

COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares.

155(6)a

CHA 118

Please do not write in this margin

Pursuant to section 155(6) of the Companies Act 1985

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

To the Registrar of Companies

For official use

Company number

1111

501084

Note
Please read the notes on page 2 before completing this form

Name of company

* WILLIAM CAPLE & COMPANY LIMITED

Insert full name of company

/Wat See Rider 1

Insert name(s) and address(es) of all the directors

Delete as appropriate

other than Beaufort Nelson Loane & Peter Eugene Lynch who are signing a separate statutory declaration in the same form, of the above company, do solemnly and sincerely declare that:

The business of the company is:

Delete whichever is inappropriate

that of a company authorised under section 8 of the Companies Act 1982 to carry on business in the United Kingdom;

that of a person authorised under section 8 of the Companies Act 1982 to carry on business in the United Kingdom;

(c) something other than the above;

The company is proposing to give financial assistance in connection with the acquisition of shares in the (company) (company holding company) Limited;

The assistance is for the purpose of (that acquisition) (reducing or discharging a liability incurred for the purpose of that acquisition);

The number and class of the shares acquired or to be acquired is: 46,000 ordinary shares of £1 each (the "Shares")

Presenter's name, address and reference (if any):
Wilde Sapte
1 Fleet Place
London
EC4M 7WS

Ref: PAM/707546/BP156394

For official use
General Section

Post room



The assistance is to be given to: (note 2)

Adare Printing Group (UK) Limited ("APG") whose registered office is at Darley
Buildings, Wellington Road, Burton-on-Trent, Staffordshire DE14 2AD

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write in this
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Please complete
legibly, preferably
in block type, or
bold block
lettering

The assistance will take the form of:

see attached rider 2.

APG 10/5/96
The person who [has acquired] ~~(acquires)~~ the shares is:

Adare Printing Group (UK) Limited whose details are given above.

Delete as
appropriate

The principal terms on which assistance will be given are:

1. The principal term of the Guarantee is that the Company and the other guarantors jointly and severally guarantee to the Agent as Security Trustee the payment and discharge of all monies and liabilities which from time to time may be due, owing or incurred by all or any of the guarantors or the Borrowers to the Agent as Security Trustee under the Finance Documents.

2. The principal term of the Trust Debenture entered into by the Company and the other companies is to secure all monies and liabilities which are from time to time due, owing or incurred, inter alia, by the Company to the Agent as Security Trustee under the Finance Documents.

The terms of the Guarantee and the Trust Debenture are as set out in the forms annexed hereto and marked respectively Appendix A and Appendix B.

The amount of cash to be transferred to the person assisted is £ [Nil]

The value of any asset to be transferred to the person assisted is £ [Nil]

The date on which the assistance is to be given is 19th April 1996.

Page 2

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write in this
margin

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

Delete either (a) or
(b) as appropriate

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

(a) I/We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date† (note 3)

(b) ~~It is intended to commence the winding up of the company within 12 months of that date, and I/We have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding up† (note 3)~~ *gjc. NTG.*

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

Declared at Morledge Street
Leicester

the 19th day of April

One thousand nine hundred and nine
SIX

before me [Signature]

Declarants to sign below

[Signature]
Siger T. Griffin

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

J. M. WAITE
Solicitor empowered
to administer Oaths
Leicester


NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 168(3) of the Companies Act 1985.
- 4 The auditors report required by section 168(4) of the Companies Act 1985 must be annexed to this form.

**RIDER 1 TO FORM 155(6)a RELATIVE TO
WILLIAM CAPLE & COMPANY LIMITED**

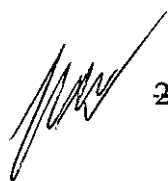
Name and Addresses of Directors

Beaufort Nelson Loane
1 Rathdown Crescent
Terenure
Dublin
Ireland

 James
Nigel Griffin
7, Mill Close
Borrowash
Derby

Peter Eugene Lynch
2 Belmont Lawn
Gallopig Green
Blackrock
Co. Dublin
Ireland

James Oliver O'Connor
Flat 1, 85 Clarendon Park Road
Leicester
LE2 3AH

 ~~Michael George Peake~~
~~232 Lower Hillmorton Road~~
~~Rugby~~
~~Warwickshire~~
~~CV21 4AF~~

**RIDER 2 TO FORM 155(6)(A) RELATIVE TO
WILLIAM CAPLE & COMPANY LIMITED**

1. By an agreement (the "1996 Agreement") proposed to be entered into between (1) Adare Printing Group Plc ("Adare") (2) Adare Printing Group (UK) Limited ("APG") and Mount Salus Press Limited ("MSPL"), (3) the Overdraft Borrowers listed in the Fourth Schedule thereto together with Adare, APG and MSPL (the "Borrowers"), (4), (5), (6) and (7) Allied Irish Banks, p.l.c. as Arranger, Agent, Security Trustee, Issuing Bank and Overdraft Bank (the "Agent") and (8) the financial institutions referred to in the first schedule thereof (the "Banks"), the Banks agreed to make certain credit and other facilities available to the Borrowers and certain facilities (the "1996 Facilities") upon the terms and subject to the conditions set out in the 1996 Agreement.
2. Under the terms of the 1996 Agreement, inter alia, the Banks have agreed to provide a guarantee pursuant to which each of the Banks will counter indemnify the Issuing Bank in respect of the Original ABN Guarantee No. 2 upon and subject to the terms and conditions contained in the 1996 Agreement.
3. Financial assistance will be given for the purpose of providing security to the Agent for the liability from time to time incurred by the Agent arising under the ABN Amro-Bank Guarantee No 2.
4. Such financial assistance will be given by the Company entering into the following documents pursuant to the Facility Agreement:
 - (a) a joint and several cross guarantee (the "Guarantee") to be entered into by the Company together with Adare, APG and certain other of their subsidiaries (the "Guarantors") in favour of the Agent as Security Trustee in respect of, inter alia, all obligations of all or any of the Guarantors and the Borrowers under any of the Finance Documents; and
 - (b) a composite trust debenture ("the Trust Debenture") to be entered into by Company together with APG and certain other subsidiaries in favour of the Agent as Security Trustee creating, inter alia, fixed and floating charges over the whole of, inter alia, the Company's undertaking, property, rights and assets both present and future.

5. The net assets of the Company (as defined in Section 152(2) Companies Act 1985) will not thereby be reduced or to the extent that those assets are reduced the financial assistance will be provided out of distributable profits.

GOR . WSG

✓ M. G. -

Report of the auditors to the directors of William Caple & ^{Company} Sons Limited
pursuant to section 156(4) of the Companies Act 1985

WS.

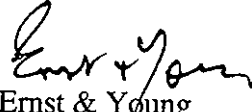
We have examined the attached statutory declaration of the directors dated 19 April 1996 in connection with the proposed financial assistance to be given by William Caple & ~~Sons~~ ^{Company} Limited ("the Company") for the purchase of shares in the Company. WS.

Basis of opinion

We have enquired into the state of affairs of the Company so far as is necessary for us to review the bases for the statutory declaration.

Opinion

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


Ernst & Young

Chartered Accountants and
Registered Auditors

19 April 1996

Dated 1996

ADARE PRINTING GROUP PLC

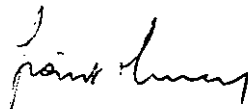
and

OTHERS

and

ALLIED IRISH BANKS, p.l.c.

CROSS GUARANTEE



McCann FitzGerald
2 Harbourmaster Place
Custom House Dock
Dublin 1
G:\NP\AIB1500.07A

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THIS GUARANTEE is made on 14th day of April 1996

BETWEEN:

- (1) **THE COMPANIES** each of whose name, jurisdiction of incorporation and registration number is set out in the Schedule (together the "**Original Guarantors**" and each an "**Guarantor**"); and
- (2) **ALLIED IRISH BANKS, p.l.c.** in its capacity as agent and trustee for itself and the Guaranteed Parties referred to below (hereinafter referred to as the "**Security Trustee**" which expression shall include its successors and assigns).

RECITAL:

The Guarantors have requested and the Banks have agreed to grant financial accommodation to the Borrowers on the terms and subject to the conditions of a Facilities Agreement (the "**Facilities Agreement**") dated today between the Borrowers, the Arranger, the Agent, the Security Trustee and the Banks subject (inter alia) to the Guarantors providing the Guaranteed Parties with a guarantee on the terms and subject to the conditions of this Guarantee.

NOW THIS DEED WITNESSES AND THE GUARANTORS HEREBY AGREE AND DECLARE as follows:

1. Interpretation

1.1 In this Guarantee:

"**Banks**" means each of the financial institutions named in the First Schedule to the Facilities Agreement (including, for the avoidance of doubt, the Issuing Bank and the Overdraft Bank) and each person to whom a Bank has transferred or assigned any right or obligation in accordance with Clause 36 of the Facilities Agreement and "**Bank**" means any of them;

"**Borrowers**" and "**Borrower**" have the meanings given to those terms in the Facilities Agreement;

"**Facilities Agreement**" has the meaning attributed to it in the Recital;

"**Guaranteed Obligations**" in relation to all or any of the Guarantors, means all obligations, indebtedness and liabilities covenanted and agreed to be paid, observed, performed and discharged by the Guarantor(s) concerned under Clause 2; and

"**Guaranteed Parties**" means at any time the Arranger, the Agent, the Security Trustee, the Hedging Counterparties and the Banks at such time and "**Guaranteed Party**" means any of them.

1.2 Words and expressions defined in the Facilities Agreement shall, unless otherwise defined herein, bear the same meaning in this Guarantee.

1.3 Any reference in this Guarantee to:

a "**Clause**" and "**Schedule**" shall, subject to any contrary indication, be construed as a reference to a clause and schedule hereof;

a "**person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing; and

"**tax**" shall be construed so as to include any tax, levy, impost, duty or other charge of a similar nature (including, without limitation, any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

1.4 Save where the contrary is indicated or where the context otherwise requires, any reference in this Guarantee to:

(i) "**this Guarantee**" or any other agreement or document shall be construed as a reference to this Guarantee or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, replaced, novated, amended, varied or supplemented and expressions such as "**herein**", "**hereby**" and "**hereunder**" and "**therein**", "**thereby**" and "**thereunder**" shall, as the context requires, be construed accordingly;

(ii) the "**Borrowers**" shall include each Borrower and its successors;

(iii) the "**Guaranteed Parties**" shall include each of the Guaranteed Parties' successors and/or permitted assigns under the Facilities Agreement and this Guarantee shall be enforceable notwithstanding any change in the constitution of any of the Guaranteed Parties or the absorption of any of the Guaranteed Parties in or amalgamation with any other person or the acquisition of all or part of the undertaking of any of the Guaranteed Parties by any other person;

(iv) the "**Guarantors**" shall include each Guarantor and its successors;

(v) a statute shall be construed as a reference to such statute as the same may have been, or may from time to time be, amended or re-enacted;

(vi) any document, agreement or instrument are to be construed as references to the document, agreement or instrument as modified, amended, supplemented or substituted from time to time; and

(vii) words importing the singular number include the plural and vice versa.

1.5 Clause headings are for ease of reference only and shall have no legal effect.

2. Guarantee

In consideration of the Guaranteed Parties entering into the Facilities Agreement, each Guarantor hereby irrevocably and unconditionally jointly and severally with each other Guarantor:

- (i) guarantees to and undertakes with each Guaranteed Party the due and punctual, payment, observance, performance and discharge of all of the obligations, indebtedness and liabilities of all or any of the other Guarantors and the Borrowers to each Guaranteed Party whether actual or contingent now or hereafter due, owing or incurred, in whatever currency denominated, howsoever arising and whether alone or jointly with any other person and in whatever style, name or form and whether as principal or surety, including, without limitation, all principal, interest, fees, costs, charges, commissions, expenses, indebtedness and other liabilities due, owing or incurred now or hereafter to each Guaranteed Party under or in connection with the Finance Documents; and
- (ii) agrees as a primary obligation to indemnify each Guaranteed Party from time to time on demand from and against any loss incurred by such Guaranteed Party as a result of any of the obligations of any of the Guarantors or the Borrowers expressed to be guaranteed hereunder being or becoming void, voidable, unenforceable or ineffective as against such Guarantors or Borrowers for any reason whatsoever, whether or not known to any Guaranteed Party, the amount of such loss being the amount which the relevant Guaranteed Party would otherwise have been able to recover from such Guarantors or Borrowers.

2.2 Each of the Guarantors irrevocably and unconditionally covenants and agrees with each Guaranteed Party to pay to each Guaranteed Party on demand any and every sum or sums of money now or hereafter due to each Guaranteed Party arising out of, under or in connection with, all or any of the Guaranteed Obligations.

2.3 For the avoidance of doubt, nothing in the Facilities Agreement specifying or implying that the obligations of the parties thereto are several rather than joint shall affect the obligations of any party to this Guarantee as Guarantor.

3. Preservation of Rights

3.1 This Guarantee and the obligations of the Guarantors herein contained shall be in addition to and independent of every other guarantee or security which any of the Guaranteed Parties may at any time hold in respect of all or any

of the Guaranteed Obligations and may be enforced without any of the Guaranteed Parties first taking steps or proceedings against any particular Guarantor or Borrower.

3.2 Neither the obligations of any Guarantor herein contained nor the rights, powers and remedies conferred in respect of any Guarantor upon the Guaranteed Parties by this Guarantee or by law shall be discharged, impaired or otherwise affected by:

- (i) the winding-up, dissolution, administration, examination or re-organisation of any Borrower, Guarantor or any other person or any equivalent or analogous proceeding under the laws of the jurisdiction in which such Borrower, Guarantor or other person is incorporated or any change in the status, function, control or ownership of any such person;
- (ii) any of the Guaranteed Obligations being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- (iii) any time, waiver or other indulgence whatsoever being granted or agreed to be granted to any Borrower or Guarantor or any other person in respect of all or any of the Guaranteed Obligations;
- (iv) any increase or decrease in the amount of the Facilities (or any of them) or any amendment of any of the Finance Documents or any variation, waiver or release of all or any of the Guaranteed Obligations;
- (v) the taking of any security from any Borrower or Guarantor or any other person or any failure to take, or fully to take, any security now or hereafter agreed to be taken in respect of any of the Guaranteed Obligations;
- (vi) any failure to realise or fully to realise the value of, or any release, discharge, exchange or substitution of, any security taken in respect of any of the Guaranteed Obligations; or
- (vii) any other act, event or omission whatsoever which, but for this Clause 3.2, might operate to discharge, impair or otherwise affect any of the obligations of any Guarantor herein contained or any of the rights, powers or remedies conferred upon the Guaranteed Parties by this Guarantee, any of the other Finance Documents or by law.

3.3 Any settlement or discharge between any Guarantor and any of the Guaranteed Parties shall be conditional upon no security or payment to any of the Guaranteed Parties by any Guarantor, any Borrower or any other person on behalf of any Guarantor or, as the case may be, any Borrower, being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency, examination, administration, liquidation or similar

laws of general application for the time being in force and, if any such security or payment is so avoided or reduced, the relevant Guaranteed Party or, as the case may be, Guaranteed Parties, shall be entitled to recover the value or amount of such security or payment from any Guarantor subsequently as if such settlement or discharge had not occurred.

3.4 None of the Guaranteed Parties shall be obliged before exercising any of the rights, powers or remedies conferred upon it in respect of any Guarantor by this Guarantee, by any other Finance Document or by law:

- (i) to make any demand of any of the Borrowers or any of the Guarantors or any other person;
- (ii) to take any action or obtain judgment in any court against any of the Borrowers or any of the Guarantors or any other person;
- (iii) to make or file any claim or proof in a winding-up or dissolution of any of the Borrowers or any of the Guarantors or any other person; or
- (iv) to enforce or seek to enforce any other security taken in respect of any of the Guaranteed Obligations.

3.5 Each Guarantor separately agrees and covenants that, so long as any of the Guaranteed Obligations are or may be owed, due or incurred by the Borrowers (or any of them) to the Guaranteed Parties (or any of them) or the Guaranteed Parties (or any of them) may be under any obligation to grant or continue any facility to the Borrowers (or any of them), the relevant Guarantor shall not exercise any rights, powers or remedies which that Guarantor may at any time have by reason of performance or satisfaction by it of its obligations and/or liabilities hereunder including, without limitation, the following rights:

- (i) to be indemnified by any of the Borrowers in respect of all or any of the Guaranteed Obligations; and/or
- (ii) to claim any contribution from any other guarantor or any other person in respect of all or any of the Guaranteed Obligations; and/or
- (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Guaranteed Parties (or any of them) in respect of all or any of the Guaranteed Obligations or of any other security or guarantee taken by the Guaranteed Parties (or any of them) pursuant to, or in connection with, this Guarantee,

any sums recovered by the relevant Guarantor in breach of this Clause 3.5 shall be held in trust for the Guaranteed Parties, be identified at all times as assets of the Guaranteed Parties and forthwith on receipt be paid to the Security Trustee (for the account of the Guaranteed Parties).

3.6 Each Guarantor agrees that, so long as any of the Guaranteed Obligations remain outstanding, if a demand has been made upon it hereunder which has been satisfied in full or otherwise (whether by payment or discharge made by any Borrower, any other Guarantor or any other person), it will not claim, demand or receive payment of or exercise any set off, or right of proof in a winding-up or assert any counterclaim in respect of, any monies due to it from any Borrower or otherwise exercise any other right or remedy in respect thereof.

3.7 In the event of this Guarantee ceasing from any cause whatsoever to be binding as a continuing security on all or any of the Guarantors:

- (a) all cheques, orders for payment, drafts, bills, notes and negotiable instruments or securities drawn, made, endorsed or accepted by or for the account of the Borrowers (or any of them) on the Guaranteed parties (or any of them) or their agents and purporting to be dated on or before the date when the guarantee from the relevant Guarantor hereunder ceases to be a continuing security (the "**discontinuance date**") although presented to or paid by the Guaranteed Parties (or any of them) or its agents after the discontinuance date; and
- (b) all indebtedness and other liabilities of the Borrowers (or any of them) to the Guaranteed Parties (or any of them) at the discontinuance date whether actual or contingent or whether payable forthwith or thereafter and also all credits then established by the Guaranteed Parties (or any of them) for the Borrowers or either of them,

shall remain payable by the Guarantors under this Guarantee notwithstanding that the guarantee from all or any of the Guarantors shall have ceased to be binding as a continuing security.

4. Costs, Expenses and Default Interest

4.1 The Guarantors shall, from time to time on demand, reimburse the Security Trustee and each of the Guaranteed Parties for all costs and expenses (including legal fees) together with any applicable Valued Added Tax incurred in relation to this Guarantee including all costs and expenses incurred in or in connection with the negotiation, execution and implementation of this Guarantee and all costs and expenses incurred in or in connection with the preservation and/or enforcement and/or any waiver of any of the rights of the Guaranteed Parties under, or any amendment to, this Guarantee.

4.2 The Guarantors shall pay all stamp, registration and other taxes to which this Guarantee and the Security Documents to which all or any of the Guarantors are or will be a party or any judgment given in connection herewith or therewith is or at any time may be subject and shall, from time to time on demand, indemnify the Guaranteed Parties against any liabilities, claims, costs and expenses resulting from any failure to pay or delay in

paying any such tax.

- 4.3 If any sum due and payable by any Guarantor hereunder to the Guaranteed Parties (or any of them) is not paid on the due date therefor in accordance with the provisions hereof or if any sum due and payable by any Guarantor under any judgment of any court in connection herewith is not paid on the due date in accordance with such judgment, during the period beginning on such due date or, as the case may be, the date of such judgment and ending on the date upon which the obligation of such Guarantor to pay such sum is discharged the Guarantor shall (as a separate and independent obligation) pay interest at the default rate determined in accordance with Clause 19.1 of the Facilities Agreement.

5. Representations and Warranties

- 5.1 Each Guarantor represents and warrants to the Guaranteed Parties that:

- (i) it has been duly incorporated as a company under the laws of the jurisdiction of its incorporation and is validly existing and has all necessary corporate power and authority to enter into and deliver this Guarantee and to perform its obligations hereunder, to enter into and deliver the Security Documents to which it is or will be a party, to create any security constituted or to be constituted thereby and to perform its obligations thereunder and to own its properties and assets and to carry on its business as currently conducted;
- (ii) all necessary corporate action has been taken (including without limitation the passing of any shareholders resolution(s) required by law or its constitutional documents) by it to authorise its execution, delivery and performance of this Guarantee and the Security Documents to which it is or will be a party, to create any security constituted or to be constituted by the Security Documents to which it is or will be a party and to observe and perform its obligations under this Guarantee and the Security Documents to which it is or will be a party;
- (iii) this Guarantee constitutes, and the Security Documents to which it is or will be a party constitute, or will when executed and delivered by it, constitute legal, valid and binding obligations of it;
- (iv) the execution and delivery by it of this Guarantee and the Security Documents to which it is or will be a party and the performance and observance by it of its obligations hereunder and thereunder and the creation by it of any security constituted or to be constituted by the Security Documents to which it is or will be a party do not and will not violate or result in a breach of, or exceed any power granted to it or any of its directors under:
 - (a) any law, rule or regulation to or by which it or any of its

business, property or assets is subject or bound;

- (b) any judgment, order, injunction, determination, award or ruling of any court or arbitrator or any judicial, administrative or governmental authority to or by which it is subject or bound;
- (c) its constitutional documents; or
- (d) any deed, agreement, franchise, concession, licence, treaty or other instrument to which it is a party or which may be binding upon it or which may materially affect its business or any of its properties or assets;
- (v) the execution and delivery by it of this Guarantee and the Security Documents to which it is or will be a party and the performance and observance by it of its obligations hereunder and thereunder will not result in the existence of nor oblige it to create any security over all or any of its present or future revenues or assets except as provided for or permitted herein or therein; and
- (vi) every consent, licence, approval or authorisation of, exemption from any registration, recording or filing with any person required in connection with the execution and delivery by it of this Guarantee and each of the Security Documents to which it is or will be a party or the creation of any security thereby contemplated or to make the same admissible in evidence has been (or will be within any prescribed period in the case of any registration, recording or filing) obtained or made and is in full force and effect and all necessary fees required in connection therewith have been (or, as the case may be, will be) paid.

5.2 The representations and warranties of each Guarantor set out in Clause 5.1 shall survive the execution of this Guarantee and shall be correct and complied with in all respects so long as any of the Guaranteed Obligations are or may be owed, due or incurred by the Borrowers (or any of them) to the Guaranteed Parties (or any of them) or the Guaranteed Parties (or any of them) may be under any obligation to continue any facility to the Borrowers (or any of them) as if repeated therein by reference to the then existing circumstances.

6. Covenants

6.1 Each Guarantor undertakes with the Guaranteed Parties that it will obtain, comply with the terms of, and do all that is necessary to maintain in full force and effect, all consents, licences, approvals and authorisations required to enable it lawfully to perform its obligations under this Guarantee and any Security Document to which it is or will be a party and to ensure the legality, validity, or admissibility in evidence of this Guarantee and each Security Document to which it is or will be a party and promptly provide the

Security Trustee with evidence thereof on request and shall ensure that its obligations hereunder do not cease to be binding as a continuing security so long as any of the Borrowers' obligations under the Finance Documents remain outstanding.

- 6.2 Each Guarantor shall at any time, at the request of the Security Trustee but at the cost of such Guarantor, promptly sign, seal, execute, deliver and do all such deeds, instruments, acts and things in such form as the Security Trustee may reasonably require for perfecting or protecting the guarantee provided hereunder.

7. Payments

The provisions of the Facilities Agreement relating to the payments to be made thereunder (including, without limitation, Clause 24 thereof which regulates what is to happen if any of the Borrowers is required by law to make a deduction or withholding from any such payment) shall apply mutatis mutandis to payments to be made hereunder as if references therein to "Borrower" and "Borrowers" were to "Guarantor" and "Guarantors".

8. Set-Off

Without prejudice to any right of set-off or any similar right to which the Guaranteed Parties (or any of them) may be entitled at law or in equity or by agreement between the parties and, without prejudice to anything else herein contained, each Guaranteed Party may at any time (insofar as it relates to payments of interest) and at any time following the occurrence of an Event of Default (insofar as it relates to payments of principal) without notice to or further authorisation from any Guarantor combine and consolidate all or any accounts of any and/or all of the Guarantors with such Guaranteed Party anywhere and/or set-off any moneys whatsoever and whether on current, deposit or any other account and in whatever currency or currencies against any moneys or liabilities whatsoever in whatever currency which may be due, owing or incurred by any and/or all of the Guarantors to such Guaranteed Party whether actually or contingently and whether or not any period of any deposit or by reference to which interest therein is calculated has expired and any conversion from one currency to another for the purpose of any of the foregoing shall be made at such Guaranteed Party's then prevailing spot selling rate at its office by which such conversion is made.

9. Continuing Security

The obligations of each Guarantor under this Guarantee shall be a continuing security notwithstanding any settlement of account or other matter or thing whatsoever, and in particular, but without limitation, shall not be considered discharged by any intermediate discharge or payment of or on account of all or any of the Guaranteed Obligations and shall continue in full force and effect until final payment in full of the Guaranteed Obligations. No demand

made by the Security Trustee or any of the Guaranteed Parties hereunder shall prejudice or restrict the right of the Security Trustee or any of the Guaranteed Parties to make further or other demands.

10. New Accounts

In the event of this Guarantee being determined in relation to, or otherwise ceasing to be binding on, any Guarantor as a continuing security for whatever reason, it shall be lawful for each Guaranteed Party at its discretion either to continue any then existing account(s) with any Borrower or to open one or more fresh accounts with such Borrower (which shall bear interest on any credit balances at the prevailing market rate), to which all moneys subsequently received for the credit of such Borrower shall be credited or be treated as having been credited and such moneys shall not operate to reduce the amount of the obligations of such Borrower hereby guaranteed by such Guarantor at the time of this Guarantee so ceasing to be binding as a continuing security.

11. Application of Certain Receipts

Each Guarantor agrees that:

- (i) any dividends or payments received by or on behalf of the Guaranteed Parties (or any of them) in respect of the Guaranteed Obligations in any insolvency, winding-up administration, voluntary arrangement or dissolution shall, for the purposes of this Guarantee be taken to discharge those obligations only to the extent of the actual amount so received; and
- (ii) the Guaranteed Parties (or any of them) may keep in one or more suspense or impersonal accounts for so long as the Guaranteed Parties (or any of them) shall think fit any moneys received, recovered or realised from any Guarantor hereunder or under any of the Security Documents to which such Guarantor is a party without being under any obligation to apply the same or any part thereof in or towards discharge of any amounts then due or owing by the Borrowers and the subject of this Guarantee.

12. Avoidance of Payments

No assurance, security or payment which may be avoided or adjusted under any applicable law, and no release, settlement or discharge given or made by the Guaranteed Parties (or any of them) on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Guaranteed Parties (or any of them) to recover from each Guarantor (including any moneys which it might be compelled by due process of law to refund under the provisions of any law relating to liquidation, bankruptcy, administration, insolvency or creditors' rights generally and any costs payable by it pursuant to or otherwise incurred in connection with such

process) to the full extent of this Guarantee as if such assurance, security, payment, release, settlement, discharge or arrangement (as the case may be) had never been granted given or made; and any such release, settlement, discharge or arrangement shall as between the Guaranteed Parties (or any of them) and any Guarantor and each of them be deemed to have been given or made upon the express condition that it shall become and be wholly void and of no effect if the assurance security or payment on the faith of which it was made or given shall be void or (as the case may be) shall at any time thereafter be avoided to the intent and so that each Guaranteed Party shall become and be entitled at any time after any such avoidance to exercise all or any of the rights in this Guarantee expressly conferred upon such Guaranteed Party and of all or any other rights which by virtue and as a consequence of this Guarantee such Guaranteed Party would have been entitled to exercise but for such release, settlement, discharge or arrangement.

13. Remedies and Waivers

No failure to exercise, nor any delay in exercising, on the part of the Guaranteed Parties (or any of them), any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

14. Joint and Several Liability

- 14.1 This Guarantee is made by the Guarantors and each of them jointly and severally and the Guarantors shall be jointly and severally liable hereunder and this Guarantee shall be construed accordingly.
- 14.2 Each Guarantor agrees to be bound by this Guarantee notwithstanding that any other Guarantor which was intended to execute or to be bound by this Guarantee does not do so or is not effectively so bound and notwithstanding that any of the obligations of any other Guarantor herein contained may be determined or become invalid or unenforceable against such other Guarantor and whether or not the same is known to the Guaranteed Parties (or any of them).
- 14.3 Without prejudice to anything else herein contained each Guarantor agrees that the Guaranteed Parties (or any of them) shall be at liberty to release or discharge any other Guarantor from liability hereunder or any other person who has guaranteed the Guaranteed Obligations without prejudicing or affecting the obligations of the first mentioned Guarantor hereunder.

15. Evidence of Debt

The certificate signed by an officer of the Agent as the amount payable at any time under this Guarantee shall, in the absence of manifest error, be

conclusive evidence as to the amount thereof against each of the Guarantors.

16. Partial Invalidity

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect in relation to any one or more of the Guarantors under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof in relation to such Guarantors or under the law of any other jurisdiction shall in any way be affected or impaired thereby.

17. Benefit of Guarantee and Indemnity

17.1 Each Guarantor hereby acknowledges and covenants that the obligations binding upon it contained herein are owed to, and shall be for the benefit of the Guaranteed Parties and that the Guaranteed Parties shall be entitled severally to enforce the said obligations against such Guarantor.

17.2 No Guarantor shall be entitled to assign or transfer all or any of its rights, benefits or obligations hereunder.

17.3 Each Guaranteed Party may at any time assign or transfer all or any of its rights and/or obligations under this Guarantee without the consent of any of the Guarantors.

17.4 In the event that pursuant to any arrangement, compromise, merger, amalgamation or analogous proceeding in any jurisdiction all or any of the Guaranteed Obligations are transferred to or assumed by any other person or persons, this Guarantee shall take effect as if all references to the Borrowers included such other person or persons.

18. Notices

18.1 Any notice or other communication to be given under or for the purposes of this Guarantee shall be in writing and shall be treated as properly served or given if hand delivered or sent by registered post or facsimile to the relevant person at the address or facsimile number identified below for such other address or facsimile number as that person has designated in writing from time to time to the person giving the notice:-

(a) the Security Trustee
as follows:

Address: AIB Corporate Banking
Bankcentre
Ballsbridge
Dublin 4

Facsimile No: 2601783

Attention: Catherine Moroney
Donnchadh Ó Madagáin

Bernard Carroll

(b) the Guarantors: Address: Huguenot House
35/38 St. Stephen's Green
Dublin 2

Facsimile No: 6613968
Attention: B.N. Loane
P.E. Lynch
J. Coll

18.2 Any such notice or other communication shall be deemed to have been received by the recipient:-

- (a) in the case of a letter which is hand delivered, when actually delivered and, in the case of a letter which is sent by registered post, on the second day after posting (or on actual receipt, if earlier); or
- (b) in the case of transmission by facsimile, at the time of transmission provided that any communication or document to be made or delivered to the Security Trustee shall be effective only when received by the Security Trustee and then only if the same is expressly marked for the attention of the department and officer referred to above (or such other department and officer as the Security Trustee may from time to time specify for this purpose).

18.3 Each person making a communication under this Guarantee by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant to this Guarantee but the absence of such confirmation shall not affect the validity of any such communication.

19. Indemnity

The Guarantors shall jointly and severally indemnify and keep the Guaranteed Parties indemnified against:

- (a) any loss or damage which may be incurred or suffered by the Guaranteed Parties (or any of them) as a result of the breach of any covenant, undertaking or agreement on the part of all or any of the Guarantors contained in this Guarantee or any representation or warranty by all or any of the Guarantors contained in this Guarantee being or proving at any time to be materially incorrect or untrue when made or deemed to be made; and
- (b) all actions, losses, claims, proceedings, costs, demands and liabilities which may be suffered by the Guaranteed Parties (or any of them) under or in connection with this Guarantee.

20. Currency Judgment

20.1 If any sum due from all or any of the Guarantors under this Guarantee or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable thereunder or under such order or judgment into another currency (the "**second currency**") for the purpose of:

- (i) making or filing a claim or proof; or
- (ii) obtaining an order or judgment in any court or other tribunal;
or
- (iii) enforcing any such order or judgment

against all or any of the Guarantors, the Guarantors agree to jointly and severally indemnify and hold harmless each Guaranteed Party from and against any loss suffered as a result of any discrepancy between:

- (a) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency; and
- (b) the rate or rates of exchange at which such Guaranteed Party is able to purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

20.2 The rate or rates of exchange aforesaid shall be determined by the Guaranteed Parties in accordance with applicable market practice.

21. Counterparts

This Guarantee may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which when so executed and delivered shall be an original but all the counterparts shall together constitute but one and the same instrument.

22. Governing Law and Jurisdiction

22.1 This Guarantee shall be governed by and construed in accordance with the laws of Ireland.

22.2 For the benefit of the Guaranteed Parties, the parties hereto irrevocably agree that any legal action or proceedings in connection with this Guarantee may be brought in the Irish courts, which shall have jurisdiction to settle any disputes arising out of or in connection with this Guarantee. The submission to such jurisdiction shall not (and shall not be construed so as to) limit the right of any of the Guaranteed Parties (or any of them) in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or

more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

- 22.3 Each Guarantor incorporated in a jurisdiction other than Ireland hereby irrevocably appoints the Company to accept service of process on its behalf in Ireland in connection with any suit, action or proceeding arising out of or in connection with this Guarantee.

IN WITNESS whereof the parties hereto have executed this Guarantee the day and year first before written.

THE SCHEDULE

The Guarantors

Name	Jurisdiction	Registration No.
Adare Printing Group plc	Ireland	61078
Presswell Group Limited	Ireland	148456
Presswell Limited	Ireland	53945
Flexible Packagings Limited	Ireland	61079
Delameree Limited	Ireland	172248
Mount Salus Press Limited	Ireland	22554
Hermes Holdings Limited	Ireland	41758
CJ Fallon (Holdings) Limited	Ireland	115560
CJ Fallon	Ireland	63608
Perigord Limited	Ireland	7677
Kenley Press Limited	England	778663
Darley Business Forms Limited	England	405648
Adare Printing Group (UK) Limited	England	2387953
Quorum Technical Services Limited	England	1720724
Park Mill Business Forms Limited	England	3014889
William Caple & Company Limited	England	501084
Label Converters Limited	England	1203292
Alexander Pettigrew Limited	England	2917499
Adare Properties (UK) Limited	England	2931068
Great Northern Envelope Company Limited	England	2212509
WBF Limited	England	2814431
Pillings Print Company Limited	England	120184

The Common Seal of
ADARE PRINTING GROUP Plc:
was hereunto affixed
in the presence of:


Director


Director/Secretary



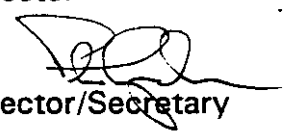
The Common Seal of
PRESSWELL GROUP LIMITED
was hereunto affixed
in the presence of:


Director


Director/Secretary

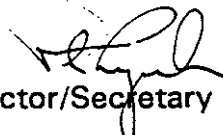
The Common Seal of
PRESSWELL LIMITED
was hereunto affixed
in the presence of:


Director

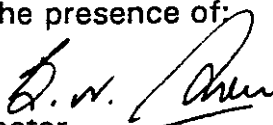

Director/Secretary

The Common Seal of
DELAMEREE LIMITED
was hereunto affixed
in the presence of:


Director

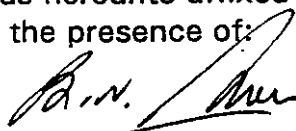

Director/Secretary

The Common Seal of
FLEXIBLE PACKAGINGS LIMITED
was hereunto affixed
in the presence of:


Director

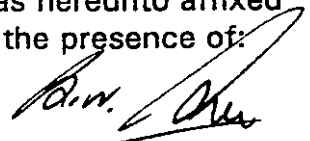

Director/Secretary

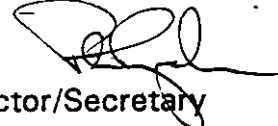
The Common Seal of
MOUNT SALUS PRESS LIMITED
was hereunto affixed
in the presence of:


Director

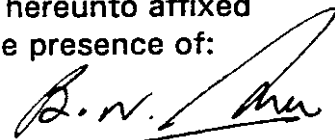

Director/Secretary


The Common Seal of
HERMES HOLDINGS LIMITED
was hereunto affixed
in the presence of:


Director


Director/Secretary

The Common Seal of
CJ FALLON (HOLDINGS) LIMITED
was hereunto affixed
in the presence of:


Director


Director/Secretary

The Common Seal of
CJ FALLON
was hereunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
PERIGORD LIMITED
was hereunto affixed
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
KENLEY PRESS LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
DARLEY BUSINESS FORMS LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
ADARE PRINTING GROUP (UK) LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
QUORUM TECHNICAL SERVICES LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
PARK MILL BUSINESS FORMS LIMITED
in the presence of:

Director

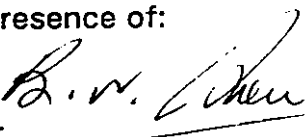
Director/Secretary


SIGNED as a deed on behalf of
WILLIAM CAPLE & COMPANY LIMITED
in the presence of:

Director

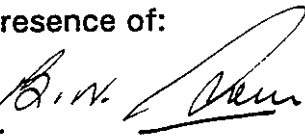
Director/Secretary

SIGNED as a deed on behalf of
LABEL CONVERTERS LIMITED
in the presence of:

Director 

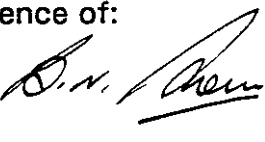
Director/Secretary 

SIGNED as a deed on behalf of
ALEXANDER PETTIGREW LIMITED
in the presence of:

Director 

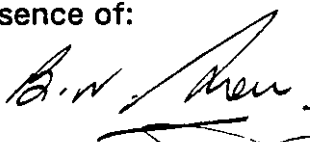
Director/Secretary 

SIGNED as a deed on behalf of
ADARE PROPERTIES (UK) LIMITED
in the presence of:

Director 

Director/Secretary 

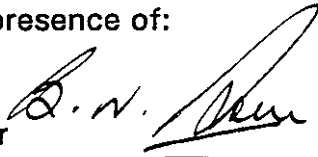

SIGNED as a deed on behalf of
GREAT NORTHERN ENVELOPE COMPANY LIMITED
in the presence of:

Director 

Director/Secretary 

The Common Seal of
WBF LIMITED
was hereunto affixed
in the presence of:

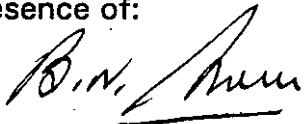

Director

Director/Secretary

The Common Seal of
PILLINGS PRINT COMPANY LIMITED
was hereunto affixed
in the presence of:

Director

Director/Secretary

Signed by:

for and on behalf of
ALLIED IRISH BANKS, p.l.c.




G:\NP\AIB1500.07A

DATED 19th April **1996**

**ADARE PRINTING GROUP (UK) LIMITED
AND OTHERS**

- and -

ALLIED IRISH BANKS, p.l.c.

COMPOSITE TRUST DEBENTURE



WILDE SAPTE

**1 Fleet Place
London
EC4M 7WS**

**Tel: 0171-246 7000
Fax: 0171-246 7777**

REF: PAM/RBJ/707546.05

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THIS COMPOSITE TRUST DEBENTURE dated 19th April 1996

BETWEEN:

- (1) THE COMPANIES listed in the First Schedule (the "Companies" and each a "Company"); and
- (2) ALLIED IRISH BANKS, p.l.c. having its registered office at Bankcentre, Ballsbridge, Dublin 4, Ireland in its capacity as Security Trustee for the Beneficiaries (as defined herein) of the security constituted by this Trust Debenture (the "Security Trustee").

RECITALS:

1. By a facilities agreement dated between (1) Adare Printing Group PLC, (2) and (3) Adare Printing Group (UK) Limited and Mount Salus Press Limited, (4) the Overdraft Borrowers, (5), (6), (7) and (8) Allied Irish Banks, p.l.c as Arranger, Agent, Security Trustee, Issuing Bank and Overdraft Bank and (9) the financial institutions defined as Banks in the Facilities Agreement and their successors and assigns (the "Banks"), (the "Facilities Agreement"), the Banks have agreed to make certain credit and other facilities available to the Borrowers upon the terms and subject to the conditions set out in the Facilities Agreement.
2. It is one of the conditions to the availability of the Facilities that each Company executes this Trust Debenture and provides to the Security Trustee the security created by this Trust Debenture.
3. The Security Trustee has agreed to act as trustee of the security constituted by this Trust Debenture and to hold the benefit thereof on trust under the terms and conditions of the Facilities Agreement.

THIS TRUST DEBENTURE WITNESSETH as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 Words and expressions defined in the Facilities Agreement and not otherwise defined herein shall, unless there is something in the subject or the context which is inconsistent therewith, bear the same meaning herein as in the Facilities Agreement.

1.2 In this Trust Debenture:

"Act" means the Law of Property Act 1925;

"Adare" means Adare Printing Group Plc;

"Bank Balances" means all existing and future debts represented by credit balances on accounts at, or deposits with, the Security Trustee or any other Beneficiary or any other bank or financial institution;

"Beneficiaries" means at any time the Arranger, the Agent, the Security Trustee, the Banks at such time and the Hedging Counterparties and their respective successors, transferees and assigns and **"Beneficiary"** means any of them;

"Borrowers" and **"Borrower"** have the meanings given to those terms in the Facilities Agreement;

"Charged Property" means the undertaking and assets of each Company both present and future charged in favour of, or assigned (whether at law or in equity) to, the Security Trustee by or pursuant to this Trust Debenture;

"Claims" means all things in action which may give rise to a debt, revenue or claim and all other rights and remedies of whatever nature in respect of the same including, without limitation, all negotiable and non-negotiable instruments, guarantees, indemnities, rights of tracing and security interests;

"Debts" means all the existing and future book and other debts due or owing to the Company (whether originally incurred to the Company or subsequently assigned to it) and the full benefit of all rights and remedies relating thereto, including, without limitation, all negotiable and non-negotiable instruments, guarantees, indemnities, rights of tracing and security interests;

"Environment" means:

- (i) land including the sea bed and any natural or man-made structures;

- (ii) water including rivers, lakes (man-made or natural), canals, the ocean (whether within or without territorial waters), ground waters and waters in drains and sewers; and
- (iii) air including air within buildings and other natural and man-made structures above or below ground;

"Environmental Laws" means all and any applicable laws, including common law, statute, bye-law and subordinate legislation, European Community Regulations and Directives and judgments and decisions, including notices, orders or circular, of any court or authority competent to make such judgment or decision compliance with which is mandatory for any Company in any jurisdiction with regard to:

- (i) the pollution or protection of the Environment;
- (ii) harm to the health of humans, animals or plants including laws relating to public and workers' health and safety;
- (iii) emissions, discharges or releases into the Environment of chemicals or any other pollutants or contaminants or industrial, radioactive, dangerous, toxic or hazardous substances or waste (whether in solid, semi-solid, liquid or gaseous form and including noises and genetically modified organisms); or
- (iv) the manufacture, processing, use, treatment, storage, distribution, disposal, transport or handling of the substances or wastes described in (iii) above;

"Environmental Permits" means all and any permits, licences, consents, approvals, certificates, qualifications, specifications, registrations and other authorisations including any conditions which attach to any of the foregoing and the filing of all notifications, reports and assessments required under Environmental Laws for the operation of any business from or using any of the Charged Property or the occupation or use of all or any of the freehold, leasehold or immovable property of any Company;

"Event of Default" means any event, howsoever described, specified in any of the Finance Documents as an event upon the occurrence of which the Security Trustee becomes entitled to call for early repayment of all or any of the Secured Obligations

or any failure by any Company to pay or repay on demand all or any of the Secured Obligations which are so payable;

"Fixed Charge Property" means the assets of each Company described in Clauses 3.1(a) to 3.1(l) inclusive;

"Floating Charge Property" means the assets of each Company described in Clause 3.1(m);

"Haverhill Premises" means the freehold property situate at Falconer Road, Haverhill, Suffolk described in Part II of the Second Schedule and owned by Adare Properties (UK) Limited,

"Planning Acts" means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Local Government Planning and Land Act 1980 and any other legislation of a similar nature,

"Properties (UK) First Charge" means the legal charge dated 17th May 1994 and made between Adare Properties (UK) Limited (1) and John Waddington Properties Limited (2) and registered on 25th May 1994 over the Haverhill Premises;

"Receiver" means any one or more receivers and/or managers appointed by the Security Trustee in respect of any Company or over all or any part of the Charged Property;

"Secured Obligations" means all monies, obligations and liabilities covenanted or guaranteed to be paid or discharged by the Companies under Clause 2 of this Trust Debenture; and

"Shares" means, in relation to a Company, all the shares of any class in the capital of any company which are now, or at any time hereafter, owned by that Company or in which that Company has an interest.

1.3 In this Trust Debenture:

- (a) the expressions "**Banks**", "**Security Trustee**", "**Beneficiary**", "**Hedging Counterparties**" and "**Company**" where the context admits shall include their respective successors and assigns; and
- (b) a "**Clause**" or a "**Schedule**" shall, unless otherwise stated, be construed as a reference to a clause or a schedule hereof.

1.4 Save where the contrary is indicated, any reference in this Trust Debenture:

- (a) to any statute or provision of any statute shall be deemed also to refer to any statutory modification, substitution or re-enactment thereof or any statutory instrument, order, regulation, bye-law, permission or direction made thereunder or under such modification, substitution or re-enactment;
- (b) to this Trust Debenture or any other agreement or document shall be construed as a reference to this Trust Debenture or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated or supplemented (and so that any reference to this Trust Debenture shall include, unless the context otherwise requires, any agreement or document expressed to be supplemental hereto or expressed to be collateral herewith or which is otherwise entered into pursuant to or in accordance with the provisions hereof);
- (c) to a "**person**" or "**persons**" include, without limitation, individuals, firms, corporations, government agencies, authorities and other bodies, incorporated or unincorporated and whether having direct legal personality or not;
- (d) to a company being "**dormant**" is a reference to it being dormant within the meaning given to that expression by section 250(3) of the Companies Act 1985, and
- (e) to a "**subsidiary**" is a reference to a subsidiary as defined by section 736 of the Companies Act 1985 (as substituted by section 144 of the Companies Act 1989).

- 1.5 Clause and Schedule headings are for ease of reference only.
- 1.6 Words denoting the singular number shall include the plural number also and vice versa.
2. **COVENANT TO PAY**
- 2.1 The Companies hereby irrevocably jointly and severally covenant with the Security Trustee that they will on demand by the Security Trustee or as otherwise agreed with the Security Trustee discharge each and every liability which any Company may now or hereafter have to the Security Trustee and to the Beneficiaries (or any of them) (whether solely or jointly with one or more persons, whether under this Trust Debenture or otherwise, whether as principal or as surety or in some other capacity and whether originally incurred by any Company or by some other person) and pay to the Security Trustee every sum (of principal, interest or otherwise) now or hereafter owing, due or incurred by any Company to the Security Trustee and to the Beneficiaries (or any of them) in respect of any such liabilities.
- 2.2 If any such liability becomes due (whether upon the making of a demand or otherwise), the Companies shall pay interest on such sums (after as well as before any judgment) during the period beginning on the date the liability becomes due and ending on the date of payment at the rate or rates (as may be appropriate) specified in Clause 18 of the Facilities Agreement or such other rate or rates as may be agreed between the Company concerned and the relevant Beneficiary and in the absence of such agreement 2% above the relevant Beneficiary's base rate from time to time.
3. **MORTGAGE, CHARGE AND ASSIGNMENT OF SECURITY**
- 3.1 Each Company (and in relation to sub-clause (1), Adare Printing Group (UK) Limited only), with full title guarantee, as continuing security for the payment, performance and discharge of the Secured Obligations, hereby:
- (a) charges in favour of the Security Trustee by way of legal mortgage any freehold and leasehold land of the Company concerned referred to in the Second Schedule together in all cases with all buildings and (to the extent the same are not otherwise subject to a fixed charge hereunder) all fixtures (including trade fixtures) from time to time on every such

property and all fixed plant and machinery both present and future therein or thereon;

- (b) charges in favour of the Security Trustee all its estate, right, title and interests in any other land or buildings now belonging to the Company concerned and all future estates, interests and rights of the Company concerned in such lands, hereditaments and premises and in any other freehold or leasehold property vested in or held by or on behalf of the Company concerned from time to time together in all cases (to the extent the same are not otherwise subject to a fixed charge hereunder) all fixtures (including trade fixtures) and all fixed plant and machinery from time to time therein;
- (c) assigns to the Security Trustee all of its rights, title and interest in and to the equipment and chattels specified under its name in the fifth Schedule;
- (d) charges in favour of the Security Trustee all plant, machinery, equipment, goods and chattels (other than stock-in-trade) now or hereafter belonging to the Company concerned together with all and any machines, equipment, goods, components, parts or any other items whatsoever from time to time installed therein or used in replacement or by way of substitution for all or any part thereof, other than any assets for the time being effectively assigned to the Security Trustee by way of mortgage under Clause 3.1 (c) above;
- (e) assigns and agrees to assign in favour of the Security Trustee all rights and claims to which the Company concerned is now or may hereafter become entitled in relation to the freehold, leasehold or immovable property and the moveable property and other chattels mortgaged or charged hereunder including, without limitation, those against any manufacturer, supplier, or installer of such property, any builder, contractor or professional advisor engaged in relation to such property and any lessee, sub-lessee or licensee of any freehold, leasehold or immovable property mortgaged or charged hereunder and any guarantor or surety for the obligations of such person and, to the extent that any of the moveable property or other chattels mortgaged or charged hereunder is now or is at any time hereafter hired, leased or rented to any other person, the rights under the hiring, leasing or rental contract and any

guarantee, indemnity or security for the performance of the obligation of such person and any other rights and benefits relating thereto;

- (f) assigns and agrees to assign in favour of the Security Trustee all present and future rights, interest, title and benefit of the Company concerned to and in the proceeds of any of the insurances now or hereafter maintained or effected by the Company concerned to the extent the same are not otherwise subject to a fixed charge hereunder;
- (g) charges in favour of the Security Trustee (subject to the provisions of Clause 8.2) all the rights, title, interest and benefit of the Company concerned to and in (i) the uncollected and unrealised Debts of the Company concerned, (ii) the collected and realised Debts of the Company concerned, (iii) the Bank Balances, (iv) the uncollected and unrealised Claims of the Company concerned and (v) the collected and realised Claims of the Company concerned;
- (h) charges in favour of the Security Trustee the uncalled capital of the Company concerned;
- (i) charges in favour of the Security Trustee the Shares and all other stocks, shares, bonds and securities of any kind whatsoever whether marketable or otherwise and all other interests (including but not limited to loan capital) of the Company concerned both present and future in every company, firm, consortium or entity wheresoever situate, including all dividends, interest and other distributions paid or payable in respect thereof and all allotments, accretions, offers rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of and/or incidental to the same and all stocks, shares, rights, money and property accruing thereto and/or offered at any time by way of conversion, redemption, bonus, preference option or otherwise in respect thereof;
- (j) charges in favour of the Security Trustee all letters patent, trademarks, designs and utility models, copyrights, design rights, applications for registration of any of the foregoing and rights to apply for them in any part of the world, inventions, confidential information, know how and rights of like nature arising in relation to the foregoing, whether registered or unregistered, now or at any time hereafter belonging to the Company

concerned and the benefit of all licences and other rights to use any of the same;

- (k) charges in favour of the Security Trustee all goodwill (including all brand names not otherwise subject to a fixed charge or assignment by or pursuant to this Trust Debenure) now or at any time hereafter belonging to the Company concerned;
- (l) charges, assigns and agrees to assign to the Security Trustee all of its rights, title, interest and benefit under or in respect of the Hedging Agreement; and
- (m) charges in favour of the Security Trustee the whole of the Company concerned's undertaking, property, assets and rights whatsoever and wheresoever both present and future other than any assets for the time being effectively charged to the Security Trustee by way of fixed charge or effectively assigned (whether at law or in equity) to the Security Trustee or otherwise subject to an effective fixed security in favour of the Security Trustee including without limitation heritable property and all other property and assets in Scotland.

3.2 The mortgages and charges hereby created shall:

- (a) as regards the Fixed Charge Property, be first fixed mortgages and charges; and
- (b) as regards the Floating Charge Property, be a first floating charge;

save that in respect of the Haverhill Premises the security hereby created shall rank next after the security created by the Properties (UK) First Charge.

3.3 On final payment and discharge of the Secured Obligations the Security Trustee will at the request and cost of the Companies release, surrender, re-convey or re-assign (as the case may be) to the Companies the property and assets mortgaged, charged and assigned by or pursuant to Clause 3.1.

4. CRYSTALLISATION OF FLOATING CHARGE

- 4.1 The Security Trustee may at any time following the occurrence of an Event of Default by notice in writing to the company concerned convert the floating charge created by a company pursuant to Clause 3.1(m) with immediate effect into a fixed charge as regards any property or assets specified in the notice
- 4.2 Notwithstanding Clause 4.1 and without prejudice to any rule of law which may have a similar effect, the floating charge created by a Company pursuant to Clause 3.1(m) shall automatically be converted with immediate effect into a fixed charge as regards all the assets subject to the floating charge in question and without notice from the Security Trustee to the Company concerned on:
- (a) the presentation of a petition for the compulsory winding-up of the Company concerned;
 - (b) the convening of a meeting for the passing of a resolution for the voluntary winding-up of the Company concerned;
 - (c) on the presentation of a petition for the making of an administration order in relation to any Company; or
 - (d) the creation or attempted creation by the Company concerned of any security over all or any part of the Floating Charge Property without the prior consent in writing of the Security Trustee or the levying or attempted levying by any person of any distress, execution, sequestration or other process against any of the Floating Charge Property.

5. PERFECTION OF SECURITY AND FURTHER ASSURANCES

- 5.1 Adare Printing Group (UK) Limited shall deliver a notice to each Hedging Counterparty in the form of Part I of the Fourth Schedule and shall procure that an acknowledgment in the form of Part II of the Fourth Schedule is forthwith delivered by each such Hedging Counterparty to the Security Trustee.
- 5.2 Each Company shall execute such notices as the Security Trustee shall require of the security created under Clause 3.1. Each such notice shall be in the form approved by the Security Trustee and shall be addressed to person or persons as the Security

Trustee shall determine (following the receipt by the Security Trustee of such information from the Companies as the Security Trustee may require in relation to the property and assets of the Companies subject to the security) and the Security Trustee may at any time deliver such notices to the addressees thereof.

- 5.3 Each Company shall promptly notify the Security Trustee of any proposal or contract for the acquisition by, or conveyance, grant, lease, transfer or other disposition to it or any nominee on its behalf of any freehold or leasehold or other immovable property and, on demand made to the Company concerned by the Security Trustee and at the cost of the Company concerned, execute and deliver to the Security Trustee a legal mortgage or legal charge supplemental to this Trust Debenture in favour of the Security Trustee of any freehold, leasehold or other immovable properties which become vested in it after the date hereof and all fixtures and fittings (including trade fixtures and fittings) therein to secure the payment or discharge of the Secured Obligations in such form as the Security Trustee may require provided that the Company concerned shall not be required when granting such additional security to enter into covenants and/or obligations more onerous than those contained herein unless the same are required for the effective creation or enforcement of such additional security or for the protection of the Security Trustee. In the case of any leasehold property in relation to which the consent of the landlord in whom the reversion of that lease is vested is required in order for a Company to perform any of the foregoing obligations, such Company shall not be required to perform that particular obligation unless and until it has obtained the landlord's consent (which it shall use its reasonable endeavours to do).
- 5.4 In the case of any freehold, leasehold or other immovable property acquired by any Company or any nominee after the execution of this Trust Debenture forming part of the Charged Property title to which (either before or after the acquisition thereof) is registered under the Land Registration Acts 1925 to 1988, the Company concerned shall promptly notify the Security Trustee of the title number(s) and contemporaneously with the making of an application to H.M. Land Registry for the registration of the Company concerned or its nominee (as the case may be) as the Registered Proprietor thereof apply to H.M. Chief Land Registrar substantively to register this Trust Debenture on the Charges Register of such property.
- 5.5 Each Company hereby applies to H.M. Chief Land Registrar to enter the following restrictions in the Proprietorship Register of the freehold, leasehold or other immovable property owned by such Company title to which is registered under the Land Registration Acts 1925 to 1988:

"Except under an Order of the Registrar no transfer, disposition, dealing, charge or mortgage by the proprietor of the land or any transfer made in the exercise of the power of sale possessed by the holder of any subsequent charge is to be registered or noted without the consent of the proprietor for the time being of Charge No []."

- 5.6 The Beneficiaries are under an obligation to make further advances and application is made to H.M. Chief Land Registrar for a note to be entered on the register of each freehold/leasehold property owned by any Company the title to which is registered under the Land Registration Acts 1925-88 to that effect.
- 5.7 Each Company shall, if so requested by the Security Trustee, deposit with the Security Trustee and permit the Security Trustee during the continuance of the security created hereby to hold and retain the following:
- (a) all deeds and documents of title relating to all freehold and leasehold property from time to time belonging to the Company concerned (and the insurance policies relating thereto);
 - (b) all certificates or other documents representing or evidencing ownership of the Shares together with duly executed and stamped stock transfer forms in blank; and
 - (c) all such documents relating to the Fixed Charged Property as the Security Trustee may from time to time require for the purpose of perfecting and protecting the security herein.
- 5.8 In addition to and without prejudice to anything else herein contained, each Company shall at any time, at the request of the Security Trustee but at the cost of the Companies, promptly sign, seal, execute, deliver and do all such deeds, instruments, acts and things in such form as the Security Trustee may require for perfecting or protecting the security intended to be constituted by or pursuant to this Trust Debenture or for facilitating the realisation thereof or the exercise of any and all powers, authorities and discretions intended to be vested in the Security Trustee, any Beneficiary or any Receiver by or pursuant to this Trust Debenture.
- 5.9 Without limiting the generality of Clause 5.8, the Companies jointly and severally agree to procure that:

- (a) any plant, machinery, equipment, goods and chattels acquired by the Company and having a book or market value of £250,000 or more (the "New Chattels") shall be notified to the Security Trustee no later than 30 days after the date of such acquisition, such notification shall include full particulars of the New Chattels sufficient in the opinion of the Security Trustee to allow them to be readily identified and specify in relation to each New Chattel to which of the Companies the New Chattel belongs; and
- (b) if required to do so by the Security Trustee, the Companies to which those New Chattels belong at their own cost execute and deliver to the Security Trustee a chattel mortgage on such New Chattel or New Chattels to secure payment or discharge of the Secured Obligations in such form as the Security Trustee may require, such chattel mortgage to be delivered to the Security Trustee no more than 30 days after the relevant Companies are required to execute and deliver the same.

5.10 The obligations of the Companies under this Clause 5 shall be in addition to and not in substitution for the covenants for further assurance deemed to be included in this Trust Debenture by virtue of Section 76(1)(c) of the Act.

6. **NEGATIVE PLEDGE**

6.1 Each Company hereby undertakes that at no time during the subsistence of the security created by this Trust Debenture shall it, otherwise than (a) as permitted by or pursuant to the Facilities Agreement, (b) with the Security Trustee's prior written consent or (c) in the Security Trustee's favour (as agent and trustee for the Beneficiaries):

- (a) create or attempt to create or permit to arise or subsist any security on or over the Charged Property or any part thereof; or
- (b) sell, transfer, lend, lease, license or otherwise dispose of the Charged Property or any part thereof or attempt or agree to do so whether by means of one or a number of transactions related or not and whether at one time or over a period of time save that the Floating Charge Property

may be sold on an arm's length basis at market value in the ordinary course of the Company's trading as now conducted.

- 6.2 None of the foregoing prohibitions in this Clause 6 shall be construed as limiting any powers exercisable by any Receiver appointed by the Security Trustee under or pursuant to this Trust Debenture.

7. EXERCISE OF RIGHTS IN RESPECT OF SHARES

- 7.1 Subject to Clause 7.2 and 7.3, all voting rights and rights of the Company concerned in respect of bonus or rights issues shall:

- (a) with respect to any Shares charged by or pursuant to this Trust Debenture and registered in the name of the Security Trustee or its nominee(s), be exercised as the Company concerned may from time to time in writing reasonably direct ; and
- (b) with respect to any Shares charged by or pursuant to this Trust Debenture and registered in the name of the Company concerned or its nominee(s), be exercised by the Company concerned.

Provided in each case that such direction or exercise by the Company concerned does not in the opinion of the Security Trustee adversely affect the Shares which are the subject of fixed security pursuant to Clause 3.1(i) and is not otherwise inconsistent with this Trust Debenture.

- 7.2 With respect to the Company concerned's rights and powers relating to any of the Shares:

- (a) the Company concerned shall not exercise such rights or powers in any manner which in the opinion of the Security Trustee is inconsistent with the security intended to be conferred on the Security Trustee by or pursuant to this Trust Debenture;
- (b) the Security Trustee and its nominee(s) shall be entitled at all times to exercise all such rights and powers for the purpose of preserving the value of the security intended to be conferred on the Security Trustee by or pursuant to this Trust Debenture or of realising such security; and

- (c) after the occurrence of an Event of Default (and without any consent or authority on the part of the Company concerned) the Security Trustee and its nominee(s) may at the Security Trustee's discretion (in the name of the Company concerned or otherwise) exercise or cause to be exercised in respect of any of the Shares any voting rights or rights to receive dividends, interest, principal or other payments of money, as the case may be, forming part of the Shares and all other powers and rights conferred or exercisable by the owner, bearer or holder thereof.

7.3 Each Company hereby covenants and agrees with the Security Trustee that:

- (a) it will at all times before the Security Trustee or any nominee of the Security Trustee becomes registered owner or acquires legal title to any of the Shares subject to a charge hereunder exercise all and any rights and powers with respect to such Shares in a manner which will not prejudice the security hereby constituted in respect thereof and as directed by the Security Trustee for the purpose of preserving the value of the security intended to be conferred on the Security Trustee by or pursuant to this Trust Debenture or of realising such security; and
- (b) it will not, without the prior written consent of the Security Trustee, make any changes to the Articles of Association of the company in which the Shares are held (save as requested by the Security Trustee pursuant to Clause 7.4) in respect of the registration of transfers of shares or pre-emption rights.

7.4 If requested by the Security Trustee, the Company shall procure that the Articles of Association of the Companies (or any of them) are altered in a manner satisfactory to the Security Trustee so as to permit the transfer of the Shares to the Security Trustee or its nominee pursuant to this Trust Debenture and by the Security Trustee or its nominee to any person following the exercise of its rights under this Trust Debenture without requiring the consent of the directors of the relevant Company or Companies or any other condition to be obtained or met.

8. COLLECTION OF DEBTS AND RELATED MATTERS

8.1 Each Company shall at all times during the subsistence of the security constituted by this Trust Debenture get in and realise its Debts and Claims in the ordinary course of

its business and trading activities and shall pay the proceeds of such Debts and Claims into its account with the Security Trustee or any other Beneficiary (or into such account as the Security Trustee may stipulate whether or not being an account with the Security Trustee or any other Beneficiary or in the name of the Company) (and so that for this purpose the realisation of Debts and Claims by means of block discounting, factoring or the like shall not be regarded as dealing in the ordinary course of the Company concerned's business) and the Company concerned shall not without the prior consent in writing of the Security Trustee sell, factor, discount or otherwise charge or assign the Debts or Claims in favour of any other person or purport to do so and the Company concerned shall if called upon to do so by the Security Trustee from time to time execute legal assignments of the Debts and Claims to the Security Trustee or any other Beneficiary in forms approved by the Security Trustee.

- 8.2 Prior to the security hereby created becoming enforceable, in the absence of any written directions to the contrary from the Security Trustee, any moneys in respect of the Debts and Claims received by the Company concerned and paid into any account in accordance with the requirements of Clause 8.1 hereof shall upon being paid into such account be released from the fixed charge created by Clause 3.1(g) hereof and shall become subject to the floating charge created by Clause 3.1(m). Such release from the fixed charge shall not affect and shall be entirely without prejudice to the continuance of the said fixed charge on all other Debts or Claims of the Company concerned outstanding from time to time and on all moneys which the Company concerned receives in respect thereof.

9. REPRESENTATIONS

- 9.1 Each Company hereby represents and warrants to the Security Trustee that:
- (a) it is, and will at all times during the subsistence of the security constituted by this Trust Debenture be, the sole, lawful and beneficial owner of all of the Charged Property charged or, as the case may be, assigned, by it hereunder free from any security (other than the security created by or pursuant to this Trust Debenture or the security permitted pursuant to Clause 6.1);
 - (b) except in accordance with the provisions of the Facilities Agreement and of this Trust Debenture or as otherwise agreed in writing by the Security

Trustee, it has not sold or granted any rights of pre-emption over or agreed to sell or grant any right of pre-emption over or granted or agreed to grant any lease or tenancy of or otherwise disposed of or agreed to dispose of the benefit of all or any of its right, title and interest in and to all or any part of the Charged Property;

- (c) it has obtained, and will at all times during the subsistence of the security constituted by this Trust Debenture obtain, all consents necessary to ensure that no other party to any agreement or arrangement entered into by it becomes entitled to terminate such agreement or arrangement as a consequence of the Company entering into this Trust Debenture;
- (d) nothing has been done on or in relation to any of the freehold, leasehold or other immovable property mortgaged or charged hereby which constitutes a "development" within the meaning of the Planning Acts, without any requisite permission having been obtained and no situation exists in relation to any of the freehold, leasehold or other immovable property secured hereby in respect of which a warning notice or an enforcement notice has been or may be made;
- (e) it is in compliance with all Environmental Laws and it has obtained, and will at all times during the subsistence of the security constituted by this Trust Debenture obtain, and is in compliance with, all Environmental Permits;
- (f) there are no circumstances relating to any of the Charged Property which have led, or could lead, to a competent authority or a third party taking any action or making a claim under any Environmental Laws including the requirement to clean up any contaminated land or the revocation, suspension, variation or non-renewal of any Environmental Permits or to it having to take action to avert the possibility of any such action or claim where such action or claim could have an adverse effect on the value of any of the Charged Property or on the ability of it to conduct any of its business or to perform its obligations under this Trust Debenture;
- (g) Screen Print Limited and each company listed in the Third Schedule to this Trust Debenture is dormant and shall remain so, does not trade and has no assets and shall not trade or acquire assets without the prior written consent of the Security Trustee; and

- (h) the properties listed in the Second Schedule and in the second schedule to the Irish Trust Debenture constitute all of the real property in which Adare and its subsidiaries have an interest.

10. COVENANTS

10.1 Each Company hereby covenants with the Security Trustee and the other Beneficiaries that during the continuance of the security created hereby it shall:

- (a) conduct and carry on its business in a proper and efficient manner and not make any substantial alteration in the nature of or mode of conduct of that business and keep or cause to be kept proper books of account relating to such business and shall keep the said books of account and all other documents relating to its affairs at its registered office or other place or places where the same ought to be kept and punctually pay, as the same become due, all debts and liabilities which by virtue of the provisions of any law relating to liquidation, bankruptcy, insolvency or creditors' rights generally would have priority to all or any part of the security created by or pursuant to this Trust Debenture;
- (b) without prejudice to the provisions of sub-clause 10.1(a) above, ensure that all liabilities which if unpaid would or might on a liquidation or receivership of the Companies or otherwise have priority over the security by way of floating charge hereby created shall be paid and discharged when the same must be paid;
- (c) perform and observe the covenants and conditions contained or comprised in any agreement from time to time made between any of its debtors and the Company itself;
- (d) at its own expense insure and keep insured in its name with the name of the Security Trustee noted thereon and is specified as loss payee, all its assets of an insurable nature with insurers previously approved of in writing by the Security Trustee against loss or damage by fire, civil commotion, explosion, aircraft, flood, storm, tempest, lightning, burst pipes, electrical faults and such other risks and contingencies as the Security Trustee shall from time to time request to the full replacement value thereof from time to time,

including, without limitation, architects', surveyors', engineers' and all other professional fees and charges; maintain such other insurance policies (with the interest of the Security Trustee and the other Beneficiaries noted therein) containing like provisions for the protection of the Security Trustee as are normally maintained by prudent companies carrying on similar businesses; duly and punctually pay all premia and other moneys necessary for effecting and keeping up such insurances and on demand produce to the Security Trustee the policies of such insurance and proof of such payments; all moneys to be received by virtue of any insurance maintained or effected by it (whether or not in pursuance of its obligations hereunder) shall (save as hereinafter otherwise provided) be paid to the Security Trustee (or if not paid by the insurers directly to the Security Trustee held in trust for the Security Trustee and shall, at the option of the Security Trustee, be applied in replacing, restoring or reinstating the property or assets destroyed, damaged or lost (any deficiency being made good by the Companies) or in reduction of the Secured Obligations; furnish promptly copies of all such insurance policies to the Security Trustee with the interest of the Security Trustee and the other Beneficiaries noted therein;

- (e) observe and perform all covenants and stipulations from time to time affecting its freehold or leasehold property or the mode of user or enjoyment of the same and not without the prior consent in writing of the Security Trustee enter into any onerous or restrictive obligations affecting any such property or create or permit to arise any overriding interest or any easement or right whatsoever in or on such property which might adversely affect the value thereof or do or suffer to be done on any such property anything which is a "development" as defined in the Planning Acts as from time to time amended otherwise than in accordance with the provisions of those Acts nor do or suffer or omit to be done any act, matter or thing whereby any provision of any Act of Parliament, order or regulation from time to time in force affecting any such property is infringed;
- (f) keep all buildings, structures, fixtures and fittings (including trade fixtures and fittings), plant, and, to the extent reasonably appropriate, machinery, in good and substantial repair and in good working order and condition (fair wear and tear excepted) and not pull down or remove or sell or otherwise dispose of any of the same without the prior consent in writing of the Security Trustee except in the ordinary course of use, repair, maintenance or improvement;

- (g) not make any structural alterations, or additions to any freehold, leasehold or other immovable property subject to the security constituted by this Trust Debenture without the prior written consent of the Security Trustee;
- (h) pay as and when the same must be paid all taxes, rates, duties, charges, assessments and outgoings whatsoever and of any description which shall be assessed, charged or imposed upon or payable in respect of any of the freehold or leasehold property hereby mortgaged or charged or any part thereof (save to the extent that payment of the same is being contested in good faith);
- (i) pay any rents reserved by the terms of any lease and (in any event) keep all of its freehold and leasehold and other immovable property in good and substantial repair and perform and observe all the covenants, agreements and stipulations on the part of it contained in any lease or leases comprised within any of the freehold or leasehold property hereby mortgaged or charged and not do or suffer to be done any act or thing whereby any such lease or leases is or are likely to become liable to forfeiture or otherwise be unilaterally determined by the landlord(s);
- (j) not (without the prior consent in writing of the Security Trustee) grant or agree to grant (whether in exercise or independently of any statutory power) any lease or tenancy of the freehold or leasehold property hereby mortgaged or charged or any material part thereof;
- (k) not (without the prior consent in writing of the Security Trustee) permit any person to become entitled to any proprietary right or interest which might affect the value to an extent which is in the opinion of the Security Trustee material of any land, fixtures or fixed plant and machinery hereby charged;
- (l) notify the Security Trustee of any notice received in relation to the freehold or leasehold property hereby mortgaged or charged which might reasonably be expected to affect the value of such property, or the Security Trustee's security therein, adversely and within thirty days after receipt by it of any application, requirement, order or notice served or given by any public or local or any other authority with respect to all the Charged Property (or any material part thereof), give written notice thereof to the Security Trustee

and also (within seven days after demand) produce the same or a copy thereof to the Security Trustee and inform the Security Trustee of the steps taken or proposed to be taken to comply with any such requirement thereby made or implicit therein;

- (m) duly and punctually perform and observe all its obligations in connection with the Charged Property under any present or future statute or any regulation, order or notice made or given thereunder;
- (n) otherwise than as permitted herein not do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice, to an extent which in the opinion of the Security Trustee is material, the value to the Security Trustee of the security hereby created;
- (o) not (without the prior consent in writing of the Security Trustee or as otherwise provided in the Facilities Agreement) redeem or purchase its own shares or form, or acquire, or dispose of any subsidiary;
- (p) furnish to the Security Trustee from time to time, and at such intervals as the Security Trustee shall from time to time require, such information regarding its and its subsidiaries' assets and liabilities as the Security Trustee may require including, without prejudice to the generality of the foregoing, details of all of its stock-in-trade from time to time, copies of all and any statements relating thereto and all of its debts from time to time together with details of the debtors and copies of all and any invoices rendered in respect of such debts and details of all debts which would, on its liquidation be paid in priority to all of its other unsecured debts;
- (q) use, operate, maintain and control each item of plant, machinery and equipment subject to a mortgage or fixed charge hereunder in a careful and proper manner and in accordance with all licences, agreements, manufacturers' recommendations (as originally drafted or as amended from time to time), statutes, laws, ordinances, and regulations relating to the use, operation, maintenance and control thereof and neither use nor knowingly permit any such items to be used for any unlawful purpose and ensure that any replacement or substitute parts are in good repair and working order and are free from any lien or other encumbrance whatsoever and are owned by it;

- (r) keep each item of plant, machinery and equipment subject to a mortgage or fixed charge hereunder at the location or locations (if any) from time to time approved in writing by the Security Trustee and not remove any such item or items from its location without the prior written consent of the Security Trustee, except for the purpose of maintenance or repair;
- (s) keep each item of plant, machinery and equipment subject to a mortgage or fixed charge hereunder in good repair and condition and working order and not do or omit to do anything which could reasonably be expected to result in any item of plant, machinery and equipment subject to a fixed charge hereunder or any part thereof being confiscated, seized, requisitioned, taken in execution, impounded or otherwise taken out of its control;
- (t) if it has not already done so, in the case of any plant, machinery and equipment subject to a mortgage or fixed charge hereunder located on leasehold premises, obtain evidence in writing from any lessor of any such premises that he waives absolutely all and any rights he may have now or at any time in the future over any of such plant, machinery and equipment;
- (u) punctually pay all calls, instalments and other payments that may become due in respect of the Shares or other stocks and securities subject to a fixed charge hereunder;
- (v) take all such steps and do all such acts as may be necessary for keeping on foot any letters patent or for maintaining the registration of any trademarks or other intellectual property subject to the security constituted by this Trust Debenture and for restoring the same if they have at any time become void and, in particular, pay all fees necessary for that purpose before the same become due and produce to the Security Trustee on demand the receipts for such fees;
- (w) use its best endeavours to protect and safeguard the letters patent, trademarks or other intellectual property subject to the security constituted by this Trust Debenture from and against theft, loss, destruction, unauthorised access, copying or use by third parties and to detect any infringement of the same and if it shall become aware of any such infringement at once give to the Security Trustee all information in its possession with regard thereto and, at the request of the Security Trustee but at its cost, commence and diligently prosecute or permit the Security

Trustee in the name of its cost to commence and prosecute all proceedings necessary to prevent such infringements or to recover damages in respect thereof and it hereby appoints the Security Trustee and the persons deriving title under it to be its attorney and attorneys in its name or otherwise and on its behalf to execute and do all deeds, acts, matters and things that may in its or their opinion be required for the purposes aforesaid or any of them;

- (x) comply with all Environmental Laws and Environmental Permits applicable from time to time to the Charged Property or any part thereof and not allow any circumstances to arise which could lead to a competent authority or a third party taking action or making a claim under any Environmental Laws including the requirement to clean up any contaminated land or the renovation, suspension, variation or non-renewal of any Environmental Permits or to it having to take action to avert the possibility of any such claim where such action or claim could have an adverse effect on the value of any of the Charged Property or on its ability to conduct any of its business or to perform its obligations under this Trust Debenture;
- (y) within seven days of the receipt of notice of the same, give full particulars (and if requested, a copy of any written particulars received by it) to the Security Trustee of any notice, order, direction, designation, resolution or proposal having application to all or any part of the Charged Property or to the area in which it is situate, given or made by any planning authority or other public body or authority whatsoever under or by virtue of planning legislation or Environmental Laws or any other statutory power whatsoever or in pursuance of the powers conferred by any other statute whatsoever; and if so required by the Security Trustee, without delay and at its cost, take all reasonable or necessary steps to comply with any such notice or order and at the request of the Security Trustee, without delay and at its cost make or join with the Security Trustee in making such objections or representations against or in respect of any proposal for such notice or order as the Security Trustee shall deem expedient; and
- (z) ensure that (unless the Security Trustee otherwise agrees in writing) any company which becomes its subsidiary and any of its dormant subsidiaries which ceases to be dormant delivers to the Security Trustee (in a form approved by the Security Trustee but in each case having provisions no more onerous than those contained in the comparable Security Documents for the time being) (a) a guarantee in respect of all of the Borrowers'

obligations to the Security Trustee and the other Beneficiaries under the Finance Documents and (b) a debenture in favour of the Security Trustee (as agent and trustee for the Beneficiaries) creating first, fixed and floating charges over its assets, each duly executed and delivered by the company or, as the case may be, the subsidiary concerned.

10.2 Adare Printing Group (UK) Limited hereby covenants with the Security Trustee and the other Beneficiaries that during the continuance of the security created hereby it shall:

- (a) not, without the prior written consent of the Security Trustee agree to or make any modification, amendment, waiver or release of any Hedging Agreement or permit any breach or default to exist in respect thereof or take or omit to take any action the taking or omission of which might result in the modification, amendment or release of any Hedging Agreement or which might in any way prejudice the rights, title and interest under any Hedging Agreement hereby assigned; and
- (b) remain liable to perform all obligations assumed by it under each Hedging Agreement and duly perform all such obligations and the Security Trustee shall be under no obligation by virtue of these presents in respect of any failure by Adare Printing Group (UK) Limited so to perform such obligations.

10.3 In the case of default by any Company in the performance of any of the foregoing covenants contained in either Clause 10.1 or 10.2 it shall be lawful for (but not obligatory upon) the Security Trustee to do whatever may in the Security Trustee's opinion be necessary to make good such default, and all sums expended by the Security Trustee in that behalf shall be added to the monies hereby secured and bear interest accordingly and the Security Trustee may effect insurances in such amounts and against such risks, as the Security Trustee shall, in its absolute discretion, decide.

11. **POWER OF SALE**

11.1 Section 103 of the Act shall not apply to this Trust Debenture. On or at any time after the occurrence of an Event of Default the Security Trustee may exercise without further notice to the Companies and without the restrictions contained in the Act and whether or not it shall have appointed a Receiver, all the powers conferred on mortgagees by the common law and the Act as varied or extended by this Trust

Debenture and all the powers and discretions hereby conferred either expressly or by reference on a Receiver.

11.2 Notwithstanding any provisions contained in this Trust Debenture, the Secured Obligations shall be deemed for the purposes of section 101 of the Act to have become due and payable within the meaning of section 101 of the Act and the power of sale and other powers conferred on mortgagees by the Act as varied or extended by this Trust Debenture shall arise immediately on execution of this Trust Debenture.

11.3 The restriction on the right of consolidating mortgage securities which is contained in section 93 of the Act shall not apply to this Trust Debenture.

