

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
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SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	SECURITY INTEREST
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CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Texon Management Ltd.		02/08/2005	COMPANY: UNITED KINGDOM

RECEIVING PARTY DATA

Name:	Barclays Bank PLC
Street Address:	54 Lombard St.
City:	London
State/Country:	UNITED KINGDOM
Postal Code:	EC3P 3AH
Entity Type:	COMPANY: UNITED KINGDOM

PROPERTY NUMBERS Total: 3

Property Type	Number	Word Mark
Registration Number:	2661048	
Registration Number:	1752553	TUFFLEX
Registration Number:	1464616	HAWK

CORRESPONDENCE DATA

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DOMESTIC REPRESENTATIVE

Name:  
 Address Line 1:

Address Line 2:

Address Line 3:

Address Line 4:

NAME OF SUBMITTER:	Stacey C. Friends, Esq.
Signature:	/stacey friends/
Date:	06/30/2005

**Total Attachments: 44**

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DATED

8 FEBRUARY

2005

**TEXON (NEWCO 1) LTD  
and certain of its Subsidiaries  
(as Charging Companies)**

- and -

**BARCLAYS BANK PLC  
(as Security Agent)**

**DEBENTURE**

This Debenture is entered into with the benefit of and subject to  
the terms of the Intercreditor Deed (as defined herein)

**Lovells**

Ref: F3/CB/MJK/1461322.04  
001BB.53422

**TRADEMARK  
REEL: 003114 FRAME: 0928**

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THIS DEBENTURE is made the

8

day of February 2005

BETWEEN:

- (1) The several companies named in Schedule 1 (*The Charging Companies*); and
- (2) Barclays Bank PLC as Security Agent (as defined below).

WITNESSES as follows:

1. INTERPRETATION

- 1.1 In this Debenture, words or expressions defined in the Facilities Agreement (as defined below) shall, unless otherwise defined below, bear the same meaning in this Debenture and this construction shall survive termination of the Facilities Agreement. In addition, in this Debenture the following expressions have the following meanings:

"**Assets**" in relation to a Charging Company, all its undertaking, property, assets, rights and revenues whatever, present or future, wherever situated in the world and includes each or any of them;

"**Beneficiaries**" collectively each Senior Finance Party, each Mezzanine Finance Party and each Hedge Counterparty and "**Beneficiary**" shall be construed accordingly;

"**Business Day**" a day on which banks generally are open for business in the City of London (excluding Saturdays, Sundays and bank or public holidays);

"**Charging Companies**" the companies named in Schedule 1 (*The Charging Companies*) and includes (with effect from its execution and delivery of an agreement under which it accedes to this Debenture, or of a Guarantee and Debenture in terms similar to this Debenture) any Company which subsequently adopts the obligations of a Charging Company and also (where the context permits) includes each or any of them and "**Charging Company**" shall be construed accordingly;

"**Collection Account**" has the meaning given to it by clause 5.1 (*Collection of Receivables*);

"**the Companies**" the Charging Companies together with any other Group Companies from time to time, and (where the context permits) includes each or any of them and "**Company**" shall be construed accordingly;

"**this Debenture**" this Debenture;

"**Event of Default**" an Event of Default under (and as defined in) any of the Finance Documents;

"**Facilities Agreement**" the facilities agreement dated on or about the date of this Debenture between the Parent, the companies listed as Original Borrowers, the companies listed as Original Guarantors and Barclays Bank PLC (as Arranger, Original Lender, Agent, Issuing Lender and Security Agent) which expression shall include any amendments, supplements, accessions, variations or additions to such agreement, however fundamental, including changes to the facilities provided or increases in their maximum amount;

"Finance Document" each Senior Finance Document, each Mezzanine Finance Document, each Mezzanine Fee Document (as defined in the Intercreditor Deed) and each Hedging Document.

"Floating Charge Assets" insofar only as concerns the floating charge created by clause 3.1(p) (*Charging Clause*), Assets for the time being comprised within such floating charge;

"Hedge Counterparty" has the meaning given to that term in the Intercreditor Deed;

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

"Holding Company" a parent undertaking within the meaning of section 258 of the Companies Act 1985;

"indebtedness" includes any obligation in any currency (whether incurred as principal debtor or surety) for the payment or repayment of money, whether present or future, actual or contingent;

"Intellectual Property" patents (including supplementary protection certificates and including the Patents), utility models, trade marks (including service marks, together with the goodwill of the business(es) that is/are symbolised by the service marks, and the Trade Marks) and rights in passing off, copyright and rights in the nature of copyright, database rights, design rights, registered design rights and all other intellectual property rights, including, for the avoidance of doubt, all and any of the Material Intellectual Property and, in each case, any extensions and renewals of and any applications for such rights;

"Intellectual Property Rights" all and any of the Intellectual Property and other rights, causes of action, interests and assets charged pursuant to clause 3.1(j) (*Charging Clause*) including, for the avoidance of doubt, all Material Intellectual Property Rights;

"Land" includes freehold and leasehold land and (outside England and Wales) immovable property and in each case all buildings and structures upon and all things affixed to Land (including trade and tenant's fixtures);

"Material Adverse Effect" any effect which:

- (a) is or is reasonably likely to be materially adverse to:
  - (i) the business, assets or financial condition of the Group taken as a whole; or
  - (ii) the ability of any Charging Company to perform fully and punctually any of its payment obligations under the Finance Documents taking into account the resources available to it from other members of the Group; or
- (b) results in any of the rights or obligations arising under the Finance Documents not being legal, valid and binding on and, subject to Reservations, enforceable against any party thereto and/or in the case of any Security Document not providing to the Security Agent, subject to Reservations, perfected enforceable security over the assets expressed to be secured under the Security Documents in each case to an extent or in a manner reasonably considered by the Majority Lenders to be materially adverse to their interests under the Finance Documents;
- (c) is or is reasonably likely to be materially adverse to the value of the Assets of the Group taken as a whole;

"Material Intellectual Property"



- (a) the Intellectual Property and the intellectual property applications listed in Schedule 5 (*The Material Intellectual Property*); or
- (b) any Intellectual Property Rights necessary for the business of the Group or of any material value to the Group; or
- (c) all other Intellectual Property (whether held now or in the future by any Charging Company), which the Security Agent in its absolute discretion, on the basis of information provided by the Parent and in consultation with the Parent, designates as being material at any time;

**"Material Intellectual Property Rights"** all and any of the Material Intellectual Property and other rights, causes of action, interests and assets charged pursuant to clause 3.1(j)(i) (*Charging Clause*);

**"Mezzanine Agent"** Barclays Bank PLC and includes any successor agent appointed pursuant to the Mezzanine Facility Agreement at any time;

**"Mezzanine Facility Agreement"** the mezzanine facility agreement dated on or around the date of this Debenture between the Parent, Texon (Newco 2) Ltd as borrower, the companies detailed therein as Original Guarantors, the Mezzanine Agent, Barclays Bank PLC as mezzanine arranger, Barclays Bank PLC as Security Agent and the persons named in the agreement as Lenders;

**"Mezzanine Finance Document"** the Mezzanine Facility Agreement, any fee letter setting out any of the fees referred to in clause 10 of the Mezzanine Facility Agreement, any accession letter under the Mezzanine Facility Agreement, any Security Document, the Intercreditor Deed, any Transfer Certificate or undertaking delivered pursuant to clause 21 (*Changes to the Lenders*) of the Mezzanine Facility Agreement, any utilisation request or request relating to the selection of an interest period for a utilisation made under the Mezzanine Facility Agreement and any other document designated as such by the Mezzanine Agent, the Agent and the Parent;

**"Mezzanine Finance Party"** the Mezzanine Agent, the Lenders (as defined in the Mezzanine Facility Agreement), the Security Agent and the Arranger (as defined in the Mezzanine Facility Agreement);

**"Parent"** Texon (Newco 1) Ltd, a company incorporated in England and Wales with registered number 5329617;

**"Patents"** the patents, patent applications and licences listed in Schedule 4 (*The Patents*);

**"Principal"** any Company insofar only as it owes money or has incurred liabilities to a Beneficiary except as a Guarantor;

**"Receivables"** in relation to a Charging Company, all sums of money receivable by such Charging Company now or in the future, consisting of or payable under or derived from any of its Assets;

**"Receiver"** any receiver and manager or receivers and managers appointed under clause 17.1 (*Appointment of a Receiver or an Administrator*) and (where the context requires or permits) includes any substituted receiver and manager or receivers and managers;

**"Secured Sums"** 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 Charging Company to all or any of the Beneficiaries under each or any of the Finance Documents, in each case together with:

- (a) all costs, charges and expenses incurred by any Beneficiary 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.

**"Securities"**, in relation to a Charging Company, all stocks, shares, debentures and loan stocks issued by any company or person and all other investments (whether or not marketable) now or in the future owned at law or in equity by such Charging Company, including all interests in investment funds and all rights and benefits arising and all money payable in respect of any of them, whether by way of conversion, redemption, bonus, option, dividend, interest or otherwise, and including all Securities owned by such Charging Company in any other Company;

**"Security Agent"** Barclays Bank PLC acting as security agent and trustee for the Beneficiaries and includes any successor appointed by the Beneficiaries pursuant to the Intercreditor Deed;

**"Senior Finance Document"** means the Facilities Agreement, the Intercreditor Deed, the Security Documents, any Fee Letter, any Accession Letter, any Transfer Certificate or undertaking delivered pursuant to clause 25 (*Changes to the Lenders*) of the Facilities Agreement, any Ancillary Document, any Obligation Document and any other document designated as such by the Agent and the Parent;

**"Senior Finance Party"** means collectively the Administrators, the Lenders, the Issuing Lender and any Ancillary Lender;

**"Specified Event"**:

- (a) the occurrence of an Event of Default specified in clauses 24.1(a), (f), (h) or (p) (inclusive) of the Facilities Agreement; or
- (b) the occurrence of an Event of Default (as defined in the Mezzanine Facility Agreement) specified in clauses 20.1(a), (f), (h) or (p) (inclusive) of the Mezzanine Facility Agreement; or
- (c) the occurrence of an Event of Default which has resulted in the Agent serving a notice under clause 24.2 (*Notice of Default*) of the Facilities Agreement; or
- (d) the occurrence of an Event of Default (as defined in the Mezzanine Facility Agreement) which has resulted in the Mezzanine Agent serving a notice under clause 20.2 (*Notice of Default*) of the Mezzanine Facilities Agreement; or
- (e) the security constituted by any of the Security Documents being enforced;

**"Subsidiary"** a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985;

**"Trade Marks"** the trade marks and trade mark applications listed in Schedule 3 (*The Trade Marks*) together with the goodwill of the business(es) that is/are symbolised by the trade marks;

