, in each case with:

- (a) all costs, charges and expenses incurred by any Finance Party in connection with the protection, preservation or enforcement of its rights under any Finance Document; and
- (b) all moneys, obligations and liabilities due, owing or incurred in respect of any variations or increases in the amount or composition of the facilities provided under any Finance Document or the obligations and liabilities imposed under such documents;

"Security" includes any mortgage, charge, pledge, lien, hypothecation, assignment or deposit by way of security, or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect; and

"Senior Security Agent" means Barclays Bank PLC acting as Senior Security Agent and trustee for the Finance Parties and includes any successor appointed by the Finance Parties pursuant to the Finance Documents.

Part II

Particulars of property mortgaged or charged

The Assignor with full title guarantee assigned absolutely, and agreed to assign absolutely, to the Senior Security Agent all its right, title and interest in and to the proceeds of the Policies (including return premium, return commission, bonus payments, claims recoveries, whether interim or final, and any amounts agreed to be paid by Insurers to commute further liability under the Policies, in each case whether any such payment is made pursuant to a judgement, or settlement, or without prejudice to insurer's rights, or ex gratia and whether already accrued at the Assignment Date or becoming payable thereafter) as a continuing security for the payment or discharge of all Secured Sums.

Part III

Under Clause 5.2 (*Policy Covenants*) of the Assignment, the Assignor undertook to the Senior Security Agent that:

- (a) it will not do or omit or do anything which may render any Policy void or voidable or which prevents the Senior Security Agent from receiving the moneys payable under the Policies or any part of the Policies;
- (b) it will immediately (at the Assignor's own sole cost) do all such things as may be necessary:
 - (i) if any Policy is voidable, for facilitating that it is not avoided; or
 - (ii) if any Policy becomes void, for effecting or for enabling the Senior Security Agent to effect (as it is authorised to do under the Assignment) a new policy on the life of the insured for such sum as would have been payable under the void policy if the life insured had died immediately before the same became void, such policy to be effected in the name of the Assignor and assigned to the Senior Security Agent as contemplated by Clause 5.2(c) of the Assignment; and
- (c) it shall not, without the prior written consent of the Senior Security Agent (and with the exception of the Permitted Security) create, or agree or attempt to create, or permit to subsist, any Security over any of the Policies or their proceeds.

Part IV

The Key-Man Policies

Life Assured	Sum Assured (£)	Insurer	Policy No
Timothy Robert	500,000	Skandia	CI1012846310
Craig Grant	500,000	Legal and General	196/10319

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 05415747

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A KEYMAN POLICIES ASSIGNMENT DATED THE 27th MARCH 2006 AND CREATED BY CANDU ENTERTAINMENT GROUP LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO ALL OR ANY OF THE FINANCE PARTIES 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 7th APRIL 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 12th APRIL 2006.



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES