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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

504 928 / 156

# 395

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



3541144

Name of company

\* Britton Group Limited ("Company")

Date of creation of the charge

25 February 2008

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

Composite Guarantee and Debenture ("Deed")

Amount secured by the mortgage or charge

See Schedule 1 and 3

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

HSBC Corporate Trustee Company (UK) Limited (as "Security Agent") of 8 Canada Square, London

Postcode E14 5HQ

Presentor's name address and  
reference (if any)

DLA Piper UK LLP  
Victoria Square House  
Victoria Square  
Birmingham  
B2 4DL

Ref 81530/120091/17991615

Time critical reference

For official Use (06/2005)  
Mortgage Section

SATURDAY

I Post room



\*ATT63XNP\*

A10

01/03/2008

131

COMPANIES HOUSE

Schedule 2 and 3

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in black type, or  
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lettering**

Particulars as to commission allowance or discount (note 3)

Nil

Signed DLA PIPEL UK LLP.

Date 28 FEBRUARY 2008

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

## **SCHEDULES TO FORM 395 - COMPOSITE GUARANTEE AND DEBENTURE ("DEED")**

### **SCHEDULE 1**

#### **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 alone or in any other capacity whatsoever) of any Group Company to the Security Agent and/or the other Secured Parties (or any of them) under or pursuant to each or any Finance Document together with all costs, charges and expenses incurred by any Secured Party in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents or any other document evidencing or securing any such liabilities, provided that no obligation or liability shall be included in the definition of "**Secured Obligations**" to the extent that, if it were so included, the Deed (or any part of it) would constitute unlawful financial assistance within the meaning of sections 151 and 152 of the Companies Act 1985

### **SCHEDULE 2**

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

#### **1) COVENANT TO PAY**

##### **a) Covenant to Pay**

- i) The Company, as principal obligor and not merely as surety, covenants in favour of the Security Agent that it will pay and discharge the Secured Obligations from time to time when they fall due
- ii) Every payment by the Company of a Secured Obligation which is made to or for the benefit of a Secured Party to which that Secured Obligation is due and payable in accordance with the Finance Document under which such sum is payable to that Secured Party shall operate in satisfaction to the same extent of the covenant contained in clause 1.1

##### **b) Default Interest**

- i) Any amount which is not paid under the Deed when due shall bear interest (both before and after judgment and payable on demand) from the due date until the date on which

such amount is unconditionally and irrevocably paid and discharged in full on a daily basis at the rate and in the manner agreed in the Finance Document under which such amount is payable and, in the absence of such agreement, at the Default Rate from time to time

- ii) Default interest will accrue from day to day and will be compounded at such intervals as the Security Agent states are appropriate

## **2) GRANT OF SECURITY**

### **a) Nature of security**

All Security Interests and dispositions created or made by or pursuant to the Deed are created or made

- i) in favour of the Security Agent,
- ii) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994, and
- iii) as continuing security for payment of the Secured Obligations

### **b) Qualifying floating charge**

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to the Deed (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986)

## **3) FIXED SECURITY**

### **a) Fixed charges**

The Company charges and agrees to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by it, or in which it from time to time has an interest

i) by way of first legal mortgage

(A) the Property (if any) specified in part 1 of schedule 3 (*Details of Security Assets*) of the Deed, and

(B) all other Property (if any) at the date of the Deed vested in, or charged to, such Charging Company (not charged by clause 5 1(a)(i) of the Deed),

ii) by way of first fixed charge

(A) all other Property and all interests in Property (not charged by clause 5 1(a)) of the Deed,

(B) all licences to enter upon or use land and the benefit of all other agreements relating to land, and

(C) the proceeds of sale of all Property,

iii) by way of first fixed charge all plant and machinery (not charged by clauses 5 1(a) or 5 1(b) of the Deed) and the benefit of all contracts, licences and warranties relating to the same,

iv) by way of first fixed charge

(A) all computers, vehicles, office equipment and other equipment (not charged by clause 5 1(c) of the Deed), and