"United Kingdom" and "UK" the United Kingdom of Great Britain and Northern Ireland; and

1.2 In this Debenture, unless the context otherwise requires:

- (c) words denoting the singular number only shall include the plural number also and vice versa; words denoting the masculine gender only shall also include the feminine gender; words denoting persons only shall include corporations, partnerships and unincorporated associations;
- (d) references to clauses, sub-clauses, paragraphs and Schedules are to be construed as references to clauses, sub-clauses, paragraphs and Schedules of this Debenture;
- (e) subject to clause 25 (*Transfer and Disclosure*), references to any party shall, where relevant, be deemed to be references to or to include, as appropriate, their respective successors or permitted assigns;
- (f) subject to clause 28 (*Variations and Consents*), references in this Debenture to this Debenture or any other document include references to this Debenture or such other document as varied, supplemented, restated and/or replaced in any manner from time to time and/or any document which varies, supplements, restates and/or replaces it;
- (g) references to "**including**" shall not be construed restrictively but shall be construed as meaning "including, without prejudice to the generality of the foregoing";
- (h) references to moneys, obligations and liabilities due, owing or incurred under the Finance Documents shall include moneys, obligations and liabilities due, owing or incurred in respect of any extensions or increases in the amount of the facilities provided for therein or the obligations and liabilities imposed thereunder; and
- (i) references to "**writing**" includes telex, facsimile transmission and any other mode of representing or reproducing words in a legible and non-transitory form, except in relation to any certificate, notice or other document which is expressly required by this Debenture to be signed, and "**written**" has a corresponding meaning.

1.3 Unless the context otherwise requires, expressions defined in the Companies Act 1985 shall have the same meanings in this Debenture, except that the expression "**company**" shall include a body corporate established outside Great Britain.

1.4 Any reference to any statute or any section of any statute shall be deemed to include reference to any statutory modification or re-enactment of it for the time being in force.

1.5 Headings in this Debenture are inserted for convenience and shall not affect its interpretation.

## 2. COVENANT TO PAY

2.1 Each Charging Company hereby covenants that it will on demand in writing made to it by the Security Agent pay or discharge to the Security Agent all Secured Sums at the times and in the manner provided in the relevant Finance Documents.

2.2 The covenants contained in this clause and the security created by this Debenture shall not extend to or include any liability or sum which would otherwise cause any such covenant or security to be unlawful or prohibited by any applicable law.

- 2.3 The making of one demand under this Debenture will not preclude the Security Agent from making any further demands.
- 2.4 No demand may be made under this Debenture in respect of sums due, owing or incurred under or pursuant to the Finance Documents except to the extent that the Security Agent or the relevant Beneficiary or Beneficiaries have become entitled to make such demand in accordance with the terms of the relevant Finance Document, but any third party dealing with the Security Agent or any Receiver appointed under this Debenture shall not be concerned to see or enquire as to the validity of any demand under this Debenture.

### 3. CHARGING CLAUSE

- 3.1 Each Charging Company with full title guarantee hereby charges to the Security Agent with the payment or discharge of all Secured Sums:
- (a) by way of first legal mortgage, all freehold and leasehold Land in England and Wales now vested in such Charging Company and registered at the Land Registry, including the Land described opposite its name in Schedule 2 (*Freehold and Leasehold Land*);
  - (b) by way of first legal mortgage, all other freehold and leasehold Land in England and Wales now vested in such Charging Company and not registered at the Land Registry, including the land described opposite its name in Schedule 2 (*Freehold and Leasehold Land*);
  - (c) by way of first fixed charge, all Land in the future becoming the property of such Charging Company;
  - (d) by way of first fixed charge, all interests and rights in or relating to Land or the proceeds of sale of Land now or in the future belonging to such Charging Company which have not already been charged under the preceding provisions of this clause 3.1 and all licences now or in the future held by such Charging Company to enter upon, use or exploit Land and the benefit of all options, easements, agreements for lease and other agreements relating to the acquisition, use, exploitation or disposal of Land to which such Charging Company is or may in the future become entitled;
  - (e) by way of first fixed charge, all plant and machinery of such Charging Company now or in the future attached to any Land which, or an interest in which, is charged under the preceding provisions of this clause 3.1 and all rights and interests of such Charging Company under all present and future agreements for the purchase, maintenance or use of plant and machinery so attached;
  - (f) by way of first fixed charge, all rental and other income and all debts and claims now or in the future due or owing to such Charging Company under or in connection with any lease, agreement or licence relating to Land;
  - (g) by way of first fixed charge, all Securities belonging to such Charging Company;
  - (h) by way of first fixed charge, all contracts and policies of insurance and assurance now or in the future held by or otherwise benefiting such Charging Company and all rights and interests of such Charging Company in every such contract and policy (including the benefit of all claims arising and all money payable under such contracts and policies);
  - (i) by way of first fixed charge, all the goodwill and uncalled capital for the time being of such Charging Company;

- (j)
  - (i) by way of first fixed charge the Material Intellectual Property belonging to it;
  - (ii) by way of first fixed charge all other Intellectual Property belonging to such Charging Company (including the Trade Marks, the Patents and any Intellectual Property to which such Charging Company is not absolutely entitled or to which it is entitled together with others);
  - (iii) by way of first fixed charge all Intellectual Property in the future belonging to such Charging Company, in any part of the world, including any such Intellectual Property to which such Charging Company is not absolutely entitled or to which it is entitled together with others;
  - (iv) by way of first fixed charge all the benefit of agreements and licences now or in the future entered into or enjoyed by such Charging Company relating to the use or exploitation of any Intellectual Property in any part of the world; and
  - (v) by way of first fixed charge all trade secrets, confidential information and know how owned or enjoyed by such Charging Company now or in the future in any part of the world;
- (k) by way of first fixed charge, all book and other debts now or in the future owing to such Charging Company (excluding those arising on fluctuating accounts with other members of the Group) and all rights and claims of such Charging Company against third parties, present and future, capable of being satisfied by the payment of money (except rights and claims effectively charged under the preceding provisions of this clause 3.1);
- (l) by way of first fixed charge all debts owing to it as described in Schedule 7 (*Intercompany Debts*);
- (m) by way of first fixed charge, the benefit of all negotiable instruments, guarantees, bonds, debentures, legal or equitable charges and all other security, reservation of proprietary rights, rights of tracing, unpaid vendor's liens and all other rights and remedies now or in the future available to such Charging Company as security for any Receivable or for the performance by any third party of any obligation now or in the future owed to such Charging Company;
- (n) by way of first fixed charge, all money at any time standing to the credit of any Collection Account relating to such Charging Company, including the proceeds of all its Receivables, which proceeds shall, for the avoidance of doubt, on payment into such Collection Account cease to be subject to the charges contained in the preceding provisions of this clause 3.1 but shall be subject to the fixed charge contained in this paragraph (n);
- (o) by way of first fixed charge, all money at any time standing to the credit of any Realisation Account;
- (p) by way of first fixed charge, all money at any time standing to the credit of any other bank account relating to such Charging Company;
- (q) by way of floating charge:
  - (i) all Assets now or in the future owned by such Charging Company except to the extent that such Assets are for the time being effectively charged by any fixed charge contained in the preceding provisions of this clause 3.1,

including any Assets comprised within a charge which is reconverted under clause 3.6; and

- (ii) without exception all Assets insofar as they are for the time being situated in Scotland,

but in each case so that such Charging Company shall not create, other than any Permitted Security, any mortgage or any fixed or floating charge or other security over any Floating Charge Asset (whether having priority over, or ranking pari passu with or subject to, this floating charge) or take any other step referred to in clause 6.1(a) (*Negative Pledge and Other Restrictions*) with respect to any Floating Charge Asset and, except as permitted under the Finance Documents, such Charging Company shall not, without the prior written consent of the Security Agent, sell, transfer, part with or dispose of any Floating Charge Asset except by way of sale in the ordinary course of its business.

3.2 Each Charging Company with full title guarantee hereby assigns (insofar as they are capable of being assigned by way of security) in favour of the Security Agent but subject to the right of such Charging Company to redeem such assignment upon the full payment or discharge of all Secured Sums:

- (a) all claims of such Charging Company against all persons who are now or in the future the lessees, sub-lessees or licensees of its Land and all guarantors and sureties for the obligations of such persons;
- (b) the benefit of all guarantees, warranties and representations given or made to such Charging Company by, and any rights or remedies against, all or any of the manufacturers, suppliers or installers of any fixtures now or in the future attached to such Land;
- (c) the benefit of all rights and claims to which such Charging Company is now or in the future entitled under any agreements for lease, agreements for sale, contracts, options or undertakings relating to any estate, right or interest in or over such Land;
- (d) all rights and claims to which such Charging Company is now or in the future entitled against any builder, contractor or professional adviser engaged in relation to such Land or property development or works, including, without limitation, under any collateral warranty or similar agreement; and
- (e) the benefit of all rights and claims to which such Charging Company is now or in the future entitled under or in respect of any joint venture, partnership or similar arrangement or agreement.