12. **POWER OF LEASING**

The power of leasing conferred upon a mortgagor in possession by section 99 of the Act and the power of accepting the surrender of leases conferred upon a mortgagor in possession by section 100 of the Act and any other powers of leasing, surrendering or accepting surrenders of leases vested in any Company shall not be exercisable without the prior consent in writing of the Security Trustee nor shall any Company, without the prior consent in writing of the Security Trustee, confer on any person any contractual licence to occupy or any other right or interest in any freehold or leasehold or other immovable property hereby charged or grant any licence or consent to assign, undertake or part with possession or occupation thereof.

13. **ENTRY INTO POSSESSION AND APPOINTMENT AND POWERS OF RECEIVER**

13.1 On or at any time after the occurrence of an Event of Default, the Security Trustee may, without notice to the Companies, take possession of and hold all or any part of the Charged Property and the Security Trustee may, without first appointing a Receiver, exercise all or any of the powers conferred on mortgagees by the Act as varied or extended by this Trust Debenture and all the powers, authorities and discretions conferred by this Trust Debenture expressly or by implication on any Receiver or otherwise conferred by statute or common law on mortgagees or receivers.

- 13.2 On or at any time after the occurrence of an Event of Default or if requested by any or all of the Companies, the Security Trustee may, without notice to the Companies, in writing under its Common Seal or under the hand of any officer(s) or manager(s) or any other nominated person of the Security Trustee, appoint any person to be a Receiver or Receiver and manager of all or any part of the Charged Property and may, except as otherwise required by statute, remove any such Receiver and appoint another or others in his or their place or appoint another person or persons to act jointly with any such Receiver.
- 13.3 Such an appointment over part only of the Charged Property shall not preclude the Security Trustee from making any subsequent appointment of the same or another Receiver over any part of the Charged Property over which an appointment has not been previously made.
- 13.4 Where more than one Receiver is appointed they shall have power to act severally unless the Security Trustee shall in the appointment specify to the contrary.
- 13.5 A Receiver shall be deemed at all times and for all purposes to be the agent of the Companies in respect of which he is appointed and the Companies shall be solely responsible for his acts or defaults and for the payment of his remuneration and the Receiver shall at no time act as agent for the Security Trustee.
- 13.6 Neither the Security Trustee nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect or default of any nature whatsoever in connection with all or any part of the Charged Property to which a mortgagee in possession might as such be liable.
- 13.7 The restrictions contained in sections 109(1) and 109(6) of the Act shall not apply to this Trust Debenture.
- 13.8 A Receiver shall have all the powers conferred from time to time on receivers by statute (including, without limitation, all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (and whether or not the Receiver is an administrative receiver) and (in the event that the Receiver is an administrative receiver) all the other powers exercisable by an administrative receiver by virtue of the provisions of the Insolvency Act 1986) and in the case of the powers conferred by the Act without the restrictions contained in such Act (as amended) and, in

addition, power on behalf and at the cost of the Companies (notwithstanding liquidation of any Company) to do or omit to do anything which the Companies could do or omit to do in relation to the Charged Property or any part thereof and in particular (but without limitation) a Receiver shall have the power to do all or any of the following:

- (a) enter upon, take possession of, collect and get in all or any of the Charged Property, exercise in respect of any shares or stocks secured hereunder all voting or other powers or rights available to a registered holder thereof in such manner as he may think fit and bring, defend or discontinue any proceedings (including, without limitation, proceedings for the winding-up of any and/or all of the Companies) or submit to arbitration in the name of any and/or all of the Companies or otherwise as may seem expedient to him;
- (b) carry on, manage, develop, reconstruct, amalgamate or diversify the business of the Companies or any part thereof or concur in so doing, lease or otherwise acquire and develop or improve properties or other assets without being responsible for loss or damage;
- (c) raise or borrow any money from or incur any other liability to the Security Trustee and any other Beneficiary or others on such terms with or without security as he may think fit and so that any such security may be or include a charge on the whole or any part of the Charged Property ranking in priority to this security or otherwise;
- (d) sell by public auction or private contract, let, surrender or accept surrenders, grant licences or otherwise dispose of or deal with all or any of the Charged Property or concur in so doing in such manner for such consideration and generally on such terms and conditions as he may think fit (including, without limitation, conditions excluding or restricting the personal liability of the Receiver or the Security Trustee) with full power to convey, let, surrender, accept surrenders or otherwise transfer or deal with such Charged Property in the name and on behalf of any and/or all of the Companies or otherwise and so that the covenants and contractual obligations may be granted and assumed in the name of and so as to bind any and/or all of the Companies if he shall consider it necessary or expedient so to do; any such sale, lease or disposition may be for cash, debentures or other obligations, shares, stock, securities or other valuable

consideration and be payable immediately or by instalments spread over such period as he shall think fit and so that any consideration received or receivable shall ipso facto forthwith be and become charged with the payment of all Secured Obligations; plant, machinery and fixtures may be severed and sold separately from the premises containing them and the Receiver may apportion any rent and the performance of any obligations affecting the premises sold without the consent of the Companies;

- (e) promote, procure the formation or otherwise acquire the share capital of any body corporate with a view to such body corporate purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Charged Property or otherwise, arrange for companies to trade or cease to trade and to purchase, lease, license or otherwise acquire all or any of the Charged Property on such terms and conditions whether or not including payment by instalments secured or unsecured as he may think fit;
- (f) make any arrangement or compromise or enter into or cancel any contracts which he shall think expedient;
- (g) make and effect such repairs, renewals and improvements to the Charged Property or any part thereof as he may think fit and maintain, renew, take out or increase insurances including, without limitation, indemnity insurance;
- (h) appoint managers, agents, officers, and employees for any of such purposes or to guard or protect the Charged Property at such salaries and commissions and for such periods and on such terms as he may determine and dismiss the same,
- (i) make or require the directors of all or any of the Companies to make calls, conditionally or unconditionally, on the members of the Companies concerned in respect of uncalled capital and enforce payment of any call so made by action (in the name of the Companies concerned or the Receiver as may be thought fit) or otherwise;
- (j) without any consent by or notice to the Companies, exercise on behalf of any and/or all of the Companies all the powers and provisions conferred on a landlord or a tenant by any legislation from time to time in force

relating to rents or otherwise in respect of any part of the Charged Property but without any obligation to exercise any of such powers and without any liability in respect of powers so exercised or omitted to be exercised;

- (k) without any consent or notice by or to the Companies, exercise for and on behalf of any and/or all of the Companies and in the name of any or all of the Companies all powers and rights of the Companies relevant to and necessary to effect the registration in the Land Registry of the crystallisation of the first floating charge and/or the appointment of a Receiver hereunder;
- (l) settle, arrange, compromise and submit to arbitration any accounts, claims, questions or disputes whatsoever which may arise in connection with the business of any and/or all of the Companies or the Charged Property or any part thereof or in any way relating to the security constituted by this Trust Debenture, bring, take, defend, compromise, submit to and discontinue any actions, suits, arbitrations or proceedings whatsoever whether civil or criminal in relation to the matters aforesaid, enter into, complete, disclaim, abandon or disregard, determine or rectify all or any of the outstanding contracts or arrangements of any and/or all of the Companies in any way relating to or affecting the Charged Property or any part thereof and allow time for payment of any debts either with or without security as he shall think expedient;
- (m) redeem any prior encumbrance and settle and agree the accounts of the encumbrancer; any accounts so settled and agreed shall (subject to any manifest error) be conclusive and binding on the Company concerned and the money so paid shall be deemed an expense properly incurred by the Receiver;
- (n) generally, at his option, use the name of any and/or all of the Companies in the exercise of all or any of the powers hereby conferred;
- (o) exercise, or permit any and/or all of the Companies or any nominees of such Company or Companies to exercise, any powers or rights incidental to the ownership of the Charged Property or any part thereof in such manner as he may think fit; and

- (p) sign any document, execute any deed and do all such other acts and things as may be considered by him to be incidental or conducive to any of the matters or powers aforesaid or to the realisation of the Security Trustee's security and use the name of any and/or all of the Companies for all the above purposes.

- 13.9 A Receiver shall be entitled to remuneration at a rate to be fixed by agreement between him and the Security Trustee (or, failing such agreement, to be fixed by the Security Trustee).

14. DELEGATION OF POWERS OF THE SECURITY TRUSTEE

The Security Trustee may, at any time and from time to time, delegate by power of attorney or in any other manner (including, without limitation, under the hand of any officer of the Security Trustee) to any person or persons or company or fluctuating body of persons all or any of the powers, authorities and discretions which are, for the time being, exercisable by the Security Trustee under this Trust Debenture or under the Act in relation to the Charged Property or any part thereof and any such delegation may be made upon such terms and conditions (including power to sub-delegate) and subject to such regulations as the Security Trustee may think fit, and the Security Trustee shall not be in any way liable or responsible to any Company for any loss or damage arising from any act, default, omission, or misconduct on the part of any such delegate (or sub-delegate).

15. LIABILITY OF THE SECURITY TRUSTEE IN POSSESSION

- 15.1 If the Security Trustee or any Receiver appointed by the Security Trustee or in any such delegate (or sub-delegate) as aforesaid shall enter into possession of the Charged Property or any part thereof, the Security Trustee may, from time to time at pleasure, go out of such possession.
- 15.2 The Security Trustee shall not, in any circumstances either by reason of any entry by it into, or taking by it of possession of, the Charged Property or any part thereof or for any other reason whatsoever and whether as mortgagee in possession or on any other basis whatsoever, be liable to account to any Company for anything except the Security Trustee's own actual receipts or be liable to any Company for any loss or damage arising from any realisation by the Security Trustee of the Charged Property

or any part thereof or from any act, default or omission of the Security Trustee in relation to the Charged Property or any part thereof or from any exercise or non-exercise by the Security Trustee of any power, authority or discretion conferred upon it in relation to the Charged Property or any part thereof by or pursuant to this Trust Debenture or by the Act unless such loss or damage shall be caused by the Security Trustee's own fraud or gross negligence.

- 15.3 All the provisions of Clause 15.2 shall apply in respect of the liability of any Receiver of the Charged Property or any part thereof and in respect of the liability of any such delegate (or sub delegate) as aforesaid in all respects as though every reference in Clause 15.2 to the Security Trustee were instead a reference to such Receiver or (as the case may be) to such delegate (or sub-delegate) save in respect of wilful default or gross negligence on the part of the Security Trustee.

16. APPLICATION OF MONIES

- 16.1 All monies arising from the exercise of the powers of enforcement of the security constituted by or pursuant to this Trust Debenture shall be applied, after the discharge of all sums, obligations and liabilities having priority thereto, in the following manner and order:
- (i) in or towards payment of all costs, charges and expenses of and incidental to the appointment of any Receiver hereunder and his remuneration;
 - (ii) in payment and discharge of any liabilities incurred or payable by the Receiver whether on his own account or on behalf of any and/or all of the Companies in the exercise of any of the powers of the Receiver including the costs of realisation of that part of the Charged Property in respect of which he was appointed;
 - (iii) in payment and discharge of any liabilities incurred or payable by the Security Trustee under Clause 10.3 and interest thereon;
 - (iv) in or towards payment of all such costs, charges, losses expenses and other sums as are mentioned in Clause 27 and interest thereon;
 - (v) in or towards payment or discharge of the Secured Obligations in the manner provided for under Clause 34.27 of the Facilities Agreement (save that the Security Trustee may credit the same to a suspense account for so

long and in such manner as the Security Trustee may from time to time determine and the Receiver may retain the same for such period as he and the Security Trustee consider expedient); and

(vi) in payment of any surplus to the Companies or other persons entitled thereto.

16.2 All monies from time to time received by the Security Trustee from any Company or any person or persons or company liable to pay the same or from any Receiver or otherwise on the realisation or enforcement of the security created hereunder may be applied by the Security Trustee either as a whole or in such proportions as the Security Trustee shall think fit to any account or item of account or any transaction to which the same may be applicable.

16.3 The provisions of Clause 16.1 shall take effect as and by way of variation to the provisions of section 109(8) of the Act which provisions as so varied and extended shall be deemed incorporated herein as if they related to a receiver of the Charged Property and not merely a receiver of the income thereof.

17. **PROTECTION OF PURCHASERS**

No purchaser, mortgagor, mortgagee or other person or company dealing with a Receiver or the Security Trustee shall be concerned to enquire whether any Event of Default has occurred or whether any power exercised or purported to be exercised by him or it has become exercisable or whether any money is due on the security hereof or as to the propriety or regularity of any sale by or other dealing with such Receiver or the Security Trustee but any such sale or dealing shall be deemed to be within the powers hereby conferred and to be valid and effectual accordingly and all the protection to purchasers contained in sections 104 and 107 of the Act shall apply to any person purchasing or dealing with a Receiver or the Security Trustee.

18. **POWER OF ATTORNEY**

Each Company hereby by way of security for the performance of its obligations under this Trust Debenture irrevocably appoints the Security Trustee, each and every person to whom the Security Trustee may from time to time shall have delegated the exercise of the power of attorney conferred by this Clause 18 and any

Receiver and each of them jointly and also severally to be its attorney (with full powers of substitution and delegation) and in its name or otherwise and on its behalf and as its act and deed to sign, seal, execute, deliver, perfect and do all deeds, instruments, acts and things which it may or ought to do under the covenants and provisions contained in this Trust Debenture and generally in its name and on its behalf to exercise all or any of the powers, authorities and discretions conferred by or pursuant to this Trust Debenture or by or any statute or common law on the Security Trustee or any Receiver or which may be required or which the Security Trustee or any Receiver shall deem fit for carrying any sale or lease, charge, mortgage or dealing by the Security Trustee or by any Receiver into effect or for giving to the Security Trustee or any Receiver the full benefit of these presents and generally to use its name in the exercise of all or any of the powers, authorities or discretions conferred on the Security Trustee or any Receiver and it hereby ratifies and confirms and agrees to ratify and confirm whatsoever any such attorney shall do or purport to do by virtue of this Clause 16 and all money expended by any such attorney shall be deemed to be expenses incurred by the Security Trustee hereunder.

19. **CONTINUING SECURITY**

The security constituted by or pursuant to this Trust Debenture shall be a continuing security for the Secured Obligations and shall not be considered as satisfied or discharged by any intermediate payment or settlement of the whole or any part of the Secured Obligations but shall constitute and be a continuing security for the Secured Obligations notwithstanding any settlement of account or other matter whatsoever and is in addition to and shall not merge with or otherwise prejudice or affect any contractual or other right or remedy or any guarantee, lien, pledge, bill, note, mortgage or other security (whether created by the deposit of documents or otherwise) now or hereafter held by or available to the Security Trustee for or in respect of the Secured Obligations or any other obligations whatsoever and shall not be in any way prejudiced or affected thereby or by the invalidity thereof or by the Security Trustee now or hereafter dealing with, exchanging, releasing, varying or abstaining from perfecting or enforcing any of the same or any rights which it may now or hereafter have or giving time for payment or indulgence or compounding with any other person liable.

20. **AVOIDANCE OF PAYMENTS**

No assurance, security or payment which may be avoided or adjusted under any applicable law, and no release, settlement or discharge given or made by the Security Trustee or any Receiver on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Security Trustee or any Receiver to recover from all or any the Companies (including any moneys which it may be compelled by due process of law to refund pursuant to the provisions of any law relating to liquidation, administration, bankruptcy, insolvency or creditors' rights generally and any costs payable by it to or otherwise incurred in connection with such process) or to enforce the security created by or pursuant to this Trust Debenture to the full extent of the Secured Obligations.

21. **SET-OFF**

Without prejudice to any right of set-off or any similar right to which each Beneficiary may be entitled at law or in equity or by agreement between the parties and, without prejudice to anything else herein contained, each Beneficiary may at any time following the occurrence of an Event of Default without notice to or further authorisation from any Company combine and consolidate all or any accounts of any and/or all of the Companies with such Beneficiary anywhere and/or set off any moneys whatsoever and whether on current, deposit or any other account and in whatever currency or currencies against any moneys or liabilities whatsoever in whatever currency which may be due, owing or incurred by any and/or all of the Companies to such Beneficiary whether actually or contingently and whether or not any period of any deposit or by reference to which interest therein is calculated has expired and any conversion from one currency to another for the purpose of any of the foregoing shall be made at the Beneficiary's then prevailing spot selling rate at its office by which such conversion is made.

22. **SUBSEQUENT CHARGES AND NEW ACCOUNTS**

If a Beneficiary shall at any time receive or be deemed to have received notice of any subsequent mortgage or charge affecting the Charged Property or any part thereof or any assignment or transfer thereof which is prohibited by the terms of this Trust Debenture:

- (i) that Beneficiary may open a new account or accounts for the Company concerned in its books; and
- (ii) if that Beneficiary does not in fact open such new account, then unless it gives express written notice to the Company concerned to the contrary, such Beneficiary shall be treated as if it had in fact opened such account or accounts at the time when it received or was deemed to have received such notice,

and as from such time and when such express written notice shall be given to the Company concerned, all payments by or on behalf of the Company concerned to such Beneficiary shall be credited or treated as having been credited to such new account or accounts and not as having been applied in reduction of the Secured Obligations at such time.

23 SEVERABILITY

If at any time any one or more of the provisions hereof is or becomes invalid, illegal or unenforceable in any respect under any law or regulation, such illegality, invalidity or unenforceability shall not affect the legality, validity or enforceability of the remaining provisions or the effectiveness of any of the remaining security constituted by this Trust Debenture under such law.

24. ASSIGNMENT

24.1 This Trust Debenture shall be binding upon and inure to the benefit of each of the parties and their respective successors and permitted assigns and references in this Trust Debenture to any of them shall be construed accordingly.

24.2 Except with the prior written consent of the Security Trustee, the Company may not assign or transfer all or any of its rights, benefits or obligations under this Trust Debenture. The Security Trustee may not assign all or any part of its rights, benefits or obligations under this Trust Debenture other than to any of its subsidiaries or, with the prior written consent of Adare (such consent not to be unreasonably withheld), any bank licensed and/or authorised by the Central Bank of Ireland or by the Bank of England.

24.3 The Security Trustee may assign or transfer all or any part of its rights, benefits or obligations under this Trust Debenture or any part thereof to any new or replacement trustee or trustees acting as Security Trustee properly substituted in accordance with the terms of the Facilities Agreement. Where the Security Trustee assigns or transfers its rights, benefits or obligations or any part thereof, each Company shall execute such documents as the Security Trustee may specify to release the Security Trustee to the extent of the assignment or transfer or with a view to perfecting such assignment or transfer, or where necessary, shall execute further security documentation in favour of the assignee or transferee in like form to this Trust Debenture.

24.4 The Security Trustee may disclose to a potential assignee or to any person who may otherwise enter into contractual relations with the Security Trustee in relation to this Trust Debenture such information about any and/or all of the Companies and this Trust Debenture as the Security Trustee considers appropriate.

25. **CERTIFICATE OF THE AGENT CONCLUSIVE**

A certificate signed by an officer of the Agent as to the amount at any time hereby secured or as to any applicable rate of interest shall, as against the Companies, be conclusive evidence as to the amount thereof.

26. **NO WAIVERS, REMEDIES CUMULATIVE**

Time shall be of the essence with respect to the obligations of the Companies under this Trust Debenture but no failure to exercise, nor any delay in exercising on the part of the Security Trustee, any right or remedy under this Trust Debenture or any other document will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies provided by this Trust Debenture are cumulative and not exclusive of any rights or remedies provided by law and may be exercised as often as the Security Trustee thinks appropriate.

27 **COSTS AND EXPENSES**

27.1 All costs and expenses (including any tax liability and any legal costs and, in each case, value added tax or any similar tax charged or chargeable in respect thereof) incurred by the Security Trustee or, as the case may be, any Receiver:

- (i) in the negotiation, preparation and execution of this Trust Debenture and the completion of the transactions contemplated herein;
- (ii) in the exercise of any of the rights, remedies and powers conferred on the Security Trustee or, as the case may be, any Receiver, by this Trust Debenture or in the perfection or enforcement of any other security for or guarantee in respect of the Secured Obligations or in connection with any proceedings instituted by or against the Security Trustee in relation to the title to the whole or any part of the Charged Property; and
- (iii) as a consequence of or holding the security constituted by this Trust Debenture or any claims or proceedings in relation thereto or to any of the Charged Property,

shall be reimbursed by the Companies to the Security Trustee on demand on a full indemnity basis and shall carry interest from the date of such demand until so reimbursed at the date and otherwise as mentioned in Clause 2.2.

27.2 Each Company shall pay all stamp, registration and other taxes to which this Trust Debenture or any judgment in connection herewith is or at any time may be subject and shall indemnify the Security Trustee against any liabilities, costs, claims and expenses resulting from any failure to pay or delay in paying such tax.

27.3 The cost of each Company complying with any of its obligations under the Debenture (including, without limitation, its obligations under Clause 5) shall be borne by each Company.

28. **PAYMENTS**

The provisions of the Facilities Agreement relating to the payments to be made thereunder (including, without limitation, Clause 23 thereof which regulates what is to happen if a Borrower is required by law to make a deduction or withholding from

any such payment) shall apply mutatis mutandis to payments to be made hereunder as if references therein to "Borrower" and "Borrowers" were to "Company" and "Companies".

29. **NOTICES**

- 29.1 Any notice or other communication to be given under or for the purposes of this Trust Debenture shall be in writing and shall be treated as properly served or given if hand delivered or sent by registered post or facsimile to the relevant person at the address or facsimile number identified below (or such other address or facsimile number as that person may have designated in writing from time to time to the person giving the notice):

Bank	Address:	Bankcentre Ballsbridge Dublin 4
	Facsimile No:	260-1783
	Attention:	AIB Corporate Banking Catherine Moroney Donnchadh O Madagain Bernard Carroll
Company	Address:	Huguenot House 35/38 St. Stephen's Green Dublin 2
	Facsimile No:	661-3968
	Attention:	B.N. Loane P.E. Lynch J. Coll

- 29.2 Any notice or other communication shall be deemed to have been received by the recipient:

- (i) in the case of a letter which is hand delivered, when actually delivered and, in the case of a letter which is sent by registered post, on the second day after posting (or on actual receipt, if earlier); or

- (ii) in the case of transmission by facsimile, at the time of transmission provided that any communication or document to be made or delivered to the Security Trustee shall be effective only when received by the Security Trustee and then only if the same is expressly marked for the attention of the officer referred to above (or such other officer as the Security Trustee may from time to time specify for this purpose).

29.3 Each person making a communication under this Trust Debenture by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant hereto but the absence of such confirmation shall not affect the validity of any such communication.

30. CURRENCY JUDGMENT

30.1 If any sum due from any or all of the Companies under this Trust Debenture or any order or judgment given or made in relation thereto has to be converted from the currency (the "first currency") in which the same is payable thereunder or under such order or judgment into another currency (the "second currency") for the purpose of:

- (i) making or filing a claim or proof against any or all of the Companies; or
- (ii) obtaining an order of judgment in any court or other tribunal; or
- (iii) enforcing any such order or judgment,

the Companies agree to indemnify and hold harmless the Security Trustee from and against any loss suffered as a result of any discrepancy between:

- (a) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency; and
- (b) the rate or rates of exchange at which the Security Trustee is able to purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

- 30.2 The rate or rates of exchange aforesaid shall be determined by the Security Trustee in accordance with applicable market practice and the Security Trustee's certificate as to the amount of any such rate shall be conclusive, save in the case of manifest error.

31. **COUNTERPARTS**

This Trust Debenture may be executed in any number of counterparts and by the different parties to this Trust Debenture on separate counterparts, each of which, when executed and delivered, shall constitute an original, but all the counterparts shall together constitute but one and the same instrument.

32. **GOVERNING LAW**

This Trust Debenture shall be governed by and construed in accordance with the laws of England.

The perpetuity period under the rule against perpetuities if applicable to this Trust Debenture shall be the period of 80 years from the date of this Trust Debenture.

IN WITNESS whereof this Trust Debenture has been signed as a deed and delivered the day and year first above written.

THE FIRST SCHEDULE

(Details of Companies)

Name	Registration No.
Adare Printing Group (UK) Limited	2387953
Kenley Press Limited	778663
Darley Business Forms Limited	405648
Quorum Technical Services Limited	1720724
WBF Limited	2814431
William Caple & Company Limited	501084
Label Converters Limited	1203292
Adare Properties (UK) Limited	2931068
Great Northern Envelope Company Limited	2212509
Alexander Pettigrew Limited	2917499
Park Mill Business Forms Limited	3014889
Pillings Printing Group Limited	120184

THE SECOND SCHEDULE

(Details of Properties)

Part I

Unregistered Land

Estate Owner	Short Description
1. WBF Limited (formerly Park Mill Business Forms Limited) No. 2814431	Leasehold property known as land and buildings at Wakefield Road, Clayton West, Huddersfield comprised in a Lease dated 23rd July 1993 made between (1) John Waddington Properties Limited and (2) Park Mill Business Forms Limited
2. Quorum Technical Services Limited No. 1720724	Leasehold property known as Units 1, 4, 9 and 10 Sandford Park Trading Estate, Cheltenham comprised in a Lease dated 19th April 1985 made between (1) Stonehouse Investments (Cheltenham) Limited and (2) Quorum Technical Services Limited
3. WBF Limited (formerly Park Mill Business Forms Limited) No. 2814431	Leasehold property known as 41-51 Blackburn Street, Radcliffe, Bury, Greater Manchester comprised in a Lease dated 25th March 1990 made between (1) Trustees of the London United District of the Ancient Order of Foresters Friendly Society and (2) Waddington Business Forms Limited
4. WBF Limited (formerly Park Mill Business Forms Limited) No. 2814431	Leasehold property known as Unit 8, Willow Road, Poyle comprised in a Lease dated 14th June 1989 made between (1) B Hamoud, R H Bader and others and (2) Waddington Business Forms Limited

Part II

Registered Land

Estate Owner	Short Description	Title No(s)
1. William Caple and Company Limited No. 501084	Freehold land and buildings at Morledge Street, Leicester	LT9176, LT7772, LT11652, LT19436, LT32583, LT64969, LT88969 and LT26063
2. Alexander Pettigrew Limited No. 2917499	Freehold property known as Main Street, Coatbridge, Glasgow	LAN45798 and LAN74818

3.	Adare Properties (UK) Limited No. 2931068	Freehold land and buildings at Falconer Road, Haverhill, Suffolk	SK141185
4.	Great Northern Envelope Company Limited No. 2212509	Freehold property known as Maserati House, Gelderd Road, Leeds	WYK523798
5.	Great Northern Envelope Company Limited No. 2212509	Freehold property being land and buildings on the north-west side of Ingram Road, Holbeck	WYK556729
6.	Darley Business Forms Limited No. 405648	Leasehold land and buildings on the north-west side of and fronting Wellington Road, Burton-on-Trent	SF297544
7.	Kenley Press Limited No. 778663	Leasehold property known as Unit 5, Walter Lawrence Trading Estate, Brewers Hill Road, Dunstable	BD83874
8.	Pillings Printing Company Limited	Freehold property being land and buildings on the north side of Elland Land, Elland, West Yorkshire	WYK417419

THE THIRD SCHEDULE

(Dormant Companies)

	Registration Number
Great Northern Printing Company Limited	2532394
The Re-cycled Envelope Company Limited	2488269
Great Northern Direct Mail Company Limited	2470809
Great Northern Packaging Company Limited	2363934

THE FOURTH SCHEDULE

Part I

(Form of Notice of Assignment of the Hedging Agreement)

To: [Hedging Counterparty]
From: Adare Printing Group (UK) Limited

Date:

Dear Sirs,

We hereby give you notice that we have assigned by way of security pursuant to a trust debenture entered into by us in favour of Allied Irish Banks, p.l.c. as security trustee for itself and others (the "Security Trustee") dated [] 1996 (the "Trust Debenture") all our right, title and interest in and to the Hedging Agreement (the "Agreement") to the Security Trustee.