(B) the benefit of all contracts, licences and warranties relating to the same,

other than any which are for the time being part of any Company's stock-in-trade or work-in-progress),

v) by way of

(A) first fixed charge the Charged Securities referred to in part 2 of schedule 3 (*Details of Security Assets*) of the Deed,

(B) first fixed charge all other Charged Securities (not charged by clause 5 1(e)(i) of the Deed),

in each case, together with (A) all Related Rights from time to time accruing to those Charged Securities and (B) all rights which such Charging Company may have at any time against any clearance or settlement system or any custodian in respect of any Charged Investments,

vi) by way of first fixed charge

(A) the Cash Collateral Accounts and all monies at any time standing to the credit of the Cash Collateral Accounts,

(B) the Collection Accounts and all monies at any time standing to the credit of the Collection Accounts, and

(C) all accounts of such Charging Company with any bank, financial institution or other person not charged by clause 5 1(f)(i) of the Deed and all monies at any time standing to the credit of such accounts,

in each case, together with all interest from time to time accrued or accruing on such monies, any investment made out of such monies or account and all rights to repayment of any of the foregoing,

vii) by way of first fixed charge

(A) the Intellectual Property (if any) specified in part 3 of schedule 3 (*Details of Security Assets*) of the Deed, and

(B) all other Intellectual Property (if any) (not charged by clause 5 1(g)(i) of the Deed),

viii) to the extent that any Assigned Asset is not effectively assigned under clause 5 2 (

ix) *Security assignments*) of the Deed, by way of first fixed charge, such Assigned Asset,

x) by way of first fixed charge (to the extent not otherwise charged or assigned in the Deed)

- (A) the benefit of all licences, consents, agreements and authorisations held or used in connection with the business of the Company or the use of any of its assets, and
- (B) any letter of credit issued in favour of such the Company and all bills of exchange and other negotiable instruments held by it, and
- x1) by way of first fixed charge all of the goodwill and uncalled capital of such the Company,
- x11) by way of first fixed charge all the Non-Vesting Debts and their proceeds now or in the future owing to the Charging Company,
- x111) by way of first fixed charge all and any HSBCIF Rights relating to any Non-Vesting Debts,
- x1v) by way of first fixed charge all and any Excluded Proceeds, and
- xv) by way of first fixed charge the HSBCIF Debt and its proceeds

**b) Security assignments**

The Company assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) all its present and future right, title and interest in and to

- i) the Relevant Contracts, all rights and remedies in connection with the Relevant Contracts and all proceeds and claims arising therefrom,
- ii) the Insurances, all claims under the Insurances and all proceeds of the Insurances,
- iii) the Charged Accounts and all monies at any time standing to the credit of the Charged Accounts, together with all interest from time to time accrued or accruing on such monies and all rights to repayment of any of the foregoing, and
- iv) immediately following the occurrence of an Event of Default all Other Debts (not assigned under clauses 5 2(a) or 5 2(b) or 5 2(c) of the Deed)

To the extent that any Assigned Asset described in clause 5 2(b) of the Deed is not assignable, the assignment which that clause purports to effect shall operate as an assignment of all present and future rights and claims of the Company to any proceeds of the Insurances

#### **4) FLOATING CHARGE**

The Company charges and agrees to charge by way of first floating charge all of its present and future

- a) assets and undertaking (wherever located) not otherwise effectively charged by way of first fixed mortgage or charged or assigned pursuant to clause 5.1
- b) Fixed **charges**) of the Deed, clause 5.2
- c) Security assignments) of the Deed or any other provision of the Deed, and (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland

#### **5) NEGATIVE PLEDGE**

##### **a) Restrictions on dealing**

The Company shall not do any of the following without the prior written consent of the Security Agent (such consent not to be unreasonably withheld or delayed)