3.3 (a) The Security Agent may by notice to any Charging Company convert the floating charge created by this Debenture into a fixed charge as regards all or any or that Charging Company's assets specified in the notice if:

- (i) a Specified Event has occurred; or
- (ii) if the Security Agent reasonably considers such assets, rights or property 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; or
- (iii) if the Security Agent becomes aware or has reason to believe that steps have been taken which would, in the reasonable opinion of the Security

Agent, be reasonably likely to lead to the appointment of an administrator in relation to such Charging Company (or such an administrator has been appointed) or to wind up such Charging Company or that any such petition has been presented, which in the reasonable opinion of the Security Agent is likely to result in the winding up of such Charging Company or the appointment of such an administrator; or

- (iii) if such Charging Company fails to comply, or takes or threatens to take any action which in the reasonable opinion of the Security Agent is likely to result in it failing to comply with its obligations under clause 6.1 (*Negative Pledge*).
  - (b) The floating charge hereby created shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge over the assets, rights and property of any Charging Company on the convening of any meeting of the members of such Charging Company to consider a resolution to wind such Charging Company up (or not to wind such Charging Company up) provided that this clause 3.3(b) shall not apply to any of the Charging Company's undertaking and assets situate in Scotland if, and to the extent that, a Receiver or an administrator would not be capable of exercising his powers in Scotland pursuant to Section 72 of the Insolvency Act 1986 by reason of such automatic conversion.
  - (c) If any Charging Company, save as permitted by the Finance Documents or without the Security Agent's prior written consent, resolves to take or takes any step to charge (whether by way of fixed or floating charge) or otherwise encumber any of its Floating Charge Assets or to create a trust over any such Floating Charge Asset or to dispose of any such Floating Charge Asset except by way of sale or other disposition in the ordinary course of such Charging Company's business, or if any person resolves to take or takes any step to levy any distress, execution, sequestration or other process against any Floating Charge Asset, then the floating charge created by clause 3.1(q) shall be automatically crystallised (without the necessity of notice) into a fixed charge over such Floating Charge Asset instantly on the occurrence of such event.
- 3.4 Except as otherwise stated in any notice given under clause 3.3 or unless such notice relates to all Floating Charge Assets, Floating Charge Assets acquired by any Charging Company after crystallisation has occurred under clause 3.3 or 3.4 shall continue subject to the floating charge created by clause 3.1(q), so that the crystallisation shall be effective only as to its Floating Charge Assets in existence at the date of crystallisation.
- 3.5 Any charge by a Charging Company which has crystallised under clause 3.3 or 3.4 may, by notice in writing given at any time by the Security Agent to such Charging Company, be reconverted into a floating charge in relation to the Assets or class or classes of Assets specified in such notice.
- 3.6 Any mortgage, fixed charge or other fixed security whenever and however created by a Charging Company and subsisting in favour of the Security Agent shall (save as the Security Agent may otherwise declare at or after the time of its creation) have priority over the floating charge created by clause 3.1(q).
- 3.7 With the exception of Permitted Security, any debentures, mortgages or charges (fixed or floating) created in the future by a Charging Company (except those in favour of the Security Agent) shall be expressed to be subject to this Debenture and shall rank in order of priority behind the charges created by this Debenture.

- 3.8 Each Charging Company shall use all reasonable endeavours promptly to obtain any consent required for the creation of a fixed charge over any Intellectual Property Rights.
- 3.9 It is hereby agreed, for the avoidance of doubt, that the fixed charges given by each Charging Company over its Receivables under clause 3.1 shall apply to all Receivables owing to such Charging Company by any other Company.
- 3.10 The Security Agent confirms (for itself and on behalf of the other Beneficiaries) that should any of the charges created in clause 3.1 (a), (b), (c), (d) and/or (q) above breach the terms of any lease under which any Charging Company holds any leasehold property, such breach shall not in turn constitute a breach of any of the representations and warranties given by any of the Charging Companies in any other Finance Document. The Security Agent further confirms (for itself and on behalf of the other Beneficiaries) that if (notwithstanding the Charging Companies' efforts in accordance with clause 3.11 below) there is any material risk that any lessor of such a leasehold property will take proceedings for forfeiture of a lease on the grounds that its consent had not been obtained to the creation of a charge over that leasehold interest in this Debenture, the Security Agent will promptly release the security constituted by this Debenture over that lease.
- 3.11 Each Charging Company hereby undertakes to use all reasonable endeavours to obtain the consent of landlords to the creation of the charges envisaged by clause 3.1 (a), (b), (c), (d) and (q) as soon as possible, to keep the Security Agent informed of the progress of its negotiations with the landlord and to produce to the Security Agent a copy of each consent forthwith upon its receipt.

#### 4. TITLE DOCUMENTS AND VOTING RIGHTS

- 4.1 Subject to the rights of any prior mortgagee and except as otherwise expressly agreed in any Finance Document or in writing by the Security Agent, each Charging Company shall:
- (a) if requested by the Security Agent, deposit with the Security Agent, and the Security Agent shall be entitled to retain, all deeds and documents of title relating to all its Assets charged by way of fixed charge under clause 3.1 (*Charging Clause*) or assigned by way of security under clause 3.2 (*Charging Clause*) (excluding policies of insurance and assurance); and
  - (b) execute and deliver to the Security Agent such documents and transfers and give such instructions and perform such other acts as the Security Agent may require at any time to constitute or perfect an equitable or legal charge (at the Security Agent's option) over registered Securities or a pledge over bearer Securities, including any Securities eligible to participate in any paperless transfer and settlement system or held in a clearing system.
- 4.2 Until the occurrence of an Event of Default which is continuing:
- (a) all voting and other rights attaching to Securities shall continue to be exercised by each Charging Company for so long as it remains their registered owner and no Charging Company shall permit any person other than a Charging Company, the Security Agent or the Security Agent's nominee to be registered as holder of any Securities or any part thereof; and
  - (b) if Securities are registered in the name of the Security Agent's nominee, all voting and other rights attaching to them shall be exercised by the nominee in accordance with instructions in writing from time to time received from the Charging Company concerned and, in the absence of any such instructions, the nominee shall refrain from exercising any such rights.



Each Charging Company undertakes not to exercise any voting or other rights in a way which may prejudice the value of the Securities or otherwise jeopardise the security constituted by this Debenture.

5. **COLLECTION OF RECEIVABLES**

- 5.1 Save as otherwise agreed under the Finance Documents and subject to the rights of any person pursuant to Permitted Discounting, each Charging Company shall collect and realise all Receivables and shall pay into such Charging Company's account with the Security Agent or such other account of such Charging Company as the Security Agent may direct (a "**Collection Account**") all money which it may receive in respect of them immediately on receipt. Each Charging Company shall, pending such payment, hold all money so received upon trust for the Security Agent and shall not, without the prior written consent of the Security Agent, charge, factor, discount, assign, postpone, subordinate, release or waive its rights in respect of any Receivable in favour of any other person or purport to do so. The Collection Account shall be operated by the bank with which it is maintained as trustee for the Security Agent.
- 5.2 Save as otherwise agreed under the Finance Documents and subject to the rights of any person pursuant to Permitted Discounting, each Company shall forthwith give notice to any bank or financial institution with which it holds a Collection Account in the form set out in Schedule 6 (*Collection Account Sideletters*) and use all reasonable endeavours to ensure that the relevant bank or financial institution acknowledges such notice in the prescribed form.
- 5.3 If the Security Agent releases, waives or postpones its rights in respect of any Receivables for the purpose of enabling a Charging Company to factor or discount them to a third party, the charges created by this Debenture shall in all other respects remain in full force and effect. In particular all amounts becoming due to such Charging Company from the third party and any Receivables re-assigned, or due to be re-assigned, by the third party to such Charging Company shall be subject to the relevant fixed charge created by clause 3.1 (*Charging Clause*), subject only to any defences or rights of set-off which the third party may have against such Charging Company.
- 5.4 Each Charging Company shall deliver to the Security Agent such particulars as to the amount and nature of its Receivables as the Security Agent may from time to time reasonably require.

6. **NEGATIVE PLEDGE AND OTHER RESTRICTIONS**

- 6.1 Save as permitted by the Finance Documents, no Charging Company shall, without the prior written consent of the Security Agent (and with the exception of Permitted Security):
- (a) create, or agree or attempt to create, or permit to subsist, any Security over any of its Assets;
  - (b) sell, assign, lease, license or sub-license, or grant any interest in, its Land, or purport to do any such act, or part with possession or ownership of them;
  - (c) sell or assign, or purport to sell or assign, any of its Intellectual Property Rights;
  - (d) licence, sub-license or grant any interest in any of its Intellectual Property Rights or allow any third party the right to use, exploit or copy any Intellectual Property Rights, or purport to do any such act, save:
    - (i) to the extent that such Intellectual Property Rights are licensed or sub-licensed at the date of this Debenture; or

- (ii) for licences or sub-licences to any Company, provided that the terms of such licence or sub-licence prohibit the Company from licensing or sub-licensing that Intellectual Property Right to any other person.

6.2 In relation to each register of title of any present and future land of any Charging Company which is charged to the Security Agent under this Debenture or pursuant to clause 7 (*Further Assurance*) each Charging Company consents:

- (a) to the Security Agent (or its solicitors) submitting a form RX1 (*application to register a restriction*) in the following terms "No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date] in favour of [Chargee] referred to in the charges register or, if appropriate, signed on such proprietor's behalf by [*its solicitors or conveyancer or specify appropriate details*]" and
- (b) submitting a form CH2 (*application to enter an obligation to make further advances*).

## 7. FURTHER ASSURANCE

Each Charging Company shall on demand by the Security Agent in writing execute and deliver to the Security Agent at the cost of such Charging Company and in such form as the Security Agent may require:

- (a) a legal mortgage of any Land now or in the future belonging to such Charging Company;
- (b) a fixed charge over any interest, not capable of being charged by way of legal mortgage, in any Land now or in the future belonging to such Charging Company;
- (c) a legal assignment or other fixed security over all or any of its Intellectual Property Rights or Receivables;
- (d) a legal charge over all or any of its Securities;
- (e) a chattel mortgage over such chattels, plant, machinery, computers and/or other equipment of such Charging Company as the Security Agent may specify;
- (f) a fixed charge or other fixed security over any of its Floating Charge Assets;
- (g) where any of its Assets are situated outside England and Wales, such fixed security under the law of the place where the Asset is situated as the Security Agent may require;
- (h) a notice to any third party of any of the charges or assignments contained in this Debenture; and
- (i) such other documents as the Security Agent may in its discretion (acting reasonably) think fit further to secure the payment of the Secured Sums, or to perfect this Debenture, or to vest title to any Asset in itself or its nominee or any purchaser.

## 8. CONTINUING SECURITY

This Debenture shall be a continuing security to the Security Agent and the Beneficiaries, notwithstanding any intermediate payment or settlement of account or any other matter whatever, and shall be in addition to and shall not prejudice or be prejudiced by any right

of lien, set-off, combination or other rights exercisable by the Security Agent and/or the Beneficiaries as bankers against the Charging Companies or any security, guarantee, indemnity and/or negotiable instrument now or in the future held by the Security Agent or any Beneficiary.

9. **GENERAL COVENANTS**

- 9.1 Each Charging Company shall at all times immediately notify the Security Agent in writing of its acquisition of any interest or right in or to any Land.
- 9.2 Except for any Permitted Discounting and save as permitted under the Finance Documents, no Charging Company shall, without the prior written consent of the Security Agent which shall not be unreasonably withheld or delayed, seek to compromise, compound, discharge, postpone, release, set-off, settle or subordinate any of its Receivables or waive its rights of action in connection with them, or do or omit to do anything which may delay or prejudice their full recovery.