After your receipt of a notice from the Security Trustee that its rights as assignee under the Trust Debenture have become exercisable:

- (i) all payments under or arising from the Agreement should be made to the Security Trustee or to its order;
- (ii) all remedies provided for in the Agreement or available at law or in equity shall be exercisable by the Security Trustee;
- (iii) all rights to compel performance of the Agreement shall be exercisable by the Security Trustee;
- (iv) all rights, interest and benefits whatsoever accruing to or for the benefit of ourselves from the Agreement shall belong to the Security Trustee.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Trustee as Bankcentre, Ballsbridge, Dublin 4, marked for the attention of AIB Corporate Banking, Ms. Catherine Moroney/Mr. Donnchadh O'Madagáin.

Yours faithfully,

for and on behalf of
ADARE PRINTING GROUP (UK) LIMITED

PART II

(Acknowledgement)

To: Allied Irish Banks, p.l.c.

From: Hedging Counterparty

Adare Printing Group (UK) Limited

We acknowledge receipt of a Notice from Adare Printing Group (UK) Limited (the "Company") dated [] 1996 in respect of the Hedging Agreement (the "Agreement").

We confirm that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits referred to in the Notice.

In consideration of the payment to us of £1 receipt of which we hereby acknowledge, we hereby agree as follows:

1. If you issue to us a notice (a "Default Notice") that your rights under the Trust Debenture have become exercisable we shall thereafter:
 - (a) pay to you at such account as you may nominate all amounts from time to time payable by us under the Agreement;
 - (b) perform, observe and comply with all our other undertakings and obligations under the Agreement in your favour and for your behalf as if you were named as a party therein instead of the Company; and
 - (c) if you so request, enter into an agreement with you or your nominee, on the same terms (mutatis mutandis) as the Agreement.
2. If the Company is in breach of any of its obligations, express or implied, under this Agreement or if any event occurs which would permit us to terminate, cancel or surrender the Agreement we will:

- (a) immediately upon becoming aware of it, give you notice of such breach or event;
- (b) accept as adequate remedy of any such breach, performance of such obligation (by you within seven days written notice); and/or
- (c) if you so request, enter into an agreement with you on terms identical to the Agreement subject to all necessary modifications.

3. We agree that after issue by you of a Default Notice, we shall not recognise the exercise by the Company of any of its rights and powers under the Agreement unless and until requested to do so by you.

Yours faithfully,

For and on behalf of

[]

By:

Dated:

THE FIFTH SCHEDULE

(Details of Chattels)

SEE ATTACHED LIST

FROM WBF PARKMILL

(TUE) 04. 16' 96 17:12/ST. 17:12/NO. 3580176864 P 2

W.B.F. LTD

Description	Title	N.B.V. 31.3.96	- Market Value 31.3.96	Serial Number
Strobbe Photocomposing M/C	Owned	122500	115000	625 Type 400
Flexi 3	"	-	70000	018 Series 8202
Morgan 1	"	-	55000	Disposed of April
Morgan 2	"	30000	55000	Disposed of April
Muller Martini 6 colour Grapha press	"	373400	360000	99.24902
Stevens Press	"	98259	80000	2494
Giebelier Rotaflex 627	"	-	60000	3095
NDX High Speed Printer	"	81261	80000	40109
8 Series folder inserter	"	155000	180000	3194
Hunkeler web finishing system	"	71546	120000	52569/2
Muller Martini Mail-a-Form Press 963	"	186951	160000	99.2459-D140
Drant 3 962	"	84760	120000	Missing
Bielomatik Jumbo Mailer Collator 974	"	186746	220000	P67 - 387
Elmjet Ink Jet printer	"	102054	50000	No number
Flexi	"	15000	70000	092 Series 92-11-86
Drant 960	"	42701	120000	112504900/358
Giebelier 628 (43795) Type R480	"	43795	60000	Type R480 3308
Muller 959	Leased *	10220	160000	Type 2024 938-11-OB234782

*Secondary Rental

16-APR-1996 14:52 FROM GREAT NORTHERN ENVELOPES TO ADARE

P.02

GNEC 1996Charged Listing at 30 March 1996

	Description	Title	Expiry	NBV £	M.V £	Chassis No.
1	Waste Extraction system	Leased	5/98	68000	20000	R1133/4
2	W&D 328GS	Leased	3/98	108000	155000	11127
3	W&D 3901	Leased	10/97	173000	200000	8624
4	Heldeburg 102VP Speedmaster 4 col	Leased	~ 5/98	222000	300000	526592
5	RA800	Leased	2/01	539000	530000	4816
6	Whitacre 2 col press	Owned		50000	20000	92162
7	W&D 38 GS	Owned		51000	65000	8690
8	W&D 38 CS	Owned		65000	86000	8862
9	Heldeburg Speedmaster 5 col	Owned		231000	235000	521828
10	Ingram Road property	Owned		411000	250000	n/a
11	Maserati House property	Owned		487000	450000	n/a

Market Values provided by R.Croisdale/S.Dobinson

TOTAL P.02

Fax sent by : 81236 424591

ALEXANDER PETTIGREW

A4-224

16/04/96 16:48

Pg: 1

MEMORANDUM

To : Peter E Lynch

From : Mike Sanderson

Date : 16 April 1996

ALEXANDER PETTIGREW LTD

CHATTTEL LISTING

ASSET

ASSET	DATE PURC	EST LY	COST 31/03/96	TITLE	N.B.V. 31/03/96	MARKET VALUE	SERIAL / CHASSIS NUMBER
LAND & BUILDINGS (COATSBIDGE)	1994	50	250,000	OWNED	244,400	240,000	
MULLER GRAPHIA PRINTING PRESS (2 unit)	1982	10	136,792	OWNED	0	50,000	242605B481/83
MORGAN REEL TO REEL COLLATER	1984	10	78,712	OWNED	0	5,000	NONE FOUND
MULLER GRAPHIA PRINTING PRESS (3 unit)	1984	10	180,585	OWNED	0	75,000	935871A015/81
MIYAKOSHI PRINTING PRESS (2 unit)	1985	10	130,475	OWNED	0	40,000	NONE FOUND
PURUP ORIGINATION SYSTEM	1985	5	61,287	OWNED	0	2,000	0076
PURUP UPGRADE	1989	5	141,339	OWNED	0	2,000	
COLOR J PRINTING PRESS	1986	10	220,891	OWNED	4,830	20,000	5154-686
JUNIOR PRINT PRINTING PRESS	1988	10	72,943	OWNED	11,993	25,000	1172
MIYAKOSHI PRINTING PRESS (4 unit)	1988	10	262,274	OWNED	43,463	100,000	B70 MODER MBF
BAMA 3000 PACK TO PACK COLLATOR	1993	10	57,031	OWNED	39,075	25,000	M2829
TOTALS			1,594,339		88,961	584,000	

17/04/96

17:28

AIB CORPORATE BANKING

NO. 311

D09

16/04 '96 15:27

FAX 0116 253 1807

WILLIAM CAPLE

→→→ ADARE

0002

WILLIAM CAPLE & CO LTD

CHATTEL LISTING

14.4.96

ASSETS ABOVE #50000

DESCRIPTION	TITLE	COST	NBV 30.4.91	MV 30.4.91	SERIAL NUMBER
MULLER-MARTINI STITCHER	OWNED	125945	0	30000	99 08734 C148
HEIDELBERG CPC UNIT	OWNED	83157	8474	5000	318
HEIDELBERG 5 COLOUR	OWNED	518183	107955	300000	524715
HEIDELBERG 4 COLOUR	OWNED	488311	142424	240000	526394
HEIDELBERG 2 COLOUR	OWNED	305823	104404	160000	527178
HEIDELBERG 6 COLOUR	OWNED	680003	263542	400000	528133

THE LAND & BUILDINGS ARE VALUED AT 975000 WITH NBV 911708

DARLEY BUSINESS FORMS LIMITED**CHATTEL LISTING****(££50,000)**

DESCRIPTION	TITLE	NBV @31/3/96	MV @31/3/96	CHASSIS NUMBER
DRENT GAZELLE	OWNED	30,000	100,000	11256053
DRENT 2	OWNED	93,000	100,000	11256300
6 COLOUR HEIDELBERG	HP AGREEMENT PAID FOR MAR 2000	412,000	445,000	520 193

16 APR '96 16:20 LABEL CONVERTERS LTD 8440 62805

P.2

Label Converters Limited**Chattels list at 30 March 1996**

Description	Title (Owned/Lessed)	Net Book Value 30 March 1996	Market Value 30 March 1996
Mark Andy 4120 ID NO 417626107-413 508120 6225	Owned	48,712	
Mark Andy 4120 ID NO 412487107-414 508120 6149	Owned	29,562	
Mark Andy 4120 ID NO 412289107-427 508120 7113	Owned	37,597	
Mark Andy 4120 ID NO 412129107-534 508120 4976	Owned	103,541	
Mark Andy 4120 ID NO 412287107-415 508120 6567	Owned	64,116	
Kopack 10 Colour 51827026	Owned	90,761	Estimate £170k
Kopack 9 Colour 56717095	Owned	87,759	Estimate £170k
Kopack 9 Colour 711307036	Owned	134,650	Estimate £170k

17/04/96

17:29

AIB CORPORATE BANKING

NO. 311

D12

PRIMA R.R. DONNELLEY MARKETING SERVICES
R.R. DONNELLEY

04.10.1996 15:12

NO. 34 P. 1

1000000000

Marketing Services / PM&F Limited



To: PETER LYNCH

Fax No: 00 353 1661 3968

Organization: ADALC

From: ROBERT

Fax No: 01274-370748 Campus Road
01274-463303 Mailing Services

Subject: SERIAL NO's

Date: 16/4/96 Time: 4:10 PM

Number of pages including cover sheet: 1

Additional information:

THE SERIAL NUMBER OF OUR

4133 PAKK XEROX LASER PRINTER IS:

1105205003

REGARDS

ROBERT.

Donnelley House
40/42 Campus Road
Letchworth Science Park
Brockford
West Yorkshire MK7 111R
Please call
with any questions
Telephone: 01274.771111

17/04/96

17:29

AIB CORPORATE BANKING

NO.311 014

KENLEYPRESS

0502+605000

P.01

MEMORANDUM

KENLEY
PRESS LIMITED

To: Peter Lynch

Date: 16 April 1996

From: Helen Brocklasby

Re: Chassis Numbers

Heidelberg Speedmaster - 4 Colour

Machine No: HD 72 VP 516.127

**COMMERCIAL AND
INDUSTRIAL PRINTING**

Unit 5
Lawrence Way
Grays Hill
Dunstable
Bedc. 1116 1075

PILLINGS

Plant & Machinery Asset Register

7.2 4.

D'preciation Rate	Date of Acquisition	Description	Cost	Aggregate D'preciation (As at 30 Sept 1995)	NBV
-------------------	---------------------	-------------	------	---	-----

Complete for large kit items representing in total 80% of value
Description should include the asset chassis number or some means of identification

15% R.B.	Aug. 1991	1-Hunkeler Mini Mailer Line comprising B30-1-30/4 M30 Folder No. 515600/134/1.04/03 with 4 plate folds & guarding, continuous stream feeder, slitter, power operated delivery unit, Pafin Glue applicator with control unit Type MIM 800-1 Hunkeler Gluing unit 120, 527 15/3 in 2 sections each with 6 channel controller. 2 Pafin 30 Hot Melt Glue Tanks on one portable stand with 2 Model IK11 Microprocessor hotmelt distribution control units Type Fw02, 81/8 M30 Folding Unit 120, 80900240/ 900612559 with 8 plate folds with guarding	£137330.00	£76395.95	£60934.05
	June 1992	Prepping Folder for gluing & 2 Gully cut dummies	£ 547.00	261.46	285.54
	Sept. 1992	1-OM19 Multiple P850 Press Stroker Serial 120.923	£ 13850.00	6620.21	7229.79
	Aug. 1993	1-AK202 Roba 49 Hot Melt Glue Tanks	£ 5083.35	1961.54	3121.81

15% R.B.	Nov. 1989	1-Model CFF Omega binder Cutter, Sticker, Trimmer No. 530124 with 4 feeder stations 22 Knife unit, ETH6 cross carrier	£ 70000.00	£ 43599.53	£ 26400.47
	Dec. 1992	Holmer Stitching Heads for flat or loop stitching	£ 4240.00	1626.11	2603.89

15% R.B.	Jan. 1991	1-M30-22 Knife Unit & Cation socket	£ 7000.00	3894.06	3105.94
-------------	-----------	--	-----------	---------	---------

Sheet1

Pillings Printing Company Limited

Chattel Listing

Land & Buildings

Freehold land, warehouse, office, production Area at Elland Lane, Elland

Plant & Machinery

Komori Lithrone L52811 (ESA) 5 colour offset printing press s/n 223

Didde VIP Web 8 unit printing machine with extraction hoods etc. - s/n 471-0025

Didde VIP Web 10 unit printing machine with accessories etc. - s/n 471-0028

Hunckeler Mini Mailer c/w accessories *see attached.*~~Omegabinder Gatherer, Stitcher, trimmer c/w knife unit~~

Title	NBV	MKT Value
	30/03/96 STGE000	30/03/96 STGE000
Owned	560	650
HP	400	400
Owned	159	100
Lease	199	150
HP	56	60
Owned	24	28

15%
2.3.15%
2.3. 7.

THE COMPANIES

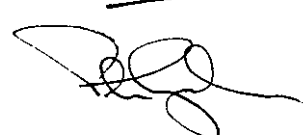
SIGNED as a deed on behalf of)
ADARE PRINTING GROUP (UK))
LIMITED in the presence of:)

Director* 

Director/Secretary 

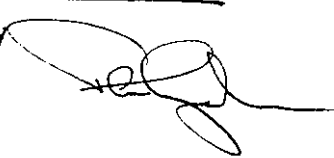
SIGNED as a deed on behalf of)
KENLEY PRESS LIMITED)
in the presence of:)

Director* 

Director/Secretary 

SIGNED as a deed on behalf of)
DARLEY BUSINESS FORMS)
LIMITED)
in the presence of:)

Director* 

Director/Secretary 

SIGNED as a deed on behalf of)
QUORUM TECHNICAL SERVICES)
LIMITED in the presence of:)

Director* 

Director/Secretary 

*(to be signed by either
(Mr. Loane or Mr. Lynch in his
(capacity as director of both
(Adare Printing Group plc and
(this Company

SIGNED as a deed on behalf of)
PARK MILL BUSINESS FORMS)
LIMITED in the presence of:)

Director* 

Director/Secretary 

SIGNED as a deed on behalf of)
WILLIAM CAPLE & COMPANY)
LIMITED in the presence of:)

Director* 

Director/Secretary 

SIGNED as a deed on behalf of)
LABEL CONVERTERS LIMITED)
in the presence of:)

Director* 

Director/Secretary 

SIGNED as a deed on behalf of)
ADARE PROPERTIES (UK) LIMITED)
in the presence of:)

Director* 

Director/Secretary 

*(to be signed by either
(Mr. Loane or Mr. Lynch in his
(capacity as director of both
(Adare Printing Group plc and
(this Company

SIGNED as a deed on behalf of
**GREAT NORTHERN ENVELOPE
COMPANY LIMITED**
in the presence of:

Director*

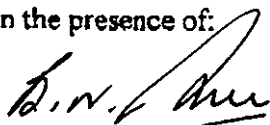


Director/Secretary



SIGNED as a deed on behalf of
**ALEXANDER PETTIGREW
LIMITED** in the presence of:

Director*

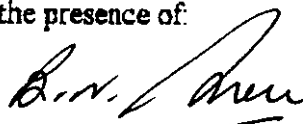


Director/Secretary

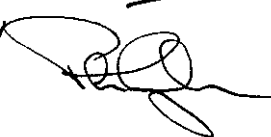


SIGNED as a deed on behalf of
**PILLINGS PRINTING COMPANY
LIMITED** in the presence of:

Director*

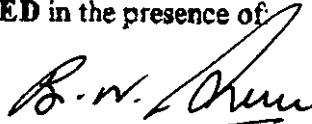


Director/Secretary

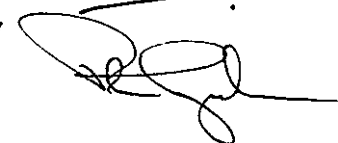


SIGNED as a deed on behalf of
WRF LIMITED in the presence of:


Director*

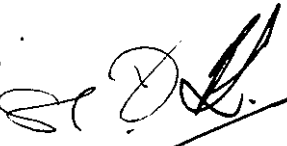


Director/Secretary



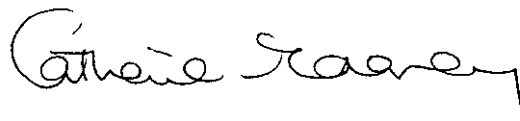
*(to be signed by either
(Mr. Loane or Mr. Lynch in his
(capacity as director of both
(Adare Printing Group plc and
(this Company

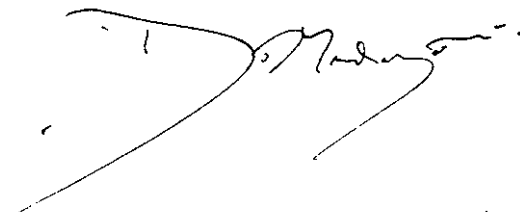

THE BANK


The Security Trustee

ALLIED IRISH BANKS, p.l.c.

By:





70754GRBJ/PAM/BF0155460.05

Dated 1996

ADARE PRINTING GROUP PLC

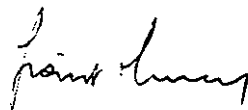
and

OTHERS

and

ALLIED IRISH BANKS, p.l.c.

CROSS GUARANTEE



McCann FitzGerald
2 Harbourmaster Place
Custom House Dock
Dublin 1
G:\NP\AIB1500.07A

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THIS GUARANTEE is made on 19th day of April 1996

BETWEEN:

- (1) **THE COMPANIES** each of whose name, jurisdiction of incorporation and registration number is set out in the Schedule (together the "**Original Guarantors**" and each an "**Guarantor**"); and
- (2) **ALLIED IRISH BANKS, p.l.c.** in its capacity as agent and trustee for itself and the Guaranteed Parties referred to below (hereinafter referred to as the "**Security Trustee**" which expression shall include its successors and assigns).

RECITAL:

The Guarantors have requested and the Banks have agreed to grant financial accommodation to the Borrowers on the terms and subject to the conditions of a Facilities Agreement (the "**Facilities Agreement**") dated today between the Borrowers, the Arranger, the Agent, the Security Trustee and the Banks subject (inter alia) to the Guarantors providing the Guaranteed Parties with a guarantee on the terms and subject to the conditions of this Guarantee.

NOW THIS DEED WITNESSES AND THE GUARANTORS HEREBY AGREE AND DECLARE as follows:

1. Interpretation

1.1 In this Guarantee:

"**Banks**" means each of the financial institutions named in the First Schedule to the Facilities Agreement (including, for the avoidance of doubt, the Issuing Bank and the Overdraft Bank) and each person to whom a Bank has transferred or assigned any right or obligation in accordance with Clause 36 of the Facilities Agreement and "**Bank**" means any of them;

"**Borrowers**" and "**Borrower**" have the meanings given to those terms in the Facilities Agreement;

"**Facilities Agreement**" has the meaning attributed to it in the Recital;

"**Guaranteed Obligations**" in relation to all or any of the Guarantors, means all obligations, indebtedness and liabilities covenanted and agreed to be paid, observed, performed and discharged by the Guarantor(s) concerned under Clause 2; and

"**Guaranteed Parties**" means at any time the Arranger, the Agent, the Security Trustee, the Hedging Counterparties and the Banks at such time and "**Guaranteed Party**" means any of them.

1.2 Words and expressions defined in the Facilities Agreement shall, unless otherwise defined herein, bear the same meaning in this Guarantee.

1.3 Any reference in this Guarantee to:

a "**Clause**" and "**Schedule**" shall, subject to any contrary indication, be construed as a reference to a clause and schedule hereof;

a "**person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing; and

"**tax**" shall be construed so as to include any tax, levy, impost, duty or other charge of a similar nature (including, without limitation, any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

1.4 Save where the contrary is indicated or where the context otherwise requires, any reference in this Guarantee to:

- (i) "**this Guarantee**" or any other agreement or document shall be construed as a reference to this Guarantee or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, replaced, novated, amended, varied or supplemented and expressions such as "**herein**", "**hereby**" and "**hereunder**" and "**therein**", "**thereby**" and "**thereunder**" shall, as the context requires, be construed accordingly;
- (ii) the "**Borrowers**" shall include each Borrower and its successors;
- (iii) the "**Guaranteed Parties**" shall include each of the Guaranteed Parties' successors and/or permitted assigns under the Facilities Agreement and this Guarantee shall be enforceable notwithstanding any change in the constitution of any of the Guaranteed Parties or the absorption of any of the Guaranteed Parties in or amalgamation with any other person or the acquisition of all or part of the undertaking of any of the Guaranteed Parties by any other person;
- (iv) the "**Guarantors**" shall include each Guarantor and its successors;
- (v) a statute shall be construed as a reference to such statute as the same may have been, or may from time to time be, amended or re-enacted;
- (vi) any document, agreement or instrument are to be construed as references to the document, agreement or instrument as modified, amended, supplemented or substituted from time to time; and

(vii) words importing the singular number include the plural and vice versa.

1.5 Clause headings are for ease of reference only and shall have no legal effect.

2. Guarantee

In consideration of the Guaranteed Parties entering into the Facilities Agreement, each Guarantor hereby irrevocably and unconditionally jointly and severally with each other Guarantor:

- (i) guarantees to and undertakes with each Guaranteed Party the due and punctual, payment, observance, performance and discharge of all of the obligations, indebtedness and liabilities of all or any of the other Guarantors and the Borrowers to each Guaranteed Party whether actual or contingent now or hereafter due, owing or incurred, in whatever currency denominated, howsoever arising and whether alone or jointly with any other person and in whatever style, name or form and whether as principal or surety, including, without limitation, all principal, interest, fees, costs, charges, commissions, expenses, indebtedness and other liabilities due, owing or incurred now or hereafter to each Guaranteed Party under or in connection with the Finance Documents; and
- (ii) agrees as a primary obligation to indemnify each Guaranteed Party from time to time on demand from and against any loss incurred by such Guaranteed Party as a result of any of the obligations of any of the Guarantors or the Borrowers expressed to be guaranteed hereunder being or becoming void, voidable, unenforceable or ineffective as against such Guarantors or Borrowers for any reason whatsoever, whether or not known to any Guaranteed Party, the amount of such loss being the amount which the relevant Guaranteed Party would otherwise have been able to recover from such Guarantors or Borrowers.

2.2 Each of the Guarantors irrevocably and unconditionally covenants and agrees with each Guaranteed Party to pay to each Guaranteed Party on demand any and every sum or sums of money now or hereafter due to each Guaranteed Party arising out of, under or in connection with, all or any of the Guaranteed Obligations.

2.3 For the avoidance of doubt, nothing in the Facilities Agreement specifying or implying that the obligations of the parties thereto are several rather than joint shall affect the obligations of any party to this Guarantee as Guarantor.

3. Preservation of Rights

3.1 This Guarantee and the obligations of the Guarantors herein contained shall be in addition to and independent of every other guarantee or security which any of the Guaranteed Parties may at any time hold in respect of all or any

of the Guaranteed Obligations and may be enforced without any of the Guaranteed Parties first taking steps or proceedings against any particular Guarantor or Borrower.

3.2 Neither the obligations of any Guarantor herein contained nor the rights, powers and remedies conferred in respect of any Guarantor upon the Guaranteed Parties by this Guarantee or by law shall be discharged, impaired or otherwise affected by:

- (i) the winding-up, dissolution, administration, examination or re-organisation of any Borrower, Guarantor or any other person or any equivalent or analogous proceeding under the laws of the jurisdiction in which such Borrower, Guarantor or other person is incorporated or any change in the status, function, control or ownership of any such person;
- (ii) any of the Guaranteed Obligations being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- (iii) any time, waiver or other indulgence whatsoever being granted or agreed to be granted to any Borrower or Guarantor or any other person in respect of all or any of the Guaranteed Obligations;
- (iv) any increase or decrease in the amount of the Facilities (or any of them) or any amendment of any of the Finance Documents or any variation, waiver or release of all or any of the Guaranteed Obligations;
- (v) the taking of any security from any Borrower or Guarantor or any other person or any failure to take, or fully to take, any security now or hereafter agreed to be taken in respect of any of the Guaranteed Obligations;
- (vi) any failure to realise or fully to realise the value of, or any release, discharge, exchange or substitution of, any security taken in respect of any of the Guaranteed Obligations; or
- (vii) any other act, event or omission whatsoever which, but for this Clause 3.2, might operate to discharge, impair or otherwise affect any of the obligations of any Guarantor herein contained or any of the rights, powers or remedies conferred upon the Guaranteed Parties by this Guarantee, any of the other Finance Documents or by law.

3.3 Any settlement or discharge between any Guarantor and any of the Guaranteed Parties shall be conditional upon no security or payment to any of the Guaranteed Parties by any Guarantor, any Borrower or any other person on behalf of any Guarantor or, as the case may be, any Borrower, being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency, examination, administration, liquidation or similar

laws of general application for the time being in force and, if any such security or payment is so avoided or reduced, the relevant Guaranteed Party or, as the case may be, Guaranteed Parties, shall be entitled to recover the value or amount of such security or payment from any Guarantor subsequently as if such settlement or discharge had not occurred.