- b) create or permit to subsist any Security Interest on any Security Asset except an encumbrance which is permitted by the Senior Facilities Agreement or the Mezzanine Facility Agreement,
- c) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not) the whole or any part of its interest in any Security Asset except for a disposal which is permitted by the Senior Facilities Agreement or the Mezzanine Facility Agreement

#### **6) FURTHER ASSURANCES**

##### **a) Further action**

The Company shall, at their own expense, promptly take whatever action the Security Agent or a Receiver may reasonably require for

- i) creating, perfecting or protecting the Security Interests intended to be created by the Deed, and



- ii) facilitating the realisation of any Security Asset or the exercise of any right, power or discretion exercisable by the Security Agent or any Receiver or Delegate in respect of any Security Asset,
- iii) including the execution of any transfer, conveyance, assignment or assurance of any property whether to the Security Agent or to its nominees, the giving of any notice, order or direction and the making of any registration which in any such case the Security Agent may think expedient

**b) Specific security**

Without prejudice to the generality of clause 22 1 (*Further Action*) of the Deed, the Company shall forthwith at the request of the Security Agent execute a legal mortgage, charge, assignment, assignation or other security over any Security Asset which is subject to or intended to be subject to any fixed security created by the Deed in favour of the Security Agent (including any arising or intended to arise pursuant to clause 7 (*Conversion of Floating Charge*) of the Deed) in such form as the Security Agent may require

**7) POWER OF ATTORNEY**

The Company, by way of security, irrevocably and severally appoint the Security Agent, each Receiver and any Delegates to be their attorney to take any action which the Company is obliged to take under the Deed, including under clause 22 (*FURTHER ASSURANCES*) of the Deed and any action required to effect the transfer of the HSBCIF Debt or its proceeds to the Bank Account in accordance with clause 13 6(d) of the Deed and which the Company has been requested in writing by the Security Agent to do, but has failed to do so promptly following such request The Company ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under clause 23 of the Deed

**SCHEDULE 3**

**Definitions**

**"Assigned Assets"** means the Security Assets expressed to be assigned pursuant to clause 5 2 (*Security assignments*) of the Deed,

**"Cash Collateral Accounts"** means each,

(a) Mandatory Prepayment Account, and

(b) each Holding Account

(each as defined in the Senior Facilities Agreement and the Mezzanine Facility Agreement),

**"Charged Accounts"** means each

(a) Collection Account,

(b) Cash Collateral Account, and

(c) other account charged by or pursuant to the Deed,

**"Charged Securities"** means

(a) the securities specified in part 2 of schedule 3 (*Details of Security Assets*) of the Deed, and

(b) all other stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or "*investments*" (as defined in part II of schedule II to the Financial Services and Markets Act 2000 as in force at the date of this Deed) now or in future owned (legally or beneficially) by a the Company, held by a nominee on its behalf or in which the Company has an interest at any time,

**"Debts"** has the meaning given to it in the Invoice Discounting Facility Agreements,

**"Declared Date"** means the date following the happening of a Termination Event that HSBCIF declares that it, or its agent, has collected the maximum possible proceeds of all and any Debts outstanding on or after the date of the relevant Termination Event having exercised its rights under the Invoice Discounting Facility Agreements and conducted its usual business practices with a view to maximising realisations from such Debts (insofar as such action remains economic and cost effective) and HSBCIF agrees to notify that date to the Security Agent and the Company as soon as reasonably possible on or after the occurrence of the relevant Termination Event,

**"Default Rate"** means the rates of interest determined in accordance with clause 11.3 of the Senior Facilities Agreement and clause 10.3 of the Mezzanine Facility Agreement,

**"Delegate"** means any delegate, sub-delegate, agent, attorney or co-trustee appointed by the Security Agent or by a Receiver,

**"Excluded Proceeds"** means all and any moneys paid to a current account (as referred to in the Invoice Discounting Facility Agreement) which are not the proceeds of a Debt,