10. **INSURANCE COVENANTS**

- 10.1 Each Charging Company shall procure that its policies of insurance comply with the terms of the insurance covenants contained in the Finance Documents.
- 10.2 Each Charging Company shall use all reasonable endeavours to procure that its relevant insurer or, at the Security Agent's option, such Charging Company's insurance broker, undertakes in writing to the Security Agent:
- (a) if such Charging Company defaults in the payment of any premium or fails to renew any such insurance as soon as such default or non-renewal comes to the insurer's knowledge and (pending receipt of instructions from the Security Agent), to keep the Security Agent's interest in such insurance in force up to the full sum insured and for the same risks (subject to the premium for any such period of extended cover being payable by the Security Agent for the account of such Charging Company);
  - (b) to advise the Security Agent of any proposed cancellation of the policy at least 14 days before such cancellation is due to take effect;
  - (c) if the insurance cover is to be reduced or any insured risks are to be restricted, to advise the Security Agent at least 14 days before such reduction or restriction is due to take effect;
  - (d) to advise the Security Agent of any act or omission or any event which comes to the knowledge of the insurer or the broker (as the case may be) and which might invalidate or render unenforceable the insurance in whole or in part.
- 10.3 Each Charging Company shall comply, and procure that the Parent is able to comply, with the requirements of clause 10.7 (*Disposal, Insurance and Key-man Proceeds*) of the Facilities Agreement in relation to all monies received by, or due to, any Charging Company in respect of any policy of insurance.

11. **PROPERTY COVENANTS**

- 11.1 Save as otherwise agreed under the Finance Documents, each Charging Company shall at all times:
- (a) keep all buildings and all plant, machinery, fixtures, fittings and other effects charged under this Debenture in a reasonable state of repair and in reasonable working order and condition (except only for fair wear and tear) and will not,

without the prior written consent of the Security Agent, alter, pull down, remove or dispose of any of the same except in the ordinary course of repair, maintenance or improvement;

- (b) permit the Security Agent to inspect, at reasonable times and on reasonable notice, any Land vested in such Charging Company or in which it has an interest;
- (c) promptly provide to the Security Agent a copy of such documents or information relating to such Land as the Security Agent may from time to time reasonably require;
- (d) punctually pay or cause to be paid and keep the Security Agent indemnified against, all rents, rates, taxes, levies, charges, duties, assessments, impositions and outgoings whatever (whether parliamentary, parochial, local or otherwise) assessed, charged or imposed upon or now or in the future payable in respect of all or any Land vested in such Charging Company or in which it has an interest and, when required, produce to the Security Agent proof of such payment;
- (e) where failure to do so would, in the reasonable opinion of the Security Agent, have a Material Adverse Effect, ensure the due observance of all laws, statutes, statutory instruments, regulations and bye- laws for the time being in force and all notices, orders and requirements of any competent authority (statutory or otherwise) and all directives and codes of practice affecting any Land vested in such Charging Company or in which it has an interest or affecting such Charging Company's business or the Assets or relating to the protection of the environment or health and safety and carry out all works and give effect to all arrangements which any such authority may direct or recommend;
- (f) where failure to do so would, in the reasonable opinion of the Security Agent, have a Material Adverse Effect, complete with reasonable expedition any building operations commenced at any time by such Charging Company on any such Land to the satisfaction of the Security Agent and any competent authority and in conformity with all requisite planning and bye-law consents (including the provisions of any agreement entered into by such Charging Company with any such authority) all of which building operations shall have been previously approved by the Security Agent;
- (g) where failure to do so would, in the reasonable opinion of the Security Agent, have a Material Adverse Effect, observe and perform the terms of all agreements, assignments, contracts, conveyances, grants and other deeds and documents for the time being binding on such Charging Company or affecting any such Land or its use or enjoyment and such Charging Company shall not take or omit to take any action of any kind whereby any interest or estate of such Charging Company in any such Land may be forfeited or otherwise adversely affected or surrender any lease granted to it of any such Land;
- (h) where failure to do so would, in the reasonable opinion of the Security Agent, have a Material Adverse Effect, punctually pay the rents reserved by and observe and perform the other covenants, agreements or obligations on the part of such Charging Company to be observed and performed which are contained in any lease, agreement for lease, tenancy agreement or licence to occupy any such Land and enforce the observance and performance by the landlord or licensor of its obligations under any such document;
- (i) supply to the Security Agent (within seven days of receipt) copies of any notice, order or proposal received by such Charging Company from any competent authority (statutory or otherwise) or from any landlord or tenant (whether under

any statute or otherwise) affecting any such Land in any material respect, and at the cost of the Charging Company if failure to do so would, in the reasonable opinion of the Security Agent, have a Material Adverse Effect, either punctually comply with such notice or order or (if so requested by the Security Agent) make or join with the Security Agent in making such objections or representations or taking such other steps as the Security Agent may think fit and any compensation received by the Charging Company as a result shall be charged to the Security Agent and paid to it and applied in or towards the discharge of the Secured Sums;

- (j) promptly on receipt, cause a copy of each professional valuation report which such Charging Company obtains in relation to any such Land to be provided to the Security Agent;
- (k) notify the Security Agent, promptly on receipt, of any claim, notice or other communication received by the Charging Company alleging non-compliance by it in relation to any matter referred to in this clause 11.1; and
- (l) notify the Security Agent promptly on becoming aware that the landlord of any such Land has made an election to waive exemption under paragraph 2 Schedule 10 Value Added Tax Act 1994.

11.2 Save as otherwise permitted under the Finance Documents, no Charging Company shall, without the prior written consent of the Security Agent, at any time:

- (a) erect any building or make any structural alteration or carry out any development (as defined in section 55 Town and Country Planning Act 1990) on any such Land or apply for any planning consent for the development of any such Land, or (save in the ordinary course of repair, replacement or improvement) at any time sever, remove or dispose of any fixture on it;
- (b) enter into onerous or restrictive obligations affecting any such Land or create or permit to arise any overriding interest or any easement or right whatever in or over it which might adversely affect its value or the value of the security over it,

where in each case such act would, in the reasonable opinion of the Security Agent, have a Material Adverse Effect.

11.3 Each Charging Company shall immediately following execution of this Debenture and at its own expense submit an application to the appropriate Land Registry for the first registration of any unregistered Land described opposite its name in Schedule 2 (*Freehold and Leasehold Land*).

11.4 If a Charging Company defaults in the performance of any covenant contained in this clause 11, the Security Agent or any Receiver may (but shall not be obliged to) do whatever may be necessary to rectify such default and all sums expended by the Security Agent or any Receiver under this provision shall be recoverable from such Charging Company under clause 20 (*Costs and Interests on Overdue Amounts*). Such Charging Company shall also permit the Security Agent for such purpose to enter upon all or any of its Land to effect such repairs as the Security Agent may consider necessary without becoming liable as a mortgagee in possession.

11.5 Each Charging Company shall indemnify the Security Agent and its employees and agents fully at all times against any claim, liability, loss or expense incurred by them directly or indirectly as a result of any actual or alleged failure by such Charging Company to comply with any covenant contained in this clause 11 or to comply with any law, regulation, directive or code of practice applicable to such Charging Company or to its

business or the Assets or relating to the protection of the environment or health and safety.

12. **INTELLECTUAL PROPERTY COVENANTS**

12.1 Save as otherwise agreed under the Finance Documents, each Charging Company shall, during the continuance of this security, unless the Security Agent otherwise agrees in writing:

- (a) take all necessary action to protect and maintain the Material Intellectual Property Rights and franchises (wherever situate) and contracts and promptly notify the Security Agent of any infringement or alleged infringement or any challenge to the validity of any such Material Intellectual Property Rights of which such Charging Company has notice and supply the Security Agent with all information in its possession relating thereto as the Security Agent may request;
- (b) with respect to any Material Intellectual Property Rights, duly register (and pay all fees and costs in connection therewith) in such register(s) or with such authorities as may be available for the purpose (in the United Kingdom or elsewhere) and in such name(s) as may be required by the law and practice of the place of registration such of the following as may be capable of registration, whether in the United Kingdom or elsewhere:
  - (i) this Debenture;
  - (ii) if so requested by the Security Agent, all licences, registered user agreements or other interests granted to or acquired by such Charging Company relating to the Material Intellectual Property Rights; and
  - (iii) all future assignments and/or mortgages made hereunder;
- (c) pay all application, registration, renewal and other payments necessary for effecting, protecting, maintaining or renewing registrations required to be made under clause 12.1(b) at least one calendar month before the latest time provided for payment thereof and do all other acts and things necessary for maintaining all Material Intellectual Property Rights in full force and effect and send or deliver to the Security Agent the receipt for every such payment promptly after the same shall have been made. If default shall be made by such Charging Company in making such payments or doing such acts or things, the Security Agent may make such payments or cause such acts or things to be done. All moneys expended by the Security Agent under this provision shall be recoverable by the Security Agent under clause 20 (*Costs and Interest on Overdue Amounts*);
- (d) use reasonable endeavours to procure that any agents acting for it shall agree in writing to notify the Security Agent of any renewal or other fees due in respect of any Material Intellectual Property Rights and of any such acts or things necessary for protecting and maintaining any of the Material Intellectual Property Rights before such payment is due or such act or thing must be done;
- (e) maintain an up-to-date record of all Intellectual Property owned by such Charging Company which are registered or in respect of which an application for registration has been filed and provide a copy to the Security Agent on written request;
- (f) at the request of the Security Agent or in any event, at six monthly intervals from the date of this Debenture, provide the Security Agent with a written summary of all Intellectual Property Rights comprised in clause 3.1(j) (*Charging Clause*) which are registered or in respect of which an application for registration has been filed

and which have been acquired by such Charging Company (whether in the United Kingdom or elsewhere) since the creation of this Debenture or the date of the last notification, as the case may be;

- (g) (consent of the Security Agent in this case not to be unreasonably withheld) with respect to any Material Intellectual Property, not alter any specification for which any trade mark has been registered or give its consent to registration by a third party of any trade mark the same or confusingly similar to any trade mark and not amend the specification or drawings referred to in any granted patent;
- (h) (save in respect of those Intellectual Property Rights which have been identified at the date of this Debenture by the Group as being Intellectual Property Rights which are not to be retained by the Group) diligently commence and prosecute all proceedings as may be necessary to prevent infringement or, as applicable, continued infringement of all Intellectual Property Rights belonging to such Charging Company where such infringement has or would be likely to have a Material Adverse Effect on the Group's business or which the Security Agent otherwise requires because the Security Agent reasonably believes that such proceedings would be of commercial benefit; and
- (i) not without the Security Agent's prior written consent use the Security Agent's name in or join the Security Agent into any proceedings relating to infringement of any Intellectual Property Rights.

12.2 Each Charging Company hereby appoints the Security Agent as its authorised agent to make any filings, registrations or renewals at the Trade Marks Registry or otherwise as shall be necessary to give effect to clause 12.1 and hereby irrevocably authorises the Security Agent, if any Charging Company shall during the continuance of this Debenture make default in carrying out any of its obligations under clause 12.1, to effect such registrations, renewals, payments and notifications or carry out such acts or things at the expense of the relevant Charging Company as shall be necessary to protect the Security Agent's interest hereunder or to protect or maintain the Material Intellectual Property Rights in question or any of them.