3.4 None of the Guaranteed Parties shall be obliged before exercising any of the rights, powers or remedies conferred upon it in respect of any Guarantor by this Guarantee, by any other Finance Document or by law:

- (i) to make any demand of any of the Borrowers or any of the Guarantors or any other person;
- (ii) to take any action or obtain judgment in any court against any of the Borrowers or any of the Guarantors or any other person;
- (iii) to make or file any claim or proof in a winding-up or dissolution of any of the Borrowers or any of the Guarantors or any other person; or
- (iv) to enforce or seek to enforce any other security taken in respect of any of the Guaranteed Obligations.

3.5 Each Guarantor separately agrees and covenants that, so long as any of the Guaranteed Obligations are or may be owed, due or incurred by the Borrowers (or any of them) to the Guaranteed Parties (or any of them) or the Guaranteed Parties (or any of them) may be under any obligation to grant or continue any facility to the Borrowers (or any of them), the relevant Guarantor shall not exercise any rights, powers or remedies which that Guarantor may at any time have by reason of performance or satisfaction by it of its obligations and/or liabilities hereunder including, without limitation, the following rights:

- (i) to be indemnified by any of the Borrowers in respect of all or any of the Guaranteed Obligations; and/or
- (ii) to claim any contribution from any other guarantor or any other person in respect of all or any of the Guaranteed Obligations; and/or
- (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Guaranteed Parties (or any of them) in respect of all or any of the Guaranteed Obligations or of any other security or guarantee taken by the Guaranteed Parties (or any of them) pursuant to, or in connection with, this Guarantee,

any sums recovered by the relevant Guarantor in breach of this Clause 3.5 shall be held in trust for the Guaranteed Parties, be identified at all times as assets of the Guaranteed Parties and forthwith on receipt be paid to the Security Trustee (for the account of the Guaranteed Parties).

3.6 Each Guarantor agrees that, so long as any of the Guaranteed Obligations remain outstanding, if a demand has been made upon it hereunder which has been satisfied in full or otherwise (whether by payment or discharge made by any Borrower, any other Guarantor or any other person), it will not claim, demand or receive payment of or exercise any set off, or right of proof in a winding-up or assert any counterclaim in respect of, any monies due to it from any Borrower or otherwise exercise any other right or remedy in respect thereof.

3.7 In the event of this Guarantee ceasing from any cause whatsoever to be binding as a continuing security on all or any of the Guarantors:

- (a) all cheques, orders for payment, drafts, bills, notes and negotiable instruments or securities drawn, made, endorsed or accepted by or for the account of the Borrowers (or any of them) on the Guaranteed parties (or any of them) or their agents and purporting to be dated on or before the date when the guarantee from the relevant Guarantor hereunder ceases to be a continuing security (the "discontinuance date") although presented to or paid by the Guaranteed Parties (or any of them) or its agents after the discontinuance date; and
- (b) all indebtedness and other liabilities of the Borrowers (or any of them) to the Guaranteed Parties (or any of them) at the discontinuance date whether actual or contingent or whether payable forthwith or thereafter and also all credits then established by the Guaranteed Parties (or any of them) for the Borrowers or either of them,

shall remain payable by the Guarantors under this Guarantee notwithstanding that the guarantee from all or any of the Guarantors shall have ceased to be binding as a continuing security.

4. Costs, Expenses and Default Interest

4.1 The Guarantors shall, from time to time on demand, reimburse the Security Trustee and each of the Guaranteed Parties for all costs and expenses (including legal fees) together with any applicable Valued Added Tax incurred in relation to this Guarantee including all costs and expenses incurred in or in connection with the negotiation, execution and implementation of this Guarantee and all costs and expenses incurred in or in connection with the preservation and/or enforcement and/or any waiver of any of the rights of the Guaranteed Parties under, or any amendment to, this Guarantee.

4.2 The Guarantors shall pay all stamp, registration and other taxes to which this Guarantee and the Security Documents to which all or any of the Guarantors are or will be a party or any judgment given in connection herewith or therewith is or at any time may be subject and shall, from time to time on demand, indemnify the Guaranteed Parties against any liabilities, claims, costs and expenses resulting from any failure to pay or delay in

paying any such tax.

- 4.3 If any sum due and payable by any Guarantor hereunder to the Guaranteed Parties (or any of them) is not paid on the due date therefor in accordance with the provisions hereof or if any sum due and payable by any Guarantor under any judgment of any court in connection herewith is not paid on the due date in accordance with such judgment, during the period beginning on such due date or, as the case may be, the date of such judgment and ending on the date upon which the obligation of such Guarantor to pay such sum is discharged the Guarantor shall (as a separate and independent obligation) pay interest at the default rate determined in accordance with Clause 19.1 of the Facilities Agreement.

5. Representations and Warranties

- 5.1 Each Guarantor represents and warrants to the Guaranteed Parties that:

- (i) it has been duly incorporated as a company under the laws of the jurisdiction of its incorporation and is validly existing and has all necessary corporate power and authority to enter into and deliver this Guarantee and to perform its obligations hereunder, to enter into and deliver the Security Documents to which it is or will be a party, to create any security constituted or to be constituted thereby and to perform its obligations thereunder and to own its properties and assets and to carry on its business as currently conducted;
- (ii) all necessary corporate action has been taken (including without limitation the passing of any shareholders resolution(s) required by law or its constitutional documents) by it to authorise its execution, delivery and performance of this Guarantee and the Security Documents to which it is or will be a party, to create any security constituted or to be constituted by the Security Documents to which it is or will be a party and to observe and perform its obligations under this Guarantee and the Security Documents to which it is or will be a party;
- (iii) this Guarantee constitutes, and the Security Documents to which it is or will be a party constitute, or will when executed and delivered by it, constitute legal, valid and binding obligations of it;
- (iv) the execution and delivery by it of this Guarantee and the Security Documents to which it is or will be a party and the performance and observance by it of its obligations hereunder and thereunder and the creation by it of any security constituted or to be constituted by the Security Documents to which it is or will be a party do not and will not violate or result in a breach of, or exceed any power granted to it or any of its directors under:
 - (a) any law, rule or regulation to or by which it or any of its

business, property or assets is subject or bound;

- (b) any judgment, order, injunction, determination, award or ruling of any court or arbitrator or any judicial, administrative or governmental authority to or by which it is subject or bound;
 - (c) its constitutional documents; or
 - (d) any deed, agreement, franchise, concession, licence, treaty or other instrument to which it is a party or which may be binding upon it or which may materially affect its business or any of its properties or assets;
- (v) the execution and delivery by it of this Guarantee and the Security Documents to which it is or will be a party and the performance and observance by it of its obligations hereunder and thereunder will not result in the existence of nor oblige it to create any security over all or any of its present or future revenues or assets except as provided for or permitted herein or therein; and
- (vi) every consent, licence, approval or authorisation of, exemption from any registration, recording or filing with any person required in connection with the execution and delivery by it of this Guarantee and each of the Security Documents to which it is or will be a party or the creation of any security thereby contemplated or to make the same admissible in evidence has been (or will be within any prescribed period in the case of any registration, recording or filing) obtained or made and is in full force and effect and all necessary fees required in connection therewith have been (or, as the case may be, will be) paid.

5.2 The representations and warranties of each Guarantor set out in Clause 5.1 shall survive the execution of this Guarantee and shall be correct and complied with in all respects so long as any of the Guaranteed Obligations are or may be owed, due or incurred by the Borrowers (or any of them) to the Guaranteed Parties (or any of them) or the Guaranteed Parties (or any of them) may be under any obligation to continue any facility to the Borrowers (or any of them) as if repeated therein by reference to the then existing circumstances.

6. Covenants

6.1 Each Guarantor undertakes with the Guaranteed Parties that it will obtain, comply with the terms of, and do all that is necessary to maintain in full force and effect, all consents, licences, approvals and authorisations required to enable it lawfully to perform its obligations under this Guarantee and any Security Document to which it is or will be a party and to ensure the legality, validity, or admissibility in evidence of this Guarantee and each Security Document to which it is or will be a party and promptly provide the

Security Trustee with evidence thereof on request and shall ensure that its obligations hereunder do not cease to be binding as a continuing security so long as any of the Borrowers' obligations under the Finance Documents remain outstanding.

- 6.2 Each Guarantor shall at any time, at the request of the Security Trustee but at the cost of such Guarantor, promptly sign, seal, execute, deliver and do all such deeds, instruments, acts and things in such form as the Security Trustee may reasonably require for perfecting or protecting the guarantee provided hereunder.

7. Payments

The provisions of the Facilities Agreement relating to the payments to be made thereunder (including, without limitation, Clause 24 thereof which regulates what is to happen if any of the Borrowers is required by law to make a deduction or withholding from any such payment) shall apply mutatis mutandis to payments to be made hereunder as if references therein to "Borrower" and "Borrowers" were to "Guarantor" and "Guarantors".

8. Set-Off

Without prejudice to any right of set-off or any similar right to which the Guaranteed Parties (or any of them) may be entitled at law or in equity or by agreement between the parties and, without prejudice to anything else herein contained, each Guaranteed Party may at any time (insofar as it relates to payments of interest) and at any time following the occurrence of an Event of Default (insofar as it relates to payments of principal) without notice to or further authorisation from any Guarantor combine and consolidate all or any accounts of any and/or all of the Guarantors with such Guaranteed Party anywhere and/or set-off any moneys whatsoever and whether on current, deposit or any other account and in whatever currency or currencies against any moneys or liabilities whatsoever in whatever currency which may be due, owing or incurred by any and/or all of the Guarantors to such Guaranteed Party whether actually or contingently and whether or not any period of any deposit or by reference to which interest therein is calculated has expired and any conversion from one currency to another for the purpose of any of the foregoing shall be made at such Guaranteed Party's then prevailing spot selling rate at its office by which such conversion is made.

9. Continuing Security

The obligations of each Guarantor under this Guarantee shall be a continuing security notwithstanding any settlement of account or other matter or thing whatsoever, and in particular, but without limitation, shall not be considered discharged by any intermediate discharge or payment of or on account of all or any of the Guaranteed Obligations and shall continue in full force and effect until final payment in full of the Guaranteed Obligations. No demand

made by the Security Trustee or any of the Guaranteed Parties hereunder shall prejudice or restrict the right of the Security Trustee or any of the Guaranteed Parties to make further or other demands.

10. New Accounts

In the event of this Guarantee being determined in relation to, or otherwise ceasing to be binding on, any Guarantor as a continuing security for whatever reason, it shall be lawful for each Guaranteed Party at its discretion either to continue any then existing account(s) with any Borrower or to open one or more fresh accounts with such Borrower (which shall bear interest on any credit balances at the prevailing market rate), to which all moneys subsequently received for the credit of such Borrower shall be credited or be treated as having been credited and such moneys shall not operate to reduce the amount of the obligations of such Borrower hereby guaranteed by such Guarantor at the time of this Guarantee so ceasing to be binding as a continuing security.

11. Application of Certain Receipts

Each Guarantor agrees that:

- (i) any dividends or payments received by or on behalf of the Guaranteed Parties (or any of them) in respect of the Guaranteed Obligations in any insolvency, winding-up administration, voluntary arrangement or dissolution shall, for the purposes of this Guarantee be taken to discharge those obligations only to the extent of the actual amount so received; and
- (ii) the Guaranteed Parties (or any of them) may keep in one or more suspense or impersonal accounts for so long as the Guaranteed Parties (or any of them) shall think fit any moneys received, recovered or realised from any Guarantor hereunder or under any of the Security Documents to which such Guarantor is a party without being under any obligation to apply the same or any part thereof in or towards discharge of any amounts then due or owing by the Borrowers and the subject of this Guarantee.

12. Avoidance of Payments

No assurance, security or payment which may be avoided or adjusted under any applicable law, and no release, settlement or discharge given or made by the Guaranteed Parties (or any of them) on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Guaranteed Parties (or any of them) to recover from each Guarantor (including any moneys which it might be compelled by due process of law to refund under the provisions of any law relating to liquidation, bankruptcy, administration, insolvency or creditors' rights generally and any costs payable by it pursuant to or otherwise incurred in connection with such

process) to the full extent of this Guarantee as if such assurance, security, payment, release, settlement, discharge or arrangement (as the case may be) had never been granted given or made; and any such release, settlement, discharge or arrangement shall as between the Guaranteed Parties (or any of them) and any Guarantor and each of them be deemed to have been given or made upon the express condition that it shall become and be wholly void and of no effect if the assurance security or payment on the faith of which it was made or given shall be void or (as the case may be) shall at any time thereafter be avoided to the intent and so that each Guaranteed Party shall become and be entitled at any time after any such avoidance to exercise all or any of the rights in this Guarantee expressly conferred upon such Guaranteed Party and of all or any other rights which by virtue and as a consequence of this Guarantee such Guaranteed Party would have been entitled to exercise but for such release, settlement, discharge or arrangement.

13. Remedies and Waivers

No failure to exercise, nor any delay in exercising, on the part of the Guaranteed Parties (or any of them), any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

14. Joint and Several Liability

14.1 This Guarantee is made by the Guarantors and each of them jointly and severally and the Guarantors shall be jointly and severally liable hereunder and this Guarantee shall be construed accordingly.

14.2 Each Guarantor agrees to be bound by this Guarantee notwithstanding that any other Guarantor which was intended to execute or to be bound by this Guarantee does not do so or is not effectively so bound and notwithstanding that any of the obligations of any other Guarantor herein contained may be determined or become invalid or unenforceable against such other Guarantor and whether or not the same is known to the Guaranteed Parties (or any of them).

14.3 Without prejudice to anything else herein contained each Guarantor agrees that the Guaranteed Parties (or any of them) shall be at liberty to release or discharge any other Guarantor from liability hereunder or any other person who has guaranteed the Guaranteed Obligations without prejudicing or affecting the obligations of the first mentioned Guarantor hereunder.

15. Evidence of Debt

The certificate signed by an officer of the Agent as the amount payable at any time under this Guarantee shall, in the absence of manifest error, be

conclusive evidence as to the amount thereof against each of the Guarantors.

16. Partial Invalidity

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect in relation to any one or more of the Guarantors under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof in relation to such Guarantors or under the law of any other jurisdiction shall in any way be affected or impaired thereby.

17. Benefit of Guarantee and Indemnity

17.1 Each Guarantor hereby acknowledges and covenants that the obligations binding upon it contained herein are owed to, and shall be for the benefit of the Guaranteed Parties and that the Guaranteed Parties shall be entitled severally to enforce the said obligations against such Guarantor.

17.2 No Guarantor shall be entitled to assign or transfer all or any of its rights, benefits or obligations hereunder.

17.3 Each Guaranteed Party may at any time assign or transfer all or any of its rights and/or obligations under this Guarantee without the consent of any of the Guarantors.

17.4 In the event that pursuant to any arrangement, compromise, merger, amalgamation or analogous proceeding in any jurisdiction all or any of the Guaranteed Obligations are transferred to or assumed by any other person or persons, this Guarantee shall take effect as if all references to the Borrowers included such other person or persons.

18. Notices

18.1 Any notice or other communication to be given under or for the purposes of this Guarantee shall be in writing and shall be treated as properly served or given if hand delivered or sent by registered post or facsimile to the relevant person at the address or facsimile number identified below for such other address or facsimile number as that person has designated in writing from time to time to the person giving the notice:-

(a) the Security Trustee
as follows:

Address: AIB Corporate Banking
Bankcentre
Ballsbridge
Dublin 4

Facsimile No: 2601783
Attention: Catherine Moroney
Donnchadh Ó Madagáin

Bernard Carroll

(b) the Guarantors: Address: Hugenot House
35/38 St. Stephen's Green
Dublin 2

Facsimile No: 6613968
Attention: B.N. Loane
P.E. Lynch
J. Coll

18.2 Any such notice or other communication shall be deemed to have been received by the recipient:-

- (a) in the case of a letter which is hand delivered, when actually delivered and, in the case of a letter which is sent by registered post, on the second day after posting (or on actual receipt, if earlier); or
- (b) in the case of transmission by facsimile, at the time of transmission provided that any communication or document to be made or delivered to the Security Trustee shall be effective only when received by the Security Trustee and then only if the same is expressly marked for the attention of the department and officer referred to above (or such other department and officer as the Security Trustee may from time to time specify for this purpose).

18.3 Each person making a communication under this Guarantee by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant to this Guarantee but the absence of such confirmation shall not affect the validity of any such communication.

19. Indemnity

The Guarantors shall jointly and severally indemnify and keep the Guaranteed Parties indemnified against:

- (a) any loss or damage which may be incurred or suffered by the Guaranteed Parties (or any of them) as a result of the breach of any covenant, undertaking or agreement on the part of all or any of the Guarantors contained in this Guarantee or any representation or warranty by all or any of the Guarantors contained in this Guarantee being or proving at any time to be materially incorrect or untrue when made or deemed to be made; and
- (b) all actions, losses, claims, proceedings, costs, demands and liabilities which may be suffered by the Guaranteed Parties (or any of them) under or in connection with this Guarantee.

20. Currency Judgment

20.1 If any sum due from all or any of the Guarantors under this Guarantee or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable thereunder or under such order or judgment into another currency (the "**second currency**") for the purpose of:

- (i) making or filing a claim or proof; or
- (ii) obtaining an order or judgment in any court or other tribunal;
or
- (iii) enforcing any such order or judgment

against all or any of the Guarantors, the Guarantors agree to jointly and severally indemnify and hold harmless each Guaranteed Party from and against any loss suffered as a result of any discrepancy between:

- (a) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency; and
- (b) the rate or rates of exchange at which such Guaranteed Party is able to purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

20.2 The rate or rates of exchange aforesaid shall be determined by the Guaranteed Parties in accordance with applicable market practice.

21. Counterparts

This Guarantee may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which when so executed and delivered shall be an original but all the counterparts shall together constitute but one and the same instrument.

22. Governing Law and Jurisdiction

22.1 This Guarantee shall be governed by and construed in accordance with the laws of Ireland.

22.2 For the benefit of the Guaranteed Parties, the parties hereto irrevocably agree that any legal action or proceedings in connection with this Guarantee may be brought in the Irish courts, which shall have jurisdiction to settle any disputes arising out of or in connection with this Guarantee. The submission to such jurisdiction shall not (and shall not be construed so as to) limit the right of any of the Guaranteed Parties (or any of them) in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or

more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

- 22.3 Each Guarantor incorporated in a jurisdiction other than Ireland hereby irrevocably appoints the Company to accept service of process on its behalf in Ireland in connection with any suit, action or proceeding arising out of or in connection with this Guarantee.

IN WITNESS whereof the parties hereto have executed this Guarantee the day and year first before written.

THE SCHEDULE

The Guarantors

Name	Jurisdiction	Registration No.
Adare Printing Group plc	Ireland	61078
Presswell Group Limited	Ireland	148456
Presswell Limited	Ireland	53945
Flexible Packagings Limited	Ireland	61079
Delameree Limited	Ireland	172248
Mount Salus Press Limited	Ireland	22554
Hermes Holdings Limited	Ireland	41758
CJ Fallon (Holdings) Limited	Ireland	115560
CJ Fallon	Ireland	63608
Perigord Limited	Ireland	7677
Kenley Press Limited	England	778663
Darley Business Forms Limited	England	405648
Adare Printing Group (UK) Limited	England	2387953
Quorum Technical Services Limited	England	1720724
Park Mill Business Forms Limited	England	3014889
William Caple & Company Limited	England	501084
Label Converters Limited	England	1203292
Alexander Pettigrew Limited	England	2917499
Adare Properties (UK) Limited	England	2931068
Great Northern Envelope Company Limited	England	2212509
WBF Limited	England	2814431
Pillings Print Company Limited	England	120184

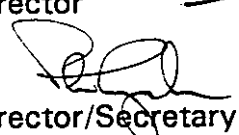
The Common Seal of
ADARE PRINTING GROUP Plc:
was hereunto affixed
in the presence of:


Director


Director/Secretary

The Common Seal of
PRESSWELL GROUP LIMITED
was hereunto affixed
in the presence of:


Director


Director/Secretary

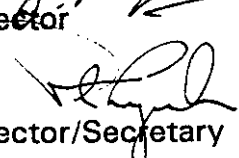
The Common Seal of
PRESSWELL LIMITED
was hereunto affixed
in the presence of:


Director

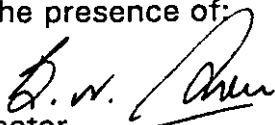

Director/Secretary

The Common Seal of
DELAMEREE LIMITED
was hereunto affixed
in the presence of:


Director

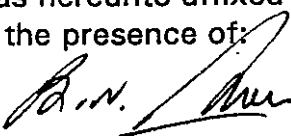

Director/Secretary

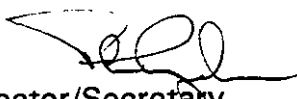
The Common Seal of
FLEXIBLE PACKAGINGS LIMITED
was hereunto affixed
in the presence of:


Director

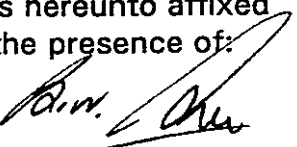

Director/Secretary

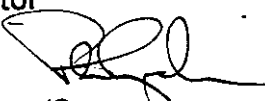
The Common Seal of
MOUNT SALUS PRESS LIMITED
was hereunto affixed
in the presence of:


Director

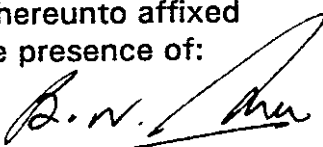

Director/Secretary


The Common Seal of
HERMES HOLDINGS LIMITED
was hereunto affixed
in the presence of:


Director


Director/Secretary

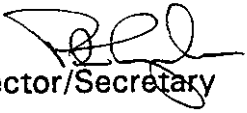
The Common Seal of
CJ FALLON (HOLDINGS) LIMITED
was hereunto affixed
in the presence of:


Director


Director/Secretary


The Common Seal of
CJ FALLON
was hereunto affixed
in the presence of:

Director 

Director/Secretary 

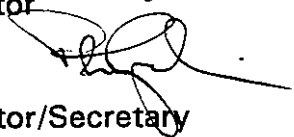
The Common Seal of
PERIGORD LIMITED
was hereunto affixed
in the presence of:

Director 

Director/Secretary 

SIGNED as a deed on behalf of
KENLEY PRESS LIMITED
in the presence of:

Director 

Director/Secretary 

SIGNED as a deed on behalf of
DARLEY BUSINESS FORMS LIMITED
in the presence of:

Director 

Director/Secretary 

SIGNED as a deed on behalf of
ADARE PRINTING GROUP (UK) LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
QUORUM TECHNICAL SERVICES LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
PARK MILL BUSINESS FORMS LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
WILLIAM CAPLE & COMPANY LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
LABEL CONVERTERS LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
ALEXANDER PETTIGREW LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
ADARE PROPERTIES (UK) LIMITED
in the presence of:

Director

Director/Secretary

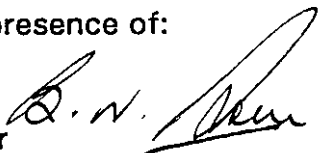
SIGNED as a deed on behalf of
GREAT NORTHERN ENVELOPE COMPANY LIMITED
in the presence of:

Director

Director/Secretary

The Common Seal of
WBF LIMITED
was hereunto affixed
in the presence of:

Director

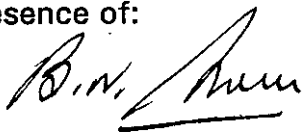


Director/Secretary



The Common Seal of
PILLINGS PRINT COMPANY LIMITED
was hereunto affixed
in the presence of:

Director

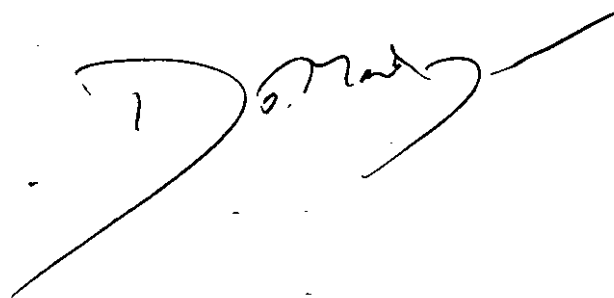
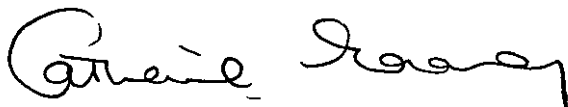


Director/Secretary



Signed by:

for and on behalf of
ALLIED IRISH BANKS, p.l.c.



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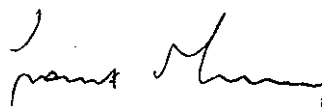
DATED 19th April 1996

ADARE PRINTING GROUP (UK) LIMITED
AND OTHERS

- and -

ALLIED IRISH BANKS, p.l.c.

COMPOSITE TRUST DEBENTURE



WILDE SAPTE

1 Fleet Place
London
EC4M 7WS

Tel: 0171-246 7000

Fax: 0171-246 7777

REF: PAM/RBJ/707546.05

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THIS COMPOSITE TRUST DEBENTURE dated
1996

19th April

BETWEEN:

- (1) THE COMPANIES listed in the First Schedule (the "Companies" and each a "Company"); and
- (2) ALLIED IRISH BANKS, p.l.c. having its registered office at Bankcentre, Ballsbridge, Dublin 4, Ireland in its capacity as Security Trustee for the Beneficiaries (as defined herein) of the security constituted by this Trust Debenture (the "Security Trustee").

RECITALS.

1. By a facilities agreement dated _____ between (1) Adare Printing Group PLC, (2) and (3) Adare Printing Group (UK) Limited and Mount Salus Press Limited, (4) the Overdraft Borrowers, (5), (6), (7) and (8) Allied Irish Banks, p.l.c as Arranger, Agent, Security Trustee, Issuing Bank and Overdraft Bank and (9) the financial institutions defined as Banks in the Facilities Agreement and their successors and assigns (the "Banks"), (the "Facilities Agreement"), the Banks have agreed to make certain credit and other facilities available to the Borrowers upon the terms and subject to the conditions set out in the Facilities Agreement.
2. It is one of the conditions to the availability of the Facilities that each Company executes this Trust Debenture and provides to the Security Trustee the security created by this Trust Debenture.
3. The Security Trustee has agreed to act as trustee of the security constituted by this Trust Debenture and to hold the benefit thereof on trust under the terms and conditions of the Facilities Agreement.

THIS TRUST DEBENTURE WITNESSETH as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 Words and expressions defined in the Facilities Agreement and not otherwise defined herein shall, unless there is something in the subject or the context which is inconsistent therewith, bear the same meaning herein as in the Facilities Agreement.