**"Finance Document"** means any Senior Finance Document and any Mezzanine Finance Document,

**"Group Companies"** means Britton Flexibles Limited and each of its Subsidiaries from time to time,

**"HSBCIF"** means HSBC Invoice Financing (UK) Limited,

**"HSBCIF Debt"** means all and any sums due from HSBCIF to the Company pursuant to the terms of any Invoice Discounting Facility Agreements on or after the Declared Date,

**"HSBCIF Rights"** in relation to a Debt, means any of the following

- (a) all of an Obligor's rights at law as an unpaid vendor or provider of services under a contract of sale (without any obligation on HSBCIF to complete a contract of sale),
- (b) the benefit of all insurances,
- (c) all negotiable and non-negotiable instruments, all securities, bonds, guarantees and indemnities, and
- (d) all of an Obligor's rights to any ledger, computer or electronic data or materials or document recording or evidencing a Debt,

**"Insurances"** means all policies of insurance (and all cover notes) which are at any time held by, or written in favour of, the Company or in which the Company from time to time has an interest (including, without limitation, the policies of insurance (if any) specified in part 5 of schedule 3 (*Details of Security Assets*) of the Deed) excluding cover which is solely for the benefit of third parties,

**"Intellectual Property"** means all present and future legal and/or equitable interests (including, without limitation, the benefit of all licences in any part of the world) of the Company in, or relating to, registered and unregistered trade marks and service marks, patents, registered designs, utility models, applications for any of the foregoing, trade names, copyrights, design rights, unregistered designs, inventions, confidential information, know-how, registrable business names, database rights, domain names and any other rights of every kind deriving from or through the exploitation of any of the foregoing (including, without limitation, the intellectual property rights (if any) specified in part 3 of schedule 3 (*Details of Security Assets*) of the Deed),

**"Intercreditor Agreement"** means the intercreditor agreement dated 25 February 2008 and made between the Company, the other Obligors, the Security Agent, HSBC Bank plc as senior agent, HSBC Bank plc as senior arranger, HSBC bank plc as mezzanine arranger, HSBC Bank plc as mezzanine agent, the Lenders, the Ancillary Lenders, the Hedge counterparties, the Mezzanine Lenders, the Institutional Investor Loan Note Holders, the Management Loan Note Holders (each as defined therein), HSBCIF and certain others,

**"Invoice Discounting Facility Agreements"** means the receivables financing agreements incorporating the HSBCIF's standard terms and conditions dated 25 February 2008 made between the HSBCIF and Britton Merlin Limited, Britton Decoflex Limited and Britton Taco Limited and in the agreed form,

**"Mezzanine Facility Agreement"** means the mezzanine facility agreement dated 25 February 2008 and made between amongst others, (1) Britton Flexibles Limited as the Company (2) the companies listed in part 1 of schedule 1 as Original Borrowers, (3) the companies listed in part 1 of schedule 1 as Original Guarantors, (4) HSBC Bank plc as Mezzanine Arranger, (5) the financial institutions listed in part 2 of schedule 1 as Original Mezzanine Lenders, (6) HSBC Bank plc as Mezzanine Agent and (7) HSBC Corporate Trustee Company (UK) Limited as Security Agent in relation to a £10,000,000 mezzanine facility agreement (as supplemented, amended and/or novated from time to time) together with its successors, permitted assigns and transferees,

**"Mezzanine Finance Document"** means any *"Finance Document"* as such term is defined in the Mezzanine Facility Agreement,

**"Non Vesting Debts"** means all and any Debts purportedly assigned to HSBCIF pursuant to the Invoice Discounting Facility Agreements from time to time but which do not, for any reason vest absolutely and effectively in HSBCIF,

**"Other Debts"** means all present and future debts, rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, any Charging Company (whether actual or contingent and whether arising under contract or in any other manner whatsoever) together with