**13. LEASES, POSSESSION OF LAND AND CONSOLIDATION OF MORTGAGES**

13.1 Except as permitted by the Finance Documents, no Charging Company shall, without the prior written consent of the Security Agent, exercise any power of leasing, or accepting surrenders of leases of, any Land, nor (save where obliged to do so by law) extend, renew or vary any lease or tenancy agreement or give any licence to assign or underlet nor make any election to waive exemption under paragraph 2 Schedule 10 Value Added Tax Act 1994 in its capacity as landlord of any such Land.

13.2 Section 93 of the Law of Property Act 1925, dealing with the consolidation of mortgages, shall not apply to this Debenture.

**14. POWERS OF SALE, LEASING AND ACCEPTING SURRENDERS**

14.1 Section 103 of the Law of Property Act 1925 shall not apply to this Debenture, but the statutory power of sale shall (as between the Security Agent and a purchaser from the Security Agent) arise on, and be exercisable at any time after, the execution of this Debenture. However, the Security Agent shall not exercise such power of sale until the Debenture has become enforceable.

14.2 The statutory powers of sale, leasing and accepting surrenders exercisable by the Security Agent by virtue of this Debenture are extended so as to authorise the Security Agent (whether in its own name or that of the Charging Company concerned) to grant a

lease or leases of any Land vested in a Charging Company or in which it has an interest, with such rights relating to other such Land, and containing such covenants on the part of such Charging Company, and generally on such terms and conditions, as the Security Agent shall think fit.

14.3 The statutory power of sale exercisable by the Security Agent is extended so as to authorise the Security Agent to sever any fixtures from Land and sell them separately.

14.4 No person dealing with the Security Agent or any Receiver, its agents or brokers, shall be concerned to enquire whether this Debenture has become enforceable, or whether any power exercised or purported to be exercised has become exercisable, or whether any Secured Sums remain due upon this Debenture, or as to the necessity or expediency of any stipulations and conditions subject to which the sale of any Assets shall be made, or otherwise as to the propriety or regularity of the sale of any Asset, or to see to the application of any money paid to the Security Agent or such Receiver, or its agents or brokers, and each such dealing shall be deemed to be within the powers hereby conferred and to be valid and effectual accordingly.

15. **OPENING OF NEW ACCOUNTS**

15.1 On receiving notice that any Charging Company has encumbered or disposed of any of its Assets, the Security Agent and/or any Beneficiary may rule off such Charging Company's account or accounts and open a new account or accounts with such Charging Company.

15.2 If the Security Agent or any Beneficiary does not open a new account or accounts immediately on receipt of such notice, it shall nevertheless be treated as if it had done so at the time when it received such notice and as from that time all payments made by such Charging Company to the Security Agent or such Beneficiary shall be treated as having been credited to such new account or accounts and shall not operate to reduce the amount owing from such Charging Company to the Security Agent or such Beneficiary at the time when it received such notice.

16. **APPOINTMENT OF A RECEIVER OR AN ADMINISTRATOR**

16.1 **Appointment:** Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to this Debenture. At any time after:

- (a) the Security Agent shall have demanded payment in writing from any Charging Company of any Secured Sum in accordance with clause 2.3 of this Debenture;
- (b) a step or proceeding is taken by all or any of the directors of the relevant Charging Company or by the holder of a qualifying floating charge (other than the Security Agent) or any other creditor of the relevant Charging Company for the appointment of an administrator, a liquidator or provisional liquidator in relation to a Charging Company;
- (c) notices to creditors are sent out under section 98 of the Insolvency Act 1986 in relation to a Charging Company;
- (d) a proposal is made in relation to a Charging Company for a voluntary arrangement under Part 1 of the Insolvency Act 1986;
- (e) a step or proceeding is taken in relation to a Charging Company with a view to seeking a moratorium; or



- (f) a written request has been made by the Parent and/or a Charging Company to the Security Agent for the appointment of a Receiver or an administrator over its Assets or in respect of a Charging Company,

then this Debenture shall become enforceable and, notwithstanding the terms of any other agreement between such Charging Company and any Beneficiary, the Security Agent may (unless precluded by law) appoint in writing any person or persons to be a receiver and manager or receivers and managers of all or any part of the Assets of such Charging Company or, an administrator or administrators of such Charging Company, as the Security Agent may choose in its entire discretion.

- 16.2 **Power to act separately:** Where more than one Receiver is appointed, the appointees shall have power to act separately unless the Security Agent shall specify to the contrary.
- 16.3 **Receiver's remuneration:** The Security Agent may from time to time determine the remuneration of a Receiver.
- 16.4 **Removal of Receiver:** The Security Agent may (subject to section 45 of the Insolvency Act 1986) remove a Receiver from all or any of the Assets of which he is the Receiver.
- 16.5 **Further appointments of a Receiver:** Such an appointment of a Receiver shall not preclude:
  - (a) the Security Agent from making any subsequent appointment of a Receiver over all or any Assets over which a Receiver has not previously been appointed or has ceased to act; or
  - (b) the appointment of an additional Receiver to act while the first Receiver continues to act.
- 16.6 **Receiver's agency:** The Receiver shall be the agent of the relevant Charging Company (which shall be solely liable for his acts, defaults and remuneration) unless and until such Charging Company goes into liquidation, after which time he shall act as principal and shall not become the agent of the Security Agent or any other Beneficiary.

## 17. POWERS OF A RECEIVER

The Receiver may exercise, in relation to each Charging Company over whose Assets he is appointed, all the powers, rights and discretions set out in and to the Insolvency Act 1986 and in particular, by way of addition to and without limiting such powers, the Receiver may, with or without the concurrence of others:

- (a) sell, lease, let, license, grant options over and vary the terms of, terminate or accept surrenders of leases, licences or tenancies of, all or any of the Assets of the relevant Charging Company, without the need to observe any of the provisions of and of the Law of Property Act 1925, in such manner and generally on such terms and conditions as he shall think fit in his absolute and unfettered discretion and any such sale or disposition may be for cash, Securities or other valuable consideration (in each case payable in a lump sum or by instalments) and carry any such transactions into effect in the name of and on behalf of such Charging Company;
- (b) promote the formation of a Subsidiary of the relevant Charging Company with a view to such Subsidiary purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Assets of such Charging Company;
- (c) sever any fixtures from Land and/or sell them separately;

- (d) exercise all voting and other rights attaching to Securities owned by the relevant Charging Company;
- (e) arrange for the purchase, lease, licence or acquisition of all or any Assets of the relevant Charging Company by any Subsidiary contemplated by paragraph (b) above on a basis whereby the consideration may be for cash, Securities, shares of profits or sums calculated by reference to profits or turnover or royalties or licence fees or otherwise, whether or not secured on the assets of such Subsidiary and whether or not such consideration is payable or receivable in a lump sum or by instalments over such period as the Receiver may think fit;
- (f) make any arrangement or compromise with any Beneficiary or others as he shall think fit;
- (g) make and effect all repairs, renewals and improvements to the Assets of the relevant Charging Company and effect, renew or increase insurances on such terms and against such risks as he shall think fit;
- (h) appoint managers, officers and agents for the above purposes at such remuneration as the Receiver may determine;
- (i) redeem any prior encumbrance and settle and pass the accounts of the encumbrancer and any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the relevant Charging Company and the money so paid shall be deemed an expense properly incurred by the Receiver;
- (j) pay the proper administrative charges of any Beneficiaries in respect of time spent by their agents and employees in dealing with matters raised by the Receiver or relating to the receivership of the relevant Charging Company;
- (k) commence and/or complete any building operations upon any Land of the relevant Charging Company and apply for and obtain any planning permissions, building regulation consents or licences, in each case as he may in his absolute discretion think fit;
- (l) take all steps necessary to effect all registrations, renewals, applications and notifications as the Receiver may in his discretion think prudent to maintain in force or protect any of the relevant Charging Company's Intellectual Property Rights; and
- (m) do all such other acts and things as may be considered by the Receiver to be incidental or conducive to any of the above matters or powers or otherwise incidental or conducive to the preservation, improvement or realisation of the relevant Assets.

**18. RIGHT OF APPROPRIATION**

To the extent that any of the Assets charged under this Debenture constitutes "financial collateral" and is subject to a legal or equitable mortgage under this Debenture which is or forms part of a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the "Regulations"), the Security Agent shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Sums. For this purpose, the parties agree that the value of such financial collateral so appropriated shall be (a) in the case of cash, the amount standing to the credit of the Collection Account and any Realisation Account, together with accrued but unposted

interest, at the time the right of appropriation is exercised and (b) in the case of Securities, the market price of such Investments at such time as determined by the Security Agent (acting reasonably) by reference to a relevant public index or by such other process as the Security Agent may select, including independent valuation. In each case, the parties agree that the method of valuation provided for in this Debenture shall constitute a commercially reasonable method of valuation for the purpose of the Regulations.

19. **POWER OF ATTORNEY**

Each Charging Company by way of security hereby irrevocably appoints the Security Agent (whether or not a Receiver has been appointed) and any Receiver separately the attorney of such Charging Company (with full power to appoint substitutes and to delegate) for such Charging Company, in its name and on its behalf, and as its act and deed or otherwise, at any time to execute and deliver and otherwise perfect any agreement, assurance, deed, instrument or document, or perform any act, which may be required of such Charging Company under this Debenture and which such Charging Company has not done, or may be deemed by such attorney necessary to perfect the security intended to be constituted by it or to convey or transfer legal ownership of any Assets.

20. **OTHER POWERS EXERCISABLE BY THE SECURITY AGENT**

- 20.1 All powers of the Receiver conferred by this Debenture may be exercised by the Security Agent following demand made pursuant to clause 2 of the Debenture by the Security Agent whether as attorney of the Charging Companies or otherwise and whether or not the Receiver shall have been appointed and so that paragraph (i) of clause 17 (*Powers of Receiver*) should be read and construed as if the words "be charged on the Assets of the relevant Charging Company" were substituted for the words "be deemed an expense properly incurred by the Receiver."
- 20.2 The Security Agent or any manager or officer of the Security Agent is hereby irrevocably empowered to receive all book debts and other debts and claims which may be assigned to the Security Agent pursuant to clause 7 (*Further Assurance*) and on payment to give an effectual discharge for them and on non-payment to take and institute (if the Security Agent in its sole discretion so decides) all steps and proceedings either in the name of the relevant assignor or in the name of the Security Agent for their recovery and also to agree accounts and to make allowances and to give time to any surety. The relevant assignor hereby undertakes to ratify and confirm whatever the Security Agent or any manager or officer of the Security Agent shall do or purport to do under this clause 20.
- 20.3 The Security Agent shall have no liability or responsibility to any Charging Company arising out of the exercise or non-exercise of the rights conferred on it by this clause 20, except for gross negligence and wilful default.
- 20.4 The Security Agent shall not be obliged to make any enquiry as to the sufficiency of any sums received by it in respect of any book debts or other debt or claim so assigned to it or to make any claim or take any other action to collect in or enforce them.