1.2 In this Trust Debenture:

"Act" means the Law of Property Act 1925;

"Adare" means Adare Printing Group Plc;

"Bank Balances" means all existing and future debts represented by credit balances on accounts at, or deposits with, the Security Trustee or any other Beneficiary or any other bank or financial institution;

"Beneficiaries" means at any time the Arranger, the Agent, the Security Trustee, the Banks at such time and the Hedging Counterparties and their respective successors, transferees and assigns and **"Beneficiary"** means any of them;

"Borrowers" and **"Borrower"** have the meanings given to those terms in the Facilities Agreement;

"Charged Property" means the undertaking and assets of each Company both present and future charged in favour of, or assigned (whether at law or in equity) to, the Security Trustee by or pursuant to this Trust Debenture;

"Claims" means all things in action which may give rise to a debt, revenue or claim and all other rights and remedies of whatever nature in respect of the same including, without limitation, all negotiable and non-negotiable instruments, guarantees, indemnities, rights of tracing and security interests;

"Debts" means all the existing and future book and other debts due or owing to the Company (whether originally incurred to the Company or subsequently assigned to it) and the full benefit of all rights and remedies relating thereto, including, without limitation, all negotiable and non-negotiable instruments, guarantees, indemnities, rights of tracing and security interests;

"Environment" means:

- (i) land including the sea bed and any natural or man-made structures;

- (ii) water including rivers, lakes (man-made or natural), canals, the ocean (whether within or without territorial waters), ground waters and waters in drains and sewers; and
- (iii) air including air within buildings and other natural and man-made structures above or below ground;

"Environmental Laws" means all and any applicable laws, including common law, statute, bye-law and subordinate legislation, European Community Regulations and Directives and judgments and decisions, including notices, orders or circular, of any court or authority competent to make such judgment or decision compliance with which is mandatory for any Company in any jurisdiction with regard to:

- (i) the pollution or protection of the Environment;
- (ii) harm to the health of humans, animals or plants including laws relating to public and workers' health and safety;
- (iii) emissions, discharges or releases into the Environment of chemicals or any other pollutants or contaminants or industrial, radioactive, dangerous, toxic or hazardous substances or waste (whether in solid, semi-solid, liquid or gaseous form and including noises and genetically modified organisms); or
- (iv) the manufacture, processing, use, treatment, storage, distribution, disposal, transport or handling of the substances or wastes described in (iii) above;

"Environmental Permits" means all and any permits, licences, consents, approvals, certificates, qualifications, specifications, registrations and other authorisations including any conditions which attach to any of the foregoing and the filing of all notifications, reports and assessments required under Environmental Laws for the operation of any business from or using any of the Charged Property or the occupation or use of all or any of the freehold, leasehold or immovable property of any Company;

"Event of Default" means any event, howsoever described, specified in any of the Finance Documents as an event upon the occurrence of which the Security Trustee becomes entitled to call for early repayment of all or any of the Secured Obligations

or any failure by any Company to pay or repay on demand all or any of the Secured Obligations which are so payable;

"Fixed Charge Property" means the assets of each Company described in Clauses 3.1(a) to 3.1(l) inclusive;

"Floating Charge Property" means the assets of each Company described in Clause 3.1(m);

"Haverhill Premises" means the freehold property situate at Falconer Road, Haverhill, Suffolk described in Part II of the Second Schedule and owned by Adare Properties (UK) Limited,

"Planning Acts" means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Local Government Planning and Land Act 1980 and any other legislation of a similar nature,

"Properties (UK) First Charge" means the legal charge dated 17th May 1994 and made between Adare Properties (UK) Limited (1) and John Waddington Properties Limited (2) and registered on 25th May 1994 over the Haverhill Premises;

"Receiver" means any one or more receivers and/or managers appointed by the Security Trustee in respect of any Company or over all or any part of the Charged Property;

"Secured Obligations" means all monies, obligations and liabilities covenanted or guaranteed to be paid or discharged by the Companies under Clause 2 of this Trust Debenture; and

"Shares" means, in relation to a Company, all the shares of any class in the capital of any company which are now, or at any time hereafter, owned by that Company or in which that Company has an interest.

1.3 In this Trust Debenture:

- (a) the expressions "**Banks**", "**Security Trustee**", "**Beneficiary**", "**Hedging Counterparties**" and "**Company**" where the context admits shall include their respective successors and assigns; and
- (b) a "**Clause**" or a "**Schedule**" shall, unless otherwise stated, be construed as a reference to a clause or a schedule hereof.

1.4 Save where the contrary is indicated, any reference in this Trust Debenture:

- (a) to any statute or provision of any statute shall be deemed also to refer to any statutory modification, substitution or re-enactment thereof or any statutory instrument, order, regulation, bye-law, permission or direction made thereunder or under such modification, substitution or re-enactment;
- (b) to this Trust Debenture or any other agreement or document shall be construed as a reference to this Trust Debenture or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated or supplemented (and so that any reference to this Trust Debenture shall include, unless the context otherwise requires, any agreement or document expressed to be supplemental hereto or expressed to be collateral herewith or which is otherwise entered into pursuant to or in accordance with the provisions hereof);
- (c) to a "**person**" or "**persons**" include, without limitation, individuals, firms, corporations, government agencies, authorities and other bodies, incorporated or unincorporated and whether having direct legal personality or not;
- (d) to a company being "**dormant**" is a reference to it being dormant within the meaning given to that expression by section 250(3) of the Companies Act 1985, and
- (e) to a "**subsidiary**" is a reference to a subsidiary as defined by section 736 of the Companies Act 1985 (as substituted by section 144 of the Companies Act 1989).

1.5 Clause and Schedule headings are for ease of reference only.

1.6 Words denoting the singular number shall include the plural number also and vice versa.

2. COVENANT TO PAY

2.1 The Companies hereby irrevocably jointly and severally covenant with the Security Trustee that they will on demand by the Security Trustee or as otherwise agreed with the Security Trustee discharge each and every liability which any Company may now or hereafter have to the Security Trustee and to the Beneficiaries (or any of them) (whether solely or jointly with one or more persons, whether under this Trust Debenture or otherwise, whether as principal or as surety or in some other capacity and whether originally incurred by any Company or by some other person) and pay to the Security Trustee every sum (of principal, interest or otherwise) now or hereafter owing, due or incurred by any Company to the Security Trustee and to the Beneficiaries (or any of them) in respect of any such liabilities.

2.2 If any such liability becomes due (whether upon the making of a demand or otherwise), the Companies shall pay interest on such sums (after as well as before any judgment) during the period beginning on the date the liability becomes due and ending on the date of payment at the rate or rates (as may be appropriate) specified in Clause 18 of the Facilities Agreement or such other rate or rates as may be agreed between the Company concerned and the relevant Beneficiary and in the absence of such agreement 2% above the relevant Beneficiary's base rate from time to time.

3. MORTGAGE, CHARGE AND ASSIGNMENT OF SECURITY

3.1 Each Company (and in relation to sub-clause (1), Adare Printing Group (UK) Limited only), with full title guarantee, as continuing security for the payment, performance and discharge of the Secured Obligations, hereby:

- (a) charges in favour of the Security Trustee by way of legal mortgage any freehold and leasehold land of the Company concerned referred to in the Second Schedule together in all cases with all buildings and (to the extent the same are not otherwise subject to a fixed charge hereunder) all fixtures (including trade fixtures) from time to time on every such

property and all fixed plant and machinery both present and future therein or thereon;

- (b) charges in favour of the Security Trustee all its estate, right, title and interests in any other land or buildings now belonging to the Company concerned and all future estates, interests and rights of the Company concerned in such lands, hereditaments and premises and in any other freehold or leasehold property vested in or held by or on behalf of the Company concerned from time to time together in all cases (to the extent the same are not otherwise subject to a fixed charge hereunder) all fixtures (including trade fixtures) and all fixed plant and machinery from time to time therein;
- (c) assigns to the Security Trustee all of its rights, title and interest in and to the equipment and chattels specified under its name in the fifth Schedule;
- (d) charges in favour of the Security Trustee all plant, machinery, equipment, goods and chattels (other than stock-in-trade) now or hereafter belonging to the Company concerned together with all and any machines, equipment, goods, components, parts or any other items whatsoever from time to time installed therein or used in replacement or by way of substitution for all or any part thereof, other than any assets for the time being effectively assigned to the Security Trustee by way of mortgage under Clause 3.1 (c) above;
- (e) assigns and agrees to assign in favour of the Security Trustee all rights and claims to which the Company concerned is now or may hereafter become entitled in relation to the freehold, leasehold or immovable property and the moveable property and other chattels mortgaged or charged hereunder including, without limitation, those against any manufacturer, supplier, or installer of such property, any builder, contractor or professional advisor engaged in relation to such property and any lessee, sub-lessee or licensee of any freehold, leasehold or immovable property mortgaged or charged hereunder and any guarantor or surety for the obligations of such person and, to the extent that any of the moveable property or other chattels mortgaged or charged hereunder is now or is at any time hereafter hired, leased or rented to any other person, the rights under the hiring, leasing or rental contract and any

guarantee, indemnity or security for the performance of the obligation of such person and any other rights and benefits relating thereto;

- (f) assigns and agrees to assign in favour of the Security Trustee all present and future rights, interest, title and benefit of the Company concerned to and in the proceeds of any of the insurances now or hereafter maintained or effected by the Company concerned to the extent the same are not otherwise subject to a fixed charge hereunder;
- (g) charges in favour of the Security Trustee (subject to the provisions of Clause 8.2) all the rights, title, interest and benefit of the Company concerned to and in (i) the uncollected and unrealised Debts of the Company concerned, (ii) the collected and realised Debts of the Company concerned, (iii) the Bank Balances, (iv) the uncollected and unrealised Claims of the Company concerned and (v) the collected and realised Claims of the Company concerned;
- (h) charges in favour of the Security Trustee the uncalled capital of the Company concerned;
- (i) charges in favour of the Security Trustee the Shares and all other stocks, shares, bonds and securities of any kind whatsoever whether marketable or otherwise and all other interests (including but not limited to loan capital) of the Company concerned both present and future in every company, firm, consortium or entity wheresoever situate, including all dividends, interest and other distributions paid or payable in respect thereof and all allotments, accretions, offers rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of and/or incidental to the same and all stocks, shares, rights, money and property accruing thereto and/or offered at any time by way of conversion, redemption, bonus, preference option or otherwise in respect thereof;
- (j) charges in favour of the Security Trustee all letters patent, trademarks, designs and utility models, copyrights, design rights, applications for registration of any of the foregoing and rights to apply for them in any part of the world, inventions, confidential information, know how and rights of like nature arising in relation to the foregoing, whether registered or unregistered, now or at any time hereafter belonging to the Company

concerned and the benefit of all licences and other rights to use any of the same;

- (k) charges in favour of the Security Trustee all goodwill (including all brand names not otherwise subject to a fixed charge or assignment by or pursuant to this Trust Debenture) now or at any time hereafter belonging to the Company concerned;
- (l) charges, assigns and agrees to assign to the Security Trustee all of its rights, title, interest and benefit under or in respect of the Hedging Agreement; and
- (m) charges in favour of the Security Trustee the whole of the Company concerned's undertaking, property, assets and rights whatsoever and wheresoever both present and future other than any assets for the time being effectively charged to the Security Trustee by way of fixed charge or effectively assigned (whether at law or in equity) to the Security Trustee or otherwise subject to an effective fixed security in favour of the Security Trustee including without limitation heritable property and all other property and assets in Scotland.

3.2 The mortgages and charges hereby created shall:

- (a) as regards the Fixed Charge Property, be first fixed mortgages and charges; and
- (b) as regards the Floating Charge Property, be a first floating charge;

save that in respect of the Haverhill Premises the security hereby created shall rank next after the security created by the Properties (UK) First Charge.

3.3 On final payment and discharge of the Secured Obligations the Security Trustee will at the request and cost of the Companies release, surrender, re-convey or re-assign (as the case may be) to the Companies the property and assets mortgaged, charged and assigned by or pursuant to Clause 3.1.

4. CRYSTALLISATION OF FLOATING CHARGE

- 4.1 The Security Trustee may at any time following the occurrence of an Event of Default by notice in writing to the company concerned convert the floating charge created by a company pursuant to Clause 3.1(m) with immediate effect into a fixed charge as regards any property or assets specified in the notice
- 4.2 Notwithstanding Clause 4.1 and without prejudice to any rule of law which may have a similar effect, the floating charge created by a Company pursuant to Clause 3.1(m) shall automatically be converted with immediate effect into a fixed charge as regards all the assets subject to the floating charge in question and without notice from the Security Trustee to the Company concerned on:
- (a) the presentation of a petition for the compulsory winding-up of the Company concerned;
 - (b) the convening of a meeting for the passing of a resolution for the voluntary winding-up of the Company concerned;
 - (c) on the presentation of a petition for the making of an administration order in relation to any Company; or
 - (d) the creation or attempted creation by the Company concerned of any security over all or any part of the Floating Charge Property without the prior consent in writing of the Security Trustee or the levying or attempted levying by any person of any distress, execution, sequestration or other process against any of the Floating Charge Property.

5. PERFECTION OF SECURITY AND FURTHER ASSURANCES

- 5.1 Adare Printing Group (UK) Limited shall deliver a notice to each Hedging Counterparty in the form of Part I of the Fourth Schedule and shall procure that an acknowledgment in the form of Part II of the Fourth Schedule is forthwith delivered by each such Hedging Counterparty to the Security Trustee.
- 5.2 Each Company shall execute such notices as the Security Trustee shall require of the security created under Clause 3.1. Each such notice shall be in the form approved by the Security Trustee and shall be addressed to person or persons as the Security

Trustee shall determine (following the receipt by the Security Trustee of such information from the Companies as the Security Trustee may require in relation to the property and assets of the Companies subject to the security) and the Security Trustee may at any time deliver such notices to the addressees thereof.

- 5.3 Each Company shall promptly notify the Security Trustee of any proposal or contract for the acquisition by, or conveyance, grant, lease, transfer or other disposition to it or any nominee on its behalf of any freehold or leasehold or other immovable property and, on demand made to the Company concerned by the Security Trustee and at the cost of the Company concerned, execute and deliver to the Security Trustee a legal mortgage or legal charge supplemental to this Trust Debenture in favour of the Security Trustee of any freehold, leasehold or other immovable properties which become vested in it after the date hereof and all fixtures and fittings (including trade fixtures and fittings) therein to secure the payment or discharge of the Secured Obligations in such form as the Security Trustee may require provided that the Company concerned shall not be required when granting such additional security to enter into covenants and/or obligations more onerous than those contained herein unless the same are required for the effective creation or enforcement of such additional security or for the protection of the Security Trustee. In the case of any leasehold property in relation to which the consent of the landlord in whom the reversion of that lease is vested is required in order for a Company to perform any of the foregoing obligations, such Company shall not be required to perform that particular obligation unless and until it has obtained the landlord's consent (which it shall use its reasonable endeavours to do).
- 5.4 In the case of any freehold, leasehold or other immovable property acquired by any Company or any nominee after the execution of this Trust Debenture forming part of the Charged Property title to which (either before or after the acquisition thereof) is registered under the Land Registration Acts 1925 to 1988, the Company concerned shall promptly notify the Security Trustee of the title number(s) and contemporaneously with the making of an application to H.M. Land Registry for the registration of the Company concerned or its nominee (as the case may be) as the Registered Proprietor thereof apply to H.M. Chief Land Registrar substantively to register this Trust Debenture on the Charges Register of such property.
- 5.5 Each Company hereby applies to H.M. Chief Land Registrar to enter the following restrictions in the Proprietorship Register of the freehold, leasehold or other immovable property owned by such Company title to which is registered under the Land Registration Acts 1925 to 1988:

"Except under an Order of the Registrar no transfer, disposition, dealing, charge or mortgage by the proprietor of the land or any transfer made in the exercise of the power of sale possessed by the holder of any subsequent charge is to be registered or noted without the consent of the proprietor for the time being of Charge No []."

- 5.6 The Beneficiaries are under an obligation to make further advances and application is made to H.M. Chief Land Registrar for a note to be entered on the register of each freehold/leasehold property owned by any Company the title to which is registered under the Land Registration Acts 1925-88 to that effect.
- 5.7 Each Company shall, if so requested by the Security Trustee, deposit with the Security Trustee and permit the Security Trustee during the continuance of the security created hereby to hold and retain the following:
- (a) all deeds and documents of title relating to all freehold and leasehold property from time to time belonging to the Company concerned (and the insurance policies relating thereto);
 - (b) all certificates or other documents representing or evidencing ownership of the Shares together with duly executed and stamped stock transfer forms in blank; and
 - (c) all such documents relating to the Fixed Charged Property as the Security Trustee may from time to time require for the purpose of perfecting and protecting the security herein.
- 5.8 In addition to and without prejudice to anything else herein contained, each Company shall at any time, at the request of the Security Trustee but at the cost of the Companies, promptly sign, seal, execute, deliver and do all such deeds, instruments, acts and things in such form as the Security Trustee may require for perfecting or protecting the security intended to be constituted by or pursuant to this Trust Debenture or for facilitating the realisation thereof or the exercise of any and all powers, authorities and discretions intended to be vested in the Security Trustee, any Beneficiary or any Receiver by or pursuant to this Trust Debenture.
- 5.9 Without limiting the generality of Clause 5.8, the Companies jointly and severally agree to procure that:

- (a) any plant, machinery, equipment, goods and chattels acquired by the Company and having a book or market value of £250,000 or more (the "New Chattels") shall be notified to the Security Trustee no later than 30 days after the date of such acquisition, such notification shall include full particulars of the New Chattels sufficient in the opinion of the Security Trustee to allow them to be readily identified and specify in relation to each New Chattel to which of the Companies the New Chattel belongs; and
- (b) if required to do so by the Security Trustee, the Companies to which those New Chattels belong at their own cost execute and deliver to the Security Trustee a chattel mortgage on such New Chattel or New Chattels to secure payment or discharge of the Secured Obligations in such form as the Security Trustee may require, such chattel mortgage to be delivered to the Security Trustee no more than 30 days after the relevant Companies are required to execute and deliver the same.

5.10 The obligations of the Companies under this Clause 5 shall be in addition to and not in substitution for the covenants for further assurance deemed to be included in this Trust Debenture by virtue of Section 76(1)(c) of the Act.

6. **NEGATIVE PLEDGE**

6.1 Each Company hereby undertakes that at no time during the subsistence of the security created by this Trust Debenture shall it, otherwise than (a) as permitted by or pursuant to the Facilities Agreement, (b) with the Security Trustee's prior written consent or (c) in the Security Trustee's favour (as agent and trustee for the Beneficiaries)

- (a) create or attempt to create or permit to arise or subsist any security on or over the Charged Property or any part thereof; or
- (b) sell, transfer, lend, lease, license or otherwise dispose of the Charged Property or any part thereof or attempt or agree to do so whether by means of one or a number of transactions related or not and whether at one time or over a period of time save that the Floating Charge Property

may be sold on an arm's length basis at market value in the ordinary course of the Company's trading as now conducted.

- 6.2 None of the foregoing prohibitions in this Clause 6 shall be construed as limiting any powers exercisable by any Receiver appointed by the Security Trustee under or pursuant to this Trust Debenture.

7. **EXERCISE OF RIGHTS IN RESPECT OF SHARES**

- 7.1 Subject to Clause 7.2 and 7.3, all voting rights and rights of the Company concerned in respect of bonus or rights issues shall:

- (a) with respect to any Shares charged by or pursuant to this Trust Debenture and registered in the name of the Security Trustee or its nominee(s), be exercised as the Company concerned may from time to time in writing reasonably direct ; and
- (b) with respect to any Shares charged by or pursuant to this Trust Debenture and registered in the name of the Company concerned or its nominee(s), be exercised by the Company concerned.

Provided in each case that such direction or exercise by the Company concerned does not in the opinion of the Security Trustee adversely affect the Shares which are the subject of fixed security pursuant to Clause 3.1(i) and is not otherwise inconsistent with this Trust Debenture.

- 7.2 With respect to the Company concerned's rights and powers relating to any of the Shares:

- (a) the Company concerned shall not exercise such rights or powers in any manner which in the opinion of the Security Trustee is inconsistent with the security intended to be conferred on the Security Trustee by or pursuant to this Trust Debenture;
- (b) the Security Trustee and its nominee(s) shall be entitled at all times to exercise all such rights and powers for the purpose of preserving the value of the security intended to be conferred on the Security Trustee by or pursuant to this Trust Debenture or of realising such security; and

- (c) after the occurrence of an Event of Default (and without any consent or authority on the part of the Company concerned) the Security Trustee and its nominee(s) may at the Security Trustee's discretion (in the name of the Company concerned or otherwise) exercise or cause to be exercised in respect of any of the Shares any voting rights or rights to receive dividends, interest, principal or other payments of money, as the case may be, forming part of the Shares and all other powers and rights conferred or exercisable by the owner, bearer or holder thereof.

7.3 Each Company hereby covenants and agrees with the Security Trustee that:

- (a) it will at all times before the Security Trustee or any nominee of the Security Trustee becomes registered owner or acquires legal title to any of the Shares subject to a charge hereunder exercise all and any rights and powers with respect to such Shares in a manner which will not prejudice the security hereby constituted in respect thereof and as directed by the Security Trustee for the purpose of preserving the value of the security intended to be conferred on the Security Trustee by or pursuant to this Trust Debenture or of realising such security; and
- (b) it will not, without the prior written consent of the Security Trustee, make any changes to the Articles of Association of the company in which the Shares are held (save as requested by the Security Trustee pursuant to Clause 7.4) in respect of the registration of transfers of shares or pre-emption rights.

7.4 If requested by the Security Trustee, the Company shall procure that the Articles of Association of the Companies (or any of them) are altered in a manner satisfactory to the Security Trustee so as to permit the transfer of the Shares to the Security Trustee or its nominee pursuant to this Trust Debenture and by the Security Trustee or its nominee to any person following the exercise of its rights under this Trust Debenture without requiring the consent of the directors of the relevant Company or Companies or any other condition to be obtained or met.

8. COLLECTION OF DEBTS AND RELATED MATTERS

8.1 Each Company shall at all times during the subsistence of the security constituted by this Trust Debenture get in and realise its Debts and Claims in the ordinary course of

its business and trading activities and shall pay the proceeds of such Debts and Claims into its account with the Security Trustee or any other Beneficiary (or into such account as the Security Trustee may stipulate whether or not being an account with the Security Trustee or any other Beneficiary or in the name of the Company) (and so that for this purpose the realisation of Debts and Claims by means of block discounting, factoring or the like shall not be regarded as dealing in the ordinary course of the Company concerned's business) and the Company concerned shall not without the prior consent in writing of the Security Trustee sell, factor, discount or otherwise charge or assign the Debts or Claims in favour of any other person or purport to do so and the Company concerned shall if called upon to do so by the Security Trustee from time to time execute legal assignments of the Debts and Claims to the Security Trustee or any other Beneficiary in forms approved by the Security Trustee.

- 8.2 Prior to the security hereby created becoming enforceable, in the absence of any written directions to the contrary from the Security Trustee, any moneys in respect of the Debts and Claims received by the Company concerned and paid into any account in accordance with the requirements of Clause 8.1 hereof shall upon being paid into such account be released from the fixed charge created by Clause 3.1(g) hereof and shall become subject to the floating charge created by Clause 3.1(m). Such release from the fixed charge shall not affect and shall be entirely without prejudice to the continuance of the said fixed charge on all other Debts or Claims of the Company concerned outstanding from time to time and on all moneys which the Company concerned receives in respect thereof.

9. REPRESENTATIONS

- 9.1 Each Company hereby represents and warrants to the Security Trustee that:
- (a) it is, and will at all times during the subsistence of the security constituted by this Trust Debenture be, the sole, lawful and beneficial owner of all of the Charged Property charged or, as the case may be, assigned, by it hereunder free from any security (other than the security created by or pursuant to this Trust Debenture or the security permitted pursuant to Clause 6.1);
 - (b) except in accordance with the provisions of the Facilities Agreement and of this Trust Debenture or as otherwise agreed in writing by the Security

Trustee, it has not sold or granted any rights of pre-emption over or agreed to sell or grant any right of pre-emption over or granted or agreed to grant any lease or tenancy of or otherwise disposed of or agreed to dispose of the benefit of all or any of its right, title and interest in and to all or any part of the Charged Property;

- (c) it has obtained, and will at all times during the subsistence of the security constituted by this Trust Debenture obtain, all consents necessary to ensure that no other party to any agreement or arrangement entered into by it becomes entitled to terminate such agreement or arrangement as a consequence of the Company entering into this Trust Debenture;
- (d) nothing has been done on or in relation to any of the freehold, leasehold or other immovable property mortgaged or charged hereby which constitutes a "development" within the meaning of the Planning Acts, without any requisite permission having been obtained and no situation exists in relation to any of the freehold, leasehold or other immovable property secured hereby in respect of which a warning notice or an enforcement notice has been or may be made;
- (e) it is in compliance with all Environmental Laws and it has obtained, and will at all times during the subsistence of the security constituted by this Trust Debenture obtain, and is in compliance with, all Environmental Permits;
- (f) there are no circumstances relating to any of the Charged Property which have led, or could lead, to a competent authority or a third party taking any action or making a claim under any Environmental Laws including the requirement to clean up any contaminated land or the revocation, suspension, variation or non-renewal of any Environmental Permits or to it having to take action to avert the possibility of any such action or claim where such action or claim could have an adverse effect on the value of any of the Charged Property or on the ability of it to conduct any of its business or to perform its obligations under this Trust Debenture;
- (g) Screen Print Limited and each company listed in the Third Schedule to this Trust Debenture is dormant and shall remain so, does not trade and has no assets and shall not trade or acquire assets without the prior written consent of the Security Trustee; and

- (h) the properties listed in the Second Schedule and in the second schedule to the Irish Trust Debenture constitute all of the real property in which Adare and its subsidiaries have an interest.