- (a) the benefit of all rights, guarantees, Security and remedies relating to any of the foregoing (including without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights), and
- (b) all proceeds of any of the foregoing,

but excluding Non-Vesting Debts and all and any rights relating thereto,

**"Properties"** mean all estates and interests in freehold, leasehold and other immovable property (wherever situated) now or in future belonging to the Company, or in which the Company has an interest at any time (including the registered and unregistered land (if any) in England and Wales specified in part 1 of schedule 3 (*Details of Security Assets*) of the Deed), together with

- (a) all buildings and fixtures (including trade fixtures) and fixed plant and machinery at any time thereon,
- (b) all easements, rights and agreements in respect thereof, and
- (c) the benefit of all covenants given in respect thereof,

**"Receiver"** means any receiver, receiver and manager or administrative receiver appointed by the Security Agent under the Deed,

**"Related Rights"** means, in relation to any Charged Security

- (a) all dividends, distributions and other income paid or payable on the relevant Charged Security or on any asset referred to in paragraph (b) of this definition,
- (b) all rights, monies or property accruing or offered at any time in relation to such Charged Security whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise,

**"Relevant Contract"** means, (if any), each agreement specified in part 4 of schedule 3 (*Details of Security Assets*) of the Deed together with each other agreement supplementing or amending or novating or replacing the same,

**"Secured Obligations"** means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of any Group Company to the Security Agent and/or the other Secured Parties (or any of them) under or pursuant to each or any Finance Document together with all costs, charges and expenses incurred by any Secured Party in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents or any other document evidencing or securing any such liabilities, provided that no obligation or liability shall be included in the definition of **"Secured Obligations"** to the extent that, if it were so included, this Deed (or any part of it) would constitute unlawful financial assistance within the meaning of sections 151 and 152 of the Companies Act 1985,

**"Secured Parties"** has the meaning given to that term in the Intercreditor Agreement,

**"Security"** means the Security Interests created by or pursuant to the Deed,

**"Security Assets"** means all property and assets from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to the Deed,

**"Security Interest"** means any mortgage, pledge, lien, charge, assignment by way of security, hypothecation, security interest, title retention, preferential right or trust arrangement or any other security agreement or arrangement having the effect of security,

**"Senior Facilities Agreement"** means the senior sterling term facilities agreement dated 25 February 2008 and made between amongst others (1) Britton Flexibles Limited as the Company, (2) the Original Borrowers as defined therein, (3) the Original Guarantors as defined therein, (4) HSBC Bank plc as Arranger, (5) the Original Lenders as defined therein, (6) HSBC Bank plc as Agent, (7) HSBC Corporate Trustee Company (UK) Limited as Security Agent, (8) HSBC Invoice Finance (UK) Limited as Invoice Discounting Facility Provider and (9) HSBC Bank plc as Ancillary Lender, pursuant to which the Original Lenders agreed to make certain facilities available to the Borrowers (as defined therein)

**"Senior Finance Document"** means any *"Finance Document"* as such term is defined in the Senior Facilities Agreement, and

**"Senior Finance Party"** means any *"Finance Party"* as such term is defined in the Senior Facilities Agreement



## **CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE**

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

**COMPANY NO. 3541144  
CHARGE NO. 6**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES  
HEREBY CERTIFIES THAT A COMPOSITE GUARANTEE AND  
DEBENTURE DATED 25 FEBRUARY 2008 AND CREATED BY  
BRITTON GROUP LIMITED FOR SECURING ALL MONIES DUE  
OR TO BECOME DUE FROM ANY GROUP COMPANY TO HSBC  
CORPORATE TRUSTEE COMPANY (UK) LIMITED (SECURITY  
AGENT) AND/OR THE OTHER SECURED 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 1  
MARCH 2008

**GIVEN AT COMPANIES HOUSE, CARDIFF THE 7 MARCH 2008**