21. **APPLICATION OF MONEY RECEIVED BY THE SECURITY AGENT OR A RECEIVER**

- 21.1 Any money received under the powers conferred by this Debenture shall, subject to the discharge of any prior-ranking claims, be paid or applied in the following order of priority:
- (a) in satisfaction of all costs, charges and expenses incurred, and payments made, by the Security Agent and/or the Receiver, and of the remuneration of the Receiver;

- (b) in or towards satisfaction of the Secured Sums in the manner applicable under the terms of the Intercreditor Deed;
- (c) as to the surplus (if any), to the person or persons entitled to it.

21.2 The Security Agent may, in its absolute discretion on or at any time or times after this Debenture has become enforceable and pending the payment to the Security Agent of the whole of the Secured Sums, place and keep to the credit of a separate or suspense account any money received, recovered or realised by the Security Agent by virtue of this Debenture for so long and in such manner as the Security Agent may determine without any intermediate obligation to apply it in or towards the discharge of any Secured Sum.

## 22. COSTS AND INTEREST ON OVERDUE AMOUNTS

22.1 All reasonable costs, charges and liabilities (including all professional fees and disbursements and Value Added Tax and/or any similar tax) and all other sums paid or incurred by the Security Agent, the Beneficiaries and/or any Receiver in exercising its powers under this Debenture or the Companies' affairs, shall be recoverable (on a full indemnity basis) as a debt payable on demand from such of the Charging Companies as the Security Agent may select, may be debited without notice to any account of such Charging Companies, shall bear interest accordingly and shall be charged on the Assets of such Charging Companies. Each of the Charging Companies shall indemnify the Security Agent against all and any costs, charges and expenses arising:

- (a) out of any of the property charged pursuant to clause 3 (*Charging Clause*) or clause 7 (*Further Assurance*) referable to it infringing or allegedly infringing any third party rights; and
- (b) in relation to any proceedings referable to such Charging Company brought against the Security Agent or to which the Security Agent may be joined whether as claimant or defendant which relate to any of such charged property.

22.2 Without prejudice to the generality of clause 22.1, the costs recoverable by the Security Agent, the Beneficiaries and/or any Receiver under this Debenture shall include:

- (a) all reasonable costs incurred by the Security Agent and the Beneficiaries in preparing and administering this Debenture or perfecting the security created by it;
- (b) all costs (whether or not allowable on a taxation by the Court) of all proceedings for the enforcement of this Debenture or for the recovery or attempted recovery of the Secured Sums;
- (c) all money expended and all costs arising out of the proper exercise of any power, right or discretion conferred by this Debenture
- (d) all costs and losses arising from any default by any Charging Company in the payment when due of any Secured Sums or the performance of its obligations under this Debenture; and
- (e) following enforcement of the security, all administrative charges of the Security Agent and the Beneficiaries based on time spent by its employees and agents in connection with the affairs of the Companies.

22.3 Any overdue amounts secured by this Debenture shall carry interest at the rate and in accordance with the terms contained in the Facilities Agreement in relation to overdue sums or at such other rate agreed between the relevant Charging Company and the Security Agent or the relevant Beneficiary from time to time. In each case, such interest shall accrue on a day to day basis to the date of repayment in full and, if unpaid, shall be

compounded on the terms so agreed (or in the absence of such agreed terms) with quarterly rests on the Security Agent's usual quarterly interest days. Interest shall continue to be charged and compounded on this basis after as well as before any demand or judgment.

**23. SET-OFF**

Each Beneficiary may set-off any matured obligation owed to it by a Charging Company under the Finance Documents (to the extent beneficially owned by that Beneficiary) against any matured obligation owed by that Beneficiary to that Charging Company regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Beneficiary may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. No security interest is created by this clause 23.

**24. INFORMATION**

The Security Agent may from time to time seek from any other banker or provider of finance to any Charging Company such information about such Charging Company and its affairs as the Security Agent may think fit and each Charging Company directs any such third party to provide such information to the Security Agent and agrees to provide such further authority for this purpose as the Security Agent may from time to time require.

**25. TRANSFER AND DISCLOSURE**

- 25.1 A Beneficiary may at any time, with the prior written consent of the Security Agent, transfer all or any part of its rights in relation to this Debenture and the Secured Sums to any person or otherwise grant an interest in them to any person.
- 25.2 Each Charging Company irrevocably authorises such Beneficiary, at its discretion, at any time or from time to time, to disclose any information concerning such Charging Company, this Debenture and the Secured Sums in accordance with the Finance Documents.

The above authority is without prejudice to such Beneficiary's right of disclosure implied by law.

**26. SECURITY AGENT AS TRUSTEE, PERPETUITY PERIODS AND NO PARTNERSHIP**

- 26.1 The Security Agent hereby declares itself to be a trustee of this Debenture (and any other security in its favour created pursuant to this Debenture) for the Beneficiaries. The retirement of the Security Agent from being trustee and the appointment of any new trustee shall be effected in the manner provided in the Intercreditor Deed.
- 26.2 The perpetuity period applicable to the trust hereby constituted shall be 80 years.
- 26.3 Nothing in this Security shall constitute or be deemed to constitute a partnership between the Beneficiaries.

**27. FORBEARANCE AND SEVERABILITY**

- 27.1 All rights, powers and privileges under this Debenture shall continue in full force and effect, regardless of the Security Agent or any Beneficiary exercising, delaying in exercising or omitting to exercise any of them.

27.2 None of the covenants and guarantees given and none of the charges created by the Charging Companies under this Debenture shall be avoided or invalidated by reason only of one or more of such covenants, guarantees or charges being invalid or unenforceable.

27.3 Any provision of this Debenture which for any reason is or becomes illegal, invalid or unenforceable shall be ineffective only to the extent of such illegality, invalidity and unenforceability, without invalidating the remaining provisions of this Debenture.

28. **VARIATIONS AND CONSENTS**

28.1 No variation of this Debenture shall be considered valid and as constituting part of this Debenture, unless such variation shall have been made in writing and signed by the Security Agent (on behalf of the Beneficiaries) and the Parent (on behalf of the Charging Companies).

28.2 The expression "**variation**" shall include any variation, supplement, extension, deletion or replacement however effected.

28.3 Save as otherwise expressly specified in this Debenture, any consent of the Security Agent may be given absolutely or on any terms and subject to any conditions as Security Agent may determine in its entire discretion.

29. **AUTHORITY OF PARENT**

Each Charging Company (except the Parent) hereby irrevocably authorises the Parent to act on its behalf in administering the terms of this Debenture and in signing on its behalf any document varying, supplementing, restating and/or replacing the terms and conditions contained in this Debenture or any document ancillary to it.

30. **SERVICE OF DEMANDS AND NOTICES**

30.1 A demand for payment or any other demand or notice under this Debenture may be made or given by any manager or officer of the Security Agent in writing addressed to the Charging Company concerned and served on it at the address for service of such Charging Company stated in Part I of Schedule 1 (*The Charging Companies*) or its existing or last known place of business (or, if more than one, any one of such places), or by facsimile transmission to the facsimile number last known to the Security Agent or by any other form of electronic communication which may be available.

30.2 A notice or demand shall be deemed to be duly served on a Charging Company:

- (a) if delivered by hand, when left at such an address;
- (b) if sent by post, at noon on the next day following the day of posting and shall be effective even if it is misdelivered or returned undelivered;
- (c) if given or made by facsimile or other electronic communication, at the time of transmission;

Provided that, where delivery or transmission occurs after 6.00 p.m. on a Business Day or on a day which is not a Business Day, service shall be deemed to occur at 9.00 a.m. on the next Business Day.

30.3 Any communication to the Security Agent shall be deemed to have been given only on actual receipt by it.

31. **COUNTERPARTS**

This Debenture may be executed by any of the Charging Companies in any number of copies, all of which taken together shall constitute a single Debenture.

32. **JOINT AND SEPARATE LIABILITY**

Unless the context otherwise requires, all covenants, agreements, representations and warranties on the part of the Charging Companies contained in this Debenture are given by them jointly and separately and shall be construed accordingly.

33. **SECURITY AGENT**

The provisions of Schedule 7 of the Intercreditor Deed shall apply to the Security Agent's rights, obligations and duties under this Debenture as if set out in this Debenture in full.

34. **RETENTION OF SECURITY**

The Security Agent (if it is advised by its legal counsel that in the prevailing circumstances there is a risk of any previous repayment of the Secured Sums being open to challenge) may retain this Debenture, the security constituted by or pursuant to this Debenture and all documents of title, certificates and other documents relating to or evidencing ownership of all or any part of the Assets of any or all of the Charging Companies for a period as set out in section 240 of the Insolvency Act 1986 after any discharge in full of the Secured Sums **provided that** if at any time during that period a petition is presented for an order for the winding-up of, or the making of an administration order in respect of any of the Charging Companies, or any of the Charging Companies commences to be wound-up voluntarily or any analogous proceedings are commenced in respect of any Charging Company, the Security Agent may continue to retain such security and such documents for such further period as the Security Agent may reasonably determine and the security and such documents shall be deemed to have continued to have been held as security for the Secured Sums.

35. **THIRD PARTIES**

Except as expressly otherwise stated in this Debenture, no person which is not a party to this Debenture may enforce this Debenture by virtue of the Contracts (Rights of Third Parties) Act 1999.

36. **GOVERNING LAW**

36.1 This Debenture shall be governed by and construed in accordance with English law.

36.2 Each Charging Company hereby submits, for the exclusive benefit of the Security Agent and the Beneficiaries, to the jurisdiction of the English Courts, but without prejudice to the right of the Security Agent and/or the Beneficiary to commence proceedings against such Charging Company in any other jurisdiction.

**THIS DEBENTURE** has been executed by each Charging Company as a Deed and signed by the Security Agent and it shall take effect on the day and year first above written.

SCHEDULE 1

The Charging Companies

Name of Charging Company	Registered number	Address for service and fax or telex number
Texon (Newco 1) Ltd	5329617	16A Fir Tree Lane Groby LE6 0FH Fax: 0870 2257 443
Texon (NewCo 2) Ltd	5329581	As above
Texon Non Woven Limited	5286674	As above
Texon Management Limited	5308213	As above
Texon Overseas	2082136	As above



SCHEDULE 2

Freehold and Leasehold Land to be Mortgaged under Clauses 3.1(a) and 3.1(b)

Name of company	County or London Borough	Description of property	Title number (if available)

The address for service of the Security Agent in the case of registered land is:

Barclays Bank PLC  
Chatsworth House  
66-70 St Mary Axe  
London EC3A  
For the attention of: Fraser Pearce/David Jeyes  
Fax: 020 7382 5499

SCHEDULE 3

The Trade Marks

All trade marks are owned by Texon Management Ltd, unless otherwise stated

Country	Name	Number	Renewal Date	Status
ARGENTINA	AQUILINE	1519027	28-Apr-04	REGD
ARGENTINA	AQUILINE	1479060	28-Oct-03	REGD
ARGENTINA	AQUILINE	1479059	28-Oct-03	REGD
BENELUX	AQUILINE	521503	09-Nov-12	REGD
BRAZIL	AQUILINE	813695449	31-Oct-09	REGD
BRAZIL	FORMOSERT	813714648	31-Oct-09	REGD
BRAZIL	FORMOSERT	813714630	17-Oct-09	REGD
BRAZIL	TUFFLEX	814150241	13-Feb-00	REGD
BRAZIL	TUFFLEX	814150233	16-Nov-03	REGD
CANADA	TUFFLEX	375331	09-Nov-05	REGD
CHILE	AQUILINE	656980	03-Feb-13	REGD
CHILE	TUFFLEX	459777	12-Apr-06	REGD
CHILE	TUFFLEX	459778	12-Apr-06	REGD
CHINA	FORMO	1580690	06-Jun-11	REGD
CHINA	FORMO	1545601	27-Mar-11	REGD
CHINA	FORMO	1549011	07-Apr-11	REGD
CHINA	FORMOSOL	3162486	13-Jul-13	REGD
CHINA	FORMOSOL	3157795	06-Jul-13	REGD
CHINA	FORMOSOL	3157921	06-Sep-13	REGD
CHINA	REFORM	3157923		APP
CHINA	REFORM	3157922	06-Jul-13	REGD
CHINA	REFORM	3162204	21-Mar-14	REGD
CHINA	TUFFLEX	1549012	07-Apr-11	REGD
CHINA	TUFFLEX	1541496	20-Mar-11	REGD
CHINA	TUFFLEX	1580691	06-Jun-11	REGD
CTM	AQUILINE	001024785	18-Dec-08	REGD
CTM	CORPORATE LOGO	000886408	20-Jul-08	REGD
CTM	FERRABOND	001327279	27-Sep-09	REGD
CTM	REBOUND	001327261	27-Sep-09	REGD
INDONESIA	TUFFLEX	310042	22-Feb-12	REGD
INDONESIA	TUFFLEX	310043	22-Feb-12	REGD
INDONESIA	TUFFLEX	310041	22-Feb-12	REGD
INDONESIA	TUFFLEX	310044	22-Feb-12	REGD
IRELAND	FORMO	074943	11-Aug-13	REGD
IRELAND	TUFFLEX	074658	11-Aug-13	REGD
KOREA SOUTH	TUFFLEX	255290	02-Dec-12	REGD
KOREA SOUTH	TUFFLEX	258629	15-Feb-13	REGD

Country	Name	Number	Renewal Date	Status
KOREA SOUTH	TUFFLEX	259723	19-Mar-13	REGD
KOREA SOUTH	TUFFLEX	270795	30-Jul-13	REGD
PORTUGAL	FORMO	159546	07-Oct-05	REGD
PORTUGAL	FORMO	164884	05-Mar-08	REGD
PORTUGAL	FORMO	159547	07-Oct-05	REGD
PORTUGAL	FORMOSERT	247053	08-Jul-07	REGD
PORTUGAL	FORMOSERT	247051	08-Jul-07	REGD
PORTUGAL	FORMOSERT	247052	08-Jul-02	REGD
PORTUGAL	TUFFLEX	159545	07-Oct-05	REGD
SOUTH AFRICA	AQUILINE	88/9305	19-Oct-08	REGD
SOUTH AFRICA	AQUILINE	88/9304	19-Oct-08	REGD
SOUTH AFRICA	FORMO	B69/1654	16-Apr-09	REGD
SOUTH AFRICA	FORMO	B68/3463	13-Aug-08	REGD
SOUTH AFRICA	FORMO	B68/3462	13-Aug-08	REGD
SOUTH AFRICA	FORMOSERT	88/9307	19-Oct-08	REGD
SOUTH AFRICA	FORMOSERT	88/9306	19-Oct-08	REGD
SOUTH AFRICA	TUFFLEX	B69/1653	16-Apr-09	REGD
SOUTH AFRICA	TUFFLEX	B68/3461	13-Aug-08	REGD
SOUTH AFRICA	TUFFLEX	B68/3460	13-Aug-08	REGD
SWEDEN	HYPERSORB	307608	12-Jan-06	REGD
SWITZERLAND	FORMOSERT	369690	02-Feb-09	REGD
TAIWAN	TUFFLEX	567703	31-Jul-12	REGD
TAIWAN	TUFFLEX	569830	31-Aug-12	REGD
TAIWAN	TUFFLEX	567395	31-Jul-12	REGD
TAIWAN	TUFFLEX	565594	15-Jul-12	REGD
UK	AQUILINE	938371	19-Feb-14	REGD
UK	AQUILINE	938372	19-Feb-14	REGD
UK	FORMO	910626	13-Jun-12	REGD
UK	FORMO	918760	19-Dec-12	REGD
UK	FORMO	934557	28-Nov-13	REGD
UK	FORMOFLOC	B980571	18-Sep-06	REGD
UK	FORMOFLOC	B980572	18-Sep-06	REGD
UK	FORMOFLOC	B980573	18-Sep-06	REGD
UK	FORMOSERT	980565	18-Sep-06	REGD
UK	FORMOSERT	980566	18-Sep-06	REGD

Country	Name	Number	Renewal Date	Status
UK	FORMOSERT	980567	18-Sep-06	REGD
UK	FORMOSOL	980570	18-Sep-06	REGD
UK	FORMOSOL	980569	18-Sep-06	REGD
UK	FORMOSOL	980568	18-Sep-06	REGD
UK	PCT	2150075	05-Nov-07	REGD
UK	TUFFLEX	458958	15-May-05	REGD
UK	TUFFLEX	936523	15-Jan-14	REGD
UK	TUFFLEX	936524	15-Jan-04	REGD
USA	CORPORATE LOGO	2661048	17-Dec-08	REGD
USA	TUFFLEX	1752553	16-Feb-13	REGD
AUSTRALIA	HAWK	469725		REGD
AUSTRALIA	STYTHERM	469726		REGD
BRAZIL	DURALAST	820647497		REGD (LICENSED)
CANADA	DURALAST	TMA509130		REGD (LICENSED)
INDONESIA	DURALAST			APP (LICENSED)
NEW ZEALAND	HAWK	173751		REGD
NEW ZEALAND	STYTHERM	173750		REGD
UK	HAWK	1317361		REGD
USA	HAWK	1464616		REGD
CTM	UNIFAST	000138024		REGD
INDIA	UNIFAST	524769		REGD
INDIA	UNIFAST	524771		REGD
INDIA	UNIFAST	524772		REGD
PORTUGAL	UNIFAST	262756		REGD
PORTUGAL	UNIFAST	262751		REGD
PORTUGAL	UNIFAST	262752		REGD
PORTUGAL	UNIFAST	262754		REGD
PORTUGAL	UNIFAST	262753		REGD
TAIWAN	UNIFAST	555981		REGD
TAIWAN	UNIFAST	548885		REGD
TAIWAN	UNIFAST	566370		REGD

SCHEDULE 4

The Patents

All patents are owned by Texon Management Ltd, except where otherwise indicated

COUNTRY	STATUS	APPLN NO	PATENT NO	PRODUCT TITLE
BRAZIL	PENDING	PI0010457-4		Recycled Counter Material - Incorporates Own Cutting Scrap into New Product (REFORM)
CHINA	PATENTED	00804776.6	ZL00804776.6	Recycled Counter Material - Incorporates Own Cutting Scrap into New Product (REFORM)
GERMANY	PATENTED	00907861.9	60011268.3-08	Recycled Counter Material - Incorporates Own Cutting Scrap into New Product (REFORM)
INDIA	PENDING	IN/PCT/2001,01065/MUM		Recycled Counter Material - Incorporates Own Cutting Scrap into New Product (REFORM)
INDONESIA	PENDING	W-00200101934		Recycled Counter Material - Incorporates Own Cutting Scrap into New Product (REFORM)
ITALY	PATENTED	00907861.9	1200258	Recycled Counter Material - Incorporates Own Cutting Scrap into New Product (REFORM)
SOUTH KOREA	PENDING	7011486/2001		Recycled Counter Material - Incorporates Own Cutting Scrap into New Product (REFORM)
POLAND	PENDING	P-349952		Recycled Counter Material - Incorporates Own Cutting Scrap into New Product (REFORM)
SOUTH AFRICA	PATENTED	20017119	2001/7119	Recycled Counter Material - Incorporates Own Cutting Scrap into New Product (REFORM)
TAIWAN	PENDING	88106529		Recycled Counter Material - Incorporates Own Cutting Scrap into New Product (REFORM)
THAILAND	PENDING	050273		Recycled Counter Material - Incorporates Own Cutting Scrap into New Product (REFORM)
UK	PATENTED	00907861.9	1200258	Recycled Counter Material - Incorporates Own Cutting Scrap into New Product (REFORM)
USA	PENDING	09/950,306		Recycled Counter Material - Incorporates Own Cutting Scrap into New Product (REFORM)
VIETNAM	PENDING	1-2001-00859		Recycled Counter Material - Incorporates Own Cutting Scrap into New Product (REFORM)

Patent licences

All patent licences are held by Texon Management Ltd, except where otherwise indicated

Patent number	Issue Date	Title
5,981,411	11 September 1999	Thermoformable material (Fosshape)
WO 97/30837	28 August 1997	Method for making Thermoformable Plastic Sheets or Plates for use as Heat – Tackifiable Reinforcing material (Lambiotte)

SCHEDULE 5

The Material Intellectual Property

Trade Marks

All trade marks are owned by Texon Management Ltd, unless otherwise stated

Country	Name	Number	Renewal Date	Status
CHINA	FORMO	1580690	06-Jun-11	REGD
CHINA	FORMO	1545601	27-Mar-11	REGD
CHINA	FORMO	1549011	07-Apr-11	REGD
CHINA	FORMOSOL	3162486	13-Jul-13	REGD
CHINA	FORMOSOL	3157795	06-Jul-13	REGD
CHINA	FORMOSOL	3157921	06-Sep-13	REGD
CHINA	REFORM	3157923		APP
CHINA	REFORM	3157922	06-Jul-13	REGD
CHINA	REFORM	3162204	21-Mar-14	REGD
CHINA	TUFFLEX	1549012	07-Apr-11	REGD
CHINA	TUFFLEX	1541496	20-Mar-11	REGD
CHINA	TUFFLEX	1580691	06-Jun-11	REGD
CTM	AQUILINE	001024785	18-Dec-08	REGD
CTM	CORPORATE LOGO	000886408	20-Jul-08	REGD
CTM	FERRABOND	001327279	27-Sep-09	REGD
CTM	REBOUND	001327261	27-Sep-09	REGD
TAIWAN	TUFFLEX	567703	31-Jul-12	REGD
TAIWAN	TUFFLEX	569830	31-Aug-12	REGD
TAIWAN	TUFFLEX	567395	31-Jul-12	REGD
TAIWAN	TUFFLEX	565594	15-Jul-12	REGD
USA	CORPORATE LOGO	2661048	17-Dec-08	REGD
USA	TUFFLEX	1752553	16-Feb-13	REGD
USA	HAWK	1464616		REGD
CTM	UNIFAST	000138024		REGD
TAIWAN	UNIFAST	555981		REGD
TAIWAN	UNIFAST	548885		REGD
TAIWAN	UNIFAST	566370		REGD

Patents

COUNTRY	STATUS	APPLN NO	PATENT NO	PRODUCT TITLE
CHINA	PATENTED	00804776.6	ZL00804776.6	Recycled Counter Material - Incorporates Own Cutting Scrap into New Product (REFORM)
GERMANY	PATENTED	00907861.9	60011268.3- 08	Recycled Counter Material - Incorporates Own Cutting Scrap into New Product (REFORM)
ITALY	PATENTED	00907861.9	1200258	Recycled Counter Material - Incorporates Own Cutting Scrap into New Product (REFORM)
TAIWAN	PENDING	88106529		Recycled Counter Material - Incorporates Own Cutting Scrap into New Product (REFORM)
THAILAND	PENDING	050273		Recycled Counter Material - Incorporates Own Cutting Scrap into New Product (REFORM)
USA	PENDING	09/950,306		Recycled Counter Material - Incorporates Own Cutting Scrap into New Product (REFORM)
VIETNAM	PENDING	1-2001-00859		Recycled Counter Material - Incorporates Own Cutting Scrap into New Product (REFORM)



SCHEDULE 6

Collection Account Sideletters

[●FORM OF NOTICE TO BE SERVED BY THE CHARGING COMPANIES TO BANK HOLDING THE COLLECTION ACCOUNT TOGETHER WITH THE FORM OF ACKNOWLEDGEMENT REQUIRED FROM THAT BANK●]

To: [●]  
[●branch address●]

For the attention of [●]

[●date●]

We refer to the Guarantee and Debenture (the "Debenture") dated on or around the date of this notice and made between, inter alios, ourselves (1) and Barclays Bank PLC (2) (the "Security Agent") as trustee for the Beneficiaries (as defined in the Debenture).

We each hereby give you notice that pursuant to the Debenture we, with full title guarantee, have charged by way of first fixed charge to the Security Agent all our rights, title and interest in and to all sums which may at any time be standing to the credit of the accounts listed in the table below, which were opened by us in your books (the "Collection Accounts" and each one of them a "Collection Account").

Company/account description	Collection account number	Bank sort code

In connection therewith and by way of security for the Secured Sums (as defined in the Debenture) we hereby irrevocably and unconditionally instruct and authorise you (notwithstanding any previous instructions whatsoever which we may have given you to the contrary):

- (a) to disclose to the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure, such information relating to the Collection Accounts, the amount from time to time standing to the credit thereof (the "Collection Accounts Funds") and the debts represented thereby as the Security Agent may, at any time and from time to time, request you to disclose to it;
- (b) at any time and from time to time upon receipt by you of instructions in writing from the Security Agent to release or to pay to the Security Agent any amount of the Collection Accounts Funds and generally to act in accordance with such instructions in relation to the Collection Accounts and the Collection Accounts Funds, without any reference to or

further authority from us and without any enquiry by you as to the justification for such instructions or the validity thereof;

- (c) to comply with the terms of any written notice, statement or instructions in any way relating or purporting to relate to the Collection Accounts, the Collection Accounts Funds or the debts represented thereby which you may receive at any time and from time to time from the Security Agent without any reference to or further authority from us and without any enquiry by you as to the justification for such notice, statement or instructions or the validity thereof;
- (d) not to act upon our instructions with regard to the Collection Accounts or the Collection Accounts Funds unless the Security Agent agrees in writing otherwise.

The instructions and authorisations which are contained in this letter shall remain in full force and effect until we and the Security Agent together give you notice in writing revoking them.

In consideration of your accepting the instructions and authorisations which are contained in this letter we undertake not to take or bring any action, suit, proceedings, claim or demand against you in relation to or arising out of your acting on or complying with such instructions and authorisations.

This letter shall be governed by and construed in accordance with English law.

Would you please acknowledge receipt of this letter and your acceptances of the instructions and authorisations contained in it by sending a letter addressed to us and to the Security Agent in the form attached hereto.

Yours faithfully

.....  
**[Parent]**

.....  
 For and on behalf of  
**[●each other charging company●]**

[●ON THE HEADED NOTEPAPER OF THE ACCOUNT HOLDING BANK●]

ACKNOWLEDGEMENT

To: [●Newco and each other Charging Company●]

and:

[●The Security Agent●]

[●date●]

Dear Sirs

**Re Collection Accounts**

We hereby acknowledge receipt of a letter (a copy of which is attached hereto) dated [●] and addressed to us by [●Newco and each other Charging Company●] (the "**Companies**") and hereby accept the instructions and authorisations contained therein and undertake to act in accordance and comply with the terms thereof. We have also received a letter of direction from the Security Agent of even date herewith.

We hereby acknowledge and confirm to the Security Agent on behalf of the Beneficiaries that:

- (a) no rights of counterclaim, rights of set-off or any other equities whatsoever have arisen in our favour against the Companies in respect of the Collection Accounts Funds or the debts represented thereby or any part thereof and we will not make any claim or demands or exercise any rights of counterclaim, rights of set-off or any other equities whatsoever against the Companies in respect of the Collection Accounts Funds or any part thereof; and
- (b) we have not, as at the date hereof, received any notice that any third party has or will have any right or interest whatsoever in or has made or will be making any claim or demand or taking any action whatsoever against the Collection Accounts Funds or the debts represented thereby or any part thereof.

We undertake that in the event of our becoming aware at any time that any person or entity other than the Security Agent has or will have any right or interest whatsoever thereby or any part thereof we will forthwith give written notice of the terms thereof to the Security Agent.

We have made the acknowledgements and confirmations and have given the undertakings set out in this letter in the knowledge that they are required by the Security Agent in connection with the security which has been constituted by the Companies in favour of the Security Agent as trustee under the Debenture.

The expressions defined or used in your letter mentioned in the opening paragraph hereof shall, unless the context otherwise require, have the same meanings in this letter.

This letter shall be governed by and construed in accordance with English law.

Yours faithfully

.....  
For and on behalf of [●]

SCHEDULE 7

Intercompany Debts

Amounts owing to Texon Overseas

DEBTOR	CURRENCY	PRINCIPAL
Texon (Newco 2) Ltd	EUR	9,909,186.12
Texon Verwaltungs GmbH	EUR	8,814,738.81
Texon USA, Inc	USD	18,688,612.66
Texon (Newco 2) Ltd	GBP	22,308,404.18
Texon (Newco 2) Ltd	EUR	748,862.50
Texon Australia	AUD	11,068,152.69
Texon Austria	EUR	726,728.34
Texon Austria	EUR	504,549.22
Texon Mexico SA	GBP	600,000.00
Texon Mexico SA	USD	4,132,000
Texon Mexico SA	USD	500,000

Amounts owing to Texon (Newco 2) Ltd

DEBTOR	CURRENCY	PRINCIPAL
UT France SAS	EUR	- (interest of 604,008)
UT France SAS	EUR	9,509,186.12
Texon Overseas	GBP	130,863.07
Texon Overseas	EUR	30,780,087.50
Texon Overseas	EUR	20,111,210.66
Texon USA, Inc	USD	2,550,000
Texon India	GBP	30,456.56
Texon Management Ltd	GBP	181,664.68
El Manto de Ellias	EUR	9,465,940.64
Texon Overseas	GBP	36,194,377.79

Amounts owing to Texon (Newco 1) Ltd

DEBTOR	CURRENCY	PRINCIPAL
UT France SAS	EUR	3,000,000

EXECUTION PAGE

CHARGING COMPANIES

Executed and Delivered as a Deed  
by  
as attorney of **Texon (Newco 1) Ltd**  
In the presence of:

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)  
)

*Deborah A. Clegg*

Name *DEBORAH CLEGG*

Address *LOVELLS  
ATLANTIC HOUSE, HOLBORN VIADUCT*

Executed and Delivered as a Deed  
by  
as attorney of **Texon (Newco 2) Ltd**  
In the presence of:

)  
)  
)  
)  
)

*Deborah A. Clegg*

Name *DEBORAH CLEGG*

Address *LOVELLS  
HOLBORN VIADUCT  
LONDON*

Executed and Delivered as a Deed  
by  
as attorney of **Texon Non Woven Ltd**  
In the presence of:

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)  
)  
)

*Deborah A. Clegg*

Name *DEBORAH CLEGG*

Address *LOVELLS  
ATLANTIC HOUSE  
HOLBORN VIADUCT*

Executed and Delivered as a Deed  
by  
as attorney of **Texon Management Ltd**  
In the presence of:

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)  
)  
)  
)

*Deborah A. Clegg*

Name *DEBORAH CLEGG*

Address *LOVELLS  
ATLANTIC HOUSE  
HOLBORN VIADUCT  
LONDON*

Executed and Delivered as a Deed  
by  
as attorney of **Texon Overseas**  
In the presence of:

)  
)  
)  
)

S.R.S.J.L

Deborah A. Gray

Name DISCANT CRECENT

Address  
LOVELLS  
ATLANTIC HOUSE  
ROBINSON ROAD  
LONDON

**SECURITY AGENT**

SIGNED by  
for and on behalf of  
**Barclays Bank PLC**

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