10. COVENANTS

10.1 Each Company hereby covenants with the Security Trustee and the other Beneficiaries that during the continuance of the security created hereby it shall:

- (a) conduct and carry on its business in a proper and efficient manner and not make any substantial alteration in the nature of or mode of conduct of that business and keep or cause to be kept proper books of account relating to such business and shall keep the said books of account and all other documents relating to its affairs at its registered office or other place or places where the same ought to be kept and punctually pay, as the same become due, all debts and liabilities which by virtue of the provisions of any law relating to liquidation, bankruptcy, insolvency or creditors' rights generally would have priority to all or any part of the security created by or pursuant to this Trust Debenture;
- (b) without prejudice to the provisions of sub-clause 10.1(a) above, ensure that all liabilities which if unpaid would or might on a liquidation or receivership of the Companies or otherwise have priority over the security by way of floating charge hereby created shall be paid and discharged when the same must be paid;
- (c) perform and observe the covenants and conditions contained or comprised in any agreement from time to time made between any of its debtors and the Company itself;
- (d) at its own expense insure and keep insured in its name with the name of the Security Trustee noted thereon and is specified as loss payee, all its assets of an insurable nature with insurers previously approved of in writing by the Security Trustee against loss or damage by fire, civil commotion, explosion, aircraft, flood, storm, tempest, lightning, burst pipes, electrical faults and such other risks and contingencies as the Security Trustee shall from time to time request to the full replacement value thereof from time to time,

including, without limitation, architects', surveyors', engineers' and all other professional fees and charges; maintain such other insurance policies (with the interest of the Security Trustee and the other Beneficiaries noted therein) containing like provisions for the protection of the Security Trustee as are normally maintained by prudent companies carrying on similar businesses; duly and punctually pay all premia and other moneys necessary for effecting and keeping up such insurances and on demand produce to the Security Trustee the policies of such insurance and proof of such payments; all moneys to be received by virtue of any insurance maintained or effected by it (whether or not in pursuance of its obligations hereunder) shall (save as hereinafter otherwise provided) be paid to the Security Trustee (or if not paid by the insurers directly to the Security Trustee held in trust for the Security Trustee and shall, at the option of the Security Trustee, be applied in replacing, restoring or reinstating the property or assets destroyed, damaged or lost (any deficiency being made good by the Companies) or in reduction of the Secured Obligations; furnish promptly copies of all such insurance policies to the Security Trustee with the interest of the Security Trustee and the other Beneficiaries noted therein;

- (e) observe and perform all covenants and stipulations from time to time affecting its freehold or leasehold property or the mode of user or enjoyment of the same and not without the prior consent in writing of the Security Trustee enter into any onerous or restrictive obligations affecting any such property or create or permit to arise any overriding interest or any easement or right whatsoever in or on such property which might adversely affect the value thereof or do or suffer to be done on any such property anything which is a "development" as defined in the Planning Acts as from time to time amended otherwise than in accordance with the provisions of those Acts nor do or suffer or omit to be done any act, matter or thing whereby any provision of any Act of Parliament, order or regulation from time to time in force affecting any such property is infringed;
- (f) keep all buildings, structures, fixtures and fittings (including trade fixtures and fittings), plant, and, to the extent reasonably appropriate, machinery, in good and substantial repair and in good working order and condition (fair wear and tear excepted) and not pull down or remove or sell or otherwise dispose of any of the same without the prior consent in writing of the Security Trustee except in the ordinary course of use, repair, maintenance or improvement;

- (g) not make any structural alterations, or additions to any freehold, leasehold or other immovable property subject to the security constituted by this Trust Debenture without the prior written consent of the Security Trustee;
- (h) pay as and when the same must be paid all taxes, rates, duties, charges, assessments and outgoings whatsoever and of any description which shall be assessed, charged or imposed upon or payable in respect of any of the freehold or leasehold property hereby mortgaged or charged or any part thereof (save to the extent that payment of the same is being contested in good faith);
- (i) pay any rents reserved by the terms of any lease and (in any event) keep all of its freehold and leasehold and other immovable property in good and substantial repair and perform and observe all the covenants, agreements and stipulations on the part of it contained in any lease or leases comprised within any of the freehold or leasehold property hereby mortgaged or charged and not do or suffer to be done any act or thing whereby any such lease or leases is or are likely to become liable to forfeiture or otherwise be unilaterally determined by the landlord(s);
- (j) not (without the prior consent in writing of the Security Trustee) grant or agree to grant (whether in exercise or independently of any statutory power) any lease or tenancy of the freehold or leasehold property hereby mortgaged or charged or any material part thereof;
- (k) not (without the prior consent in writing of the Security Trustee) permit any person to become entitled to any proprietary right or interest which might affect the value to an extent which is in the opinion of the Security Trustee material of any land, fixtures or fixed plant and machinery hereby charged;
- (l) notify the Security Trustee of any notice received in relation to the freehold or leasehold property hereby mortgaged or charged which might reasonably be expected to affect the value of such property, or the Security Trustee's security therein, adversely and within thirty days after receipt by it of any application, requirement, order or notice served or given by any public or local or any other authority with respect to all the Charged Property (or any material part thereof), give written notice thereof to the Security Trustee

and also (within seven days after demand) produce the same or a copy thereof to the Security Trustee and inform the Security Trustee of the steps taken or proposed to be taken to comply with any such requirement thereby made or implicit therein;

- (m) duly and punctually perform and observe all its obligations in connection with the Charged Property under any present or future statute or any regulation, order or notice made or given thereunder;
- (n) otherwise than as permitted herein not do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice, to an extent which in the opinion of the Security Trustee is material, the value to the Security Trustee of the security hereby created;
- (o) not (without the prior consent in writing of the Security Trustee or as otherwise provided in the Facilities Agreement) redeem or purchase its own shares or form, or acquire, or dispose of any subsidiary;
- (p) furnish to the Security Trustee from time to time, and at such intervals as the Security Trustee shall from time to time require, such information regarding its and its subsidiaries' assets and liabilities as the Security Trustee may require including, without prejudice to the generality of the foregoing, details of all of its stock-in-trade from time to time, copies of all and any statements relating thereto and all of its debts from time to time together with details of the debtors and copies of all and any invoices rendered in respect of such debts and details of all debts which would, on its liquidation be paid in priority to all of its other unsecured debts;
- (q) use, operate, maintain and control each item of plant, machinery and equipment subject to a mortgage or fixed charge hereunder in a careful and proper manner and in accordance with all licences, agreements, manufacturers' recommendations (as originally drafted or as amended from time to time), statutes, laws, ordinances, and regulations relating to the use, operation, maintenance and control thereof and neither use nor knowingly permit any such items to be used for any unlawful purpose and ensure that any replacement or substitute parts are in good repair and working order and are free from any lien or other encumbrance whatsoever and are owned by it;

- (r) keep each item of plant, machinery and equipment subject to a mortgage or fixed charge hereunder at the location or locations (if any) from time to time approved in writing by the Security Trustee and not remove any such item or items from its location without the prior written consent of the Security Trustee, except for the purpose of maintenance or repair;
- (s) keep each item of plant, machinery and equipment subject to a mortgage or fixed charge hereunder in good repair and condition and working order and not do or omit to do anything which could reasonably be expected to result in any item of plant, machinery and equipment subject to a fixed charge hereunder or any part thereof being confiscated, seized, requisitioned, taken in execution, impounded or otherwise taken out of its control;
- (t) if it has not already done so, in the case of any plant, machinery and equipment subject to a mortgage or fixed charge hereunder located on leasehold premises, obtain evidence in writing from any lessor of any such premises that he waives absolutely all and any rights he may have now or at any time in the future over any of such plant, machinery and equipment;
- (u) punctually pay all calls, instalments and other payments that may become due in respect of the Shares or other stocks and securities subject to a fixed charge hereunder;
- (v) take all such steps and do all such acts as may be necessary for keeping on foot any letters patent or for maintaining the registration of any trademarks or other intellectual property subject to the security constituted by this Trust Debenture and for restoring the same if they have at any time become void and, in particular, pay all fees necessary for that purpose before the same become due and produce to the Security Trustee on demand the receipts for such fees;
- (w) use its best endeavours to protect and safeguard the letters patent, trademarks or other intellectual property subject to the security constituted by this Trust Debenture from and against theft, loss, destruction, unauthorised access, copying or use by third parties and to detect any infringement of the same and if it shall become aware of any such infringement at once give to the Security Trustee all information in its possession with regard thereto and, at the request of the Security Trustee but at its cost, commence and diligently prosecute or permit the Security

Trustee in the name of its cost to commence and prosecute all proceedings necessary to prevent such infringements or to recover damages in respect thereof and it hereby appoints the Security Trustee and the persons deriving title under it to be its attorney and attorneys in its name or otherwise and on its behalf to execute and do all deeds, acts, matters and things that may in its or their opinion be required for the purposes aforesaid or any of them;

- (x) comply with all Environmental Laws and Environmental Permits applicable from time to time to the Charged Property or any part thereof and not allow any circumstances to arise which could lead to a competent authority or a third party taking action or making a claim under any Environmental Laws including the requirement to clean up any contaminated land or the renovation, suspension, variation or non-renewal of any Environmental Permits or to it having to take action to avert the possibility of any such claim where such action or claim could have an adverse effect on the value of any of the Charged Property or on its ability to conduct any of its business or to perform its obligations under this Trust Debenture:
- (y) within seven days of the receipt of notice of the same, give full particulars (and if requested, a copy of any written particulars received by it) to the Security Trustee of any notice, order, direction, designation, resolution or proposal having application to all or any part of the Charged Property or to the area in which it is situate, given or made by any planning authority or other public body or authority whatsoever under or by virtue of planning legislation or Environmental Laws or any other statutory power whatsoever or in pursuance of the powers conferred by any other statute whatsoever; and if so required by the Security Trustee, without delay and at its cost, take all reasonable or necessary steps to comply with any such notice or order and at the request of the Security Trustee, without delay and at its cost make or join with the Security Trustee in making such objections or representations against or in respect of any proposal for such notice or order as the Security Trustee shall deem expedient; and
- (z) ensure that (unless the Security Trustee otherwise agrees in writing) any company which becomes its subsidiary and any of its dormant subsidiaries which ceases to be dormant delivers to the Security Trustee (in a form approved by the Security Trustee but in each case having provisions no more onerous than those contained in the comparable Security Documents for the time being) (a) a guarantee in respect of all of the Borrowers'

obligations to the Security Trustee and the other Beneficiaries under the Finance Documents and (b) a debenture in favour of the Security Trustee (as agent and trustee for the Beneficiaries) creating first, fixed and floating charges over its assets, each duly executed and delivered by the company or, as the case may be, the subsidiary concerned.

10.2 Adare Printing Group (UK) Limited hereby covenants with the Security Trustee and the other Beneficiaries that during the continuance of the security created hereby it shall:

- (a) not, without the prior written consent of the Security Trustee agree to or make any modification, amendment, waiver or release of any Hedging Agreement or permit any breach or default to exist in respect thereof or take or omit to take any action the taking or omission of which might result in the modification, amendment or release of any Hedging Agreement or which might in any way prejudice the rights, title and interest under any Hedging Agreement hereby assigned; and
- (b) remain liable to perform all obligations assumed by it under each Hedging Agreement and duly perform all such obligations and the Security Trustee shall be under no obligation by virtue of these presents in respect of any failure by Adare Printing Group (UK) Limited so to perform such obligations.

10.3 In the case of default by any Company in the performance of any of the foregoing covenants contained in either Clause 10.1 or 10.2 it shall be lawful for (but not obligatory upon) the Security Trustee to do whatever may in the Security Trustee's opinion be necessary to make good such default, and all sums expended by the Security Trustee in that behalf shall be added to the monies hereby secured and bear interest accordingly and the Security Trustee may effect insurances in such amounts and against such risks, as the Security Trustee shall, in its absolute discretion, decide.

11. POWER OF SALE

11.1 Section 103 of the Act shall not apply to this Trust Debenture. On or at any time after the occurrence of an Event of Default the Security Trustee may exercise without further notice to the Companies and without the restrictions contained in the Act and whether or not it shall have appointed a Receiver, all the powers conferred on mortgagees by the common law and the Act as varied or extended by this Trust

Debenture and all the powers and discretions hereby conferred either expressly or by reference on a Receiver.

11.2 Notwithstanding any provisions contained in this Trust Debenture, the Secured Obligations shall be deemed for the purposes of section 101 of the Act to have become due and payable within the meaning of section 101 of the Act and the power of sale and other powers conferred on mortgagees by the Act as varied or extended by this Trust Debenture shall arise immediately on execution of this Trust Debenture.

11.3 The restriction on the right of consolidating mortgage securities which is contained in section 93 of the Act shall not apply to this Trust Debenture.

12. **POWER OF LEASING**

The power of leasing conferred upon a mortgagor in possession by section 99 of the Act and the power of accepting the surrender of leases conferred upon a mortgagor in possession by section 100 of the Act and any other powers of leasing, surrendering or accepting surrenders of leases vested in any Company shall not be exercisable without the prior consent in writing of the Security Trustee nor shall any Company, without the prior consent in writing of the Security Trustee, confer on any person any contractual licence to occupy or any other right or interest in any freehold or leasehold or other immovable property hereby charged or grant any licence or consent to assign, undertake or part with possession or occupation thereof.

13 **ENTRY INTO POSSESSION AND APPOINTMENT AND POWERS OF RECEIVER**

13.1 On or at any time after the occurrence of an Event of Default, the Security Trustee may, without notice to the Companies, take possession of and hold all or any part of the Charged Property and the Security Trustee may, without first appointing a Receiver, exercise all or any of the powers conferred on mortgagees by the Act as varied or extended by this Trust Debenture and all the powers, authorities and discretions conferred by this Trust Debenture expressly or by implication on any Receiver or otherwise conferred by statute or common law on mortgagees or receivers.

- 13.2 On or at any time after the occurrence of an Event of Default or if requested by any or all of the Companies, the Security Trustee may, without notice to the Companies, in writing under its Common Seal or under the hand of any officer(s) or manager(s) or any other nominated person of the Security Trustee, appoint any person to be a Receiver or Receiver and manager of all or any part of the Charged Property and may, except as otherwise required by statute, remove any such Receiver and appoint another or others in his or their place or appoint another person or persons to act jointly with any such Receiver.
- 13.3 Such an appointment over part only of the Charged Property shall not preclude the Security Trustee from making any subsequent appointment of the same or another Receiver over any part of the Charged Property over which an appointment has not been previously made.
- 13.4 Where more than one Receiver is appointed they shall have power to act severally unless the Security Trustee shall in the appointment specify to the contrary.
- 13.5 A Receiver shall be deemed at all times and for all purposes to be the agent of the Companies in respect of which he is appointed and the Companies shall be solely responsible for his acts or defaults and for the payment of his remuneration and the Receiver shall at no time act as agent for the Security Trustee.
- 13.6 Neither the Security Trustee nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect or default of any nature whatsoever in connection with all or any part of the Charged Property to which a mortgagee in possession might as such be liable.
- 13.7 The restrictions contained in sections 109(1) and 109(6) of the Act shall not apply to this Trust Debenture.
- 13.8 A Receiver shall have all the powers conferred from time to time on receivers by statute (including, without limitation, all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (and whether or not the Receiver is an administrative receiver) and (in the event that the Receiver is an administrative receiver) all the other powers exercisable by an administrative receiver by virtue of the provisions of the Insolvency Act 1986) and in the case of the powers conferred by the Act without the restrictions contained in such Act (as amended) and, in

addition, power on behalf and at the cost of the Companies (notwithstanding liquidation of any Company) to do or omit to do anything which the Companies could do or omit to do in relation to the Charged Property or any part thereof and in particular (but without limitation) a Receiver shall have the power to do all or any of the following:

- (a) enter upon, take possession of, collect and get in all or any of the Charged Property, exercise in respect of any shares or stocks secured hereunder all voting or other powers or rights available to a registered holder thereof in such manner as he may think fit and bring, defend or discontinue any proceedings (including, without limitation, proceedings for the winding-up of any and/or all of the Companies) or submit to arbitration in the name of any and/or all of the Companies or otherwise as may seem expedient to him;
- (b) carry on, manage, develop, reconstruct, amalgamate or diversify the business of the Companies or any part thereof or concur in so doing, lease or otherwise acquire and develop or improve properties or other assets without being responsible for loss or damage;
- (c) raise or borrow any money from or incur any other liability to the Security Trustee and any other Beneficiary or others on such terms with or without security as he may think fit and so that any such security may be or include a charge on the whole or any part of the Charged Property ranking in priority to this security or otherwise;
- (d) sell by public auction or private contract, let, surrender or accept surrenders, grant licences or otherwise dispose of or deal with all or any of the Charged Property or concur in so doing in such manner for such consideration and generally on such terms and conditions as he may think fit (including, without limitation, conditions excluding or restricting the personal liability of the Receiver or the Security Trustee) with full power to convey, let, surrender, accept surrenders or otherwise transfer or deal with such Charged Property in the name and on behalf of any and/or all of the Companies or otherwise and so that the covenants and contractual obligations may be granted and assumed in the name of and so as to bind any and/or all of the Companies if he shall consider it necessary or expedient so to do; any such sale, lease or disposition may be for cash, debentures or other obligations, shares, stock, securities or other valuable

consideration and be payable immediately or by instalments spread over such period as he shall think fit and so that any consideration received or receivable shall ipso facto forthwith be and become charged with the payment of all Secured Obligations; plant, machinery and fixtures may be severed and sold separately from the premises containing them and the Receiver may apportion any rent and the performance of any obligations affecting the premises sold without the consent of the Companies;

- (e) promote, procure the formation or otherwise acquire the share capital of any body corporate with a view to such body corporate purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Charged Property or otherwise, arrange for companies to trade or cease to trade and to purchase, lease, license or otherwise acquire all or any of the Charged Property on such terms and conditions whether or not including payment by instalments secured or unsecured as he may think fit;
- (f) make any arrangement or compromise or enter into or cancel any contracts which he shall think expedient;
- (g) make and effect such repairs, renewals and improvements to the Charged Property or any part thereof as he may think fit and maintain, renew, take out or increase insurances including, without limitation, indemnity insurance;
- (h) appoint managers, agents, officers, and employees for any of such purposes or to guard or protect the Charged Property at such salaries and commissions and for such periods and on such terms as he may determine and dismiss the same,
- (i) make or require the directors of all or any of the Companies to make calls, conditionally or unconditionally, on the members of the Companies concerned in respect of uncalled capital and enforce payment of any call so made by action (in the name of the Companies concerned or the Receiver as may be thought fit) or otherwise;
- (j) without any consent by or notice to the Companies, exercise on behalf of any and/or all of the Companies all the powers and provisions conferred on a landlord or a tenant by any legislation from time to time in force

relating to rents or otherwise in respect of any part of the Charged Property but without any obligation to exercise any of such powers and without any liability in respect of powers so exercised or omitted to be exercised;

- (k) without any consent or notice by or to the Companies, exercise for and on behalf of any and/or all of the Companies and in the name of any or all of the Companies all powers and rights of the Companies relevant to and necessary to effect the registration in the Land Registry of the crystallisation of the first floating charge and/or the appointment of a Receiver hereunder;
- (l) settle, arrange, compromise and submit to arbitration any accounts, claims, questions or disputes whatsoever which may arise in connection with the business of any and/or all of the Companies or the Charged Property or any part thereof or in any way relating to the security constituted by this Trust Debenture, bring, take, defend, compromise, submit to and discontinue any actions, suits, arbitrations or proceedings whatsoever whether civil or criminal in relation to the matters aforesaid, enter into, complete, disclaim, abandon or disregard, determine or rectify all or any of the outstanding contracts or arrangements of any and/or all of the Companies in any way relating to or affecting the Charged Property or any part thereof and allow time for payment of any debts either with or without security as he shall think expedient;
- (m) redeem any prior encumbrance and settle and agree the accounts of the encumbrancer; any accounts so settled and agreed shall (subject to any manifest error) be conclusive and binding on the Company concerned and the money so paid shall be deemed an expense properly incurred by the Receiver;
- (n) generally, at his option, use the name of any and/or all of the Companies in the exercise of all or any of the powers hereby conferred;
- (o) exercise, or permit any and/or all of the Companies or any nominees of such Company or Companies to exercise, any powers or rights incidental to the ownership of the Charged Property or any part thereof in such manner as he may think fit; and

- (p) sign any document, execute any deed and do all such other acts and things as may be considered by him to be incidental or conducive to any of the matters or powers aforesaid or to the realisation of the Security Trustee's security and use the name of any and/or all of the Companies for all the above purposes.

- 13.9 A Receiver shall be entitled to remuneration at a rate to be fixed by agreement between him and the Security Trustee (or, failing such agreement, to be fixed by the Security Trustee).

14. **DELEGATION OF POWERS OF THE SECURITY TRUSTEE**

The Security Trustee may, at any time and from time to time, delegate by power of attorney or in any other manner (including, without limitation, under the hand of any officer of the Security Trustee) to any person or persons or company or fluctuating body of persons all or any of the powers, authorities and discretions which are, for the time being, exercisable by the Security Trustee under this Trust Debenture or under the Act in relation to the Charged Property or any part thereof and any such delegation may be made upon such terms and conditions (including power to sub-delegate) and subject to such regulations as the Security Trustee may think fit, and the Security Trustee shall not be in any way liable or responsible to any Company for any loss or damage arising from any act, default, omission, or misconduct on the part of any such delegate (or sub-delegate).

15. **LIABILITY OF THE SECURITY TRUSTEE IN POSSESSION**

- 15.1 If the Security Trustee or any Receiver appointed by the Security Trustee or in any such delegate (or sub-delegate) as aforesaid shall enter into possession of the Charged Property or any part thereof, the Security Trustee may, from time to time at pleasure, go out of such possession.
- 15.2 The Security Trustee shall not, in any circumstances either by reason of any entry by it into, or taking by it of possession of, the Charged Property or any part thereof or for any other reason whatsoever and whether as mortgagee in possession or on any other basis whatsoever, be liable to account to any Company for anything except the Security Trustee's own actual receipts or be liable to any Company for any loss or damage arising from any realisation by the Security Trustee of the Charged Property

or any part thereof or from any act, default or omission of the Security Trustee in relation to the Charged Property or any part thereof or from any exercise or non-exercise by the Security Trustee of any power, authority or discretion conferred upon it in relation to the Charged Property or any part thereof by or pursuant to this Trust Debenture or by the Act unless such loss or damage shall be caused by the Security Trustee's own fraud or gross negligence.

- 15.3 All the provisions of Clause 15.2 shall apply in respect of the liability of any Receiver of the Charged Property or any part thereof and in respect of the liability of any such delegate (or sub delegate) as aforesaid in all respects as though every reference in Clause 15.2 to the Security Trustee were instead a reference to such Receiver or (as the case may be) to such delegate (or sub-delegate) save in respect of wilful default or gross negligence on the part of the Security Trustee.

16. **APPLICATION OF MONIES**

- 16.1 All monies arising from the exercise of the powers of enforcement of the security constituted by or pursuant to this Trust Debenture shall be applied, after the discharge of all sums, obligations and liabilities having priority thereto, in the following manner and order:

- (i) in or towards payment of all costs, charges and expenses of and incidental to the appointment of any Receiver hereunder and his remuneration;
- (ii) in payment and discharge of any liabilities incurred or payable by the Receiver whether on his own account or on behalf of any and/or all of the Companies in the exercise of any of the powers of the Receiver including the costs of realisation of that part of the Charged Property in respect of which he was appointed;
- (iii) in payment and discharge of any liabilities incurred or payable by the Security Trustee under Clause 10.3 and interest thereon;
- (iv) in or towards payment of all such costs, charges, losses expenses and other sums as are mentioned in Clause 27 and interest thereon;
- (v) in or towards payment or discharge of the Secured Obligations in the manner provided for under Clause 34.27 of the Facilities Agreement (save that the Security Trustee may credit the same to a suspense account for so

long and in such manner as the Security Trustee may from time to time determine and the Receiver may retain the same for such period as he and the Security Trustee consider expedient); and

(vi) in payment of any surplus to the Companies or other persons entitled thereto.

16.2 All monies from time to time received by the Security Trustee from any Company or any person or persons or company liable to pay the same or from any Receiver or otherwise on the realisation or enforcement of the security created hereunder may be applied by the Security Trustee either as a whole or in such proportions as the Security Trustee shall think fit to any account or item of account or any transaction to which the same may be applicable.

16.3 The provisions of Clause 16.1 shall take effect as and by way of variation to the provisions of section 109(8) of the Act which provisions as so varied and extended shall be deemed incorporated herein as if they related to a receiver of the Charged Property and not merely a receiver of the income thereof.

17. **PROTECTION OF PURCHASERS**

No purchaser, mortgagor, mortgagee or other person or company dealing with a Receiver or the Security Trustee shall be concerned to enquire whether any Event of Default has occurred or whether any power exercised or purported to be exercised by him or it has become exercisable or whether any money is due on the security hereof or as to the propriety or regularity of any sale by or other dealing with such Receiver or the Security Trustee but any such sale or dealing shall be deemed to be within the powers hereby conferred and to be valid and effectual accordingly and all the protection to purchasers contained in sections 104 and 107 of the Act shall apply to any person purchasing or dealing with a Receiver or the Security Trustee.

18. **POWER OF ATTORNEY**

Each Company hereby by way of security for the performance of its obligations under this Trust Debenture irrevocably appoints the Security Trustee, each and every person to whom the Security Trustee may from time to time shall have delegated the exercise of the power of attorney conferred by this Clause 18 and any

Receiver and each of them jointly and also severally to be its attorney (with full powers of substitution and delegation) and in its name or otherwise and on its behalf and as its act and deed to sign, seal, execute, deliver, perfect and do all deeds, instruments, acts and things which it may or ought to do under the covenants and provisions contained in this Trust Debenture and generally in its name and on its behalf to exercise all or any of the powers, authorities and discretions conferred by or pursuant to this Trust Debenture or by or any statute or common law on the Security Trustee or any Receiver or which may be required or which the Security Trustee or any Receiver shall deem fit for carrying any sale or lease, charge, mortgage or dealing by the Security Trustee or by any Receiver into effect or for giving to the Security Trustee or any Receiver the full benefit of these presents and generally to use its name in the exercise of all or any of the powers, authorities or discretions conferred on the Security Trustee or any Receiver and it hereby ratifies and confirms and agrees to ratify and confirm whatsoever any such attorney shall do or purport to do by virtue of this Clause 16 and all money expended by any such attorney shall be deemed to be expenses incurred by the Security Trustee hereunder.

19. **CONTINUING SECURITY**

The security constituted by or pursuant to this Trust Debenture shall be a continuing security for the Secured Obligations and shall not be considered as satisfied or discharged by any intermediate payment or settlement of the whole or any part of the Secured Obligations but shall constitute and be a continuing security for the Secured Obligations notwithstanding any settlement of account or other matter whatsoever and is in addition to and shall not merge with or otherwise prejudice or affect any contractual or other right or remedy or any guarantee, lien, pledge, bill, note, mortgage or other security (whether created by the deposit of documents or otherwise) now or hereafter held by or available to the Security Trustee for or in respect of the Secured Obligations or any other obligations whatsoever and shall not be in any way prejudiced or affected thereby or by the invalidity thereof or by the Security Trustee now or hereafter dealing with, exchanging, releasing, varying or abstaining from perfecting or enforcing any of the same or any rights which it may now or hereafter have or giving time for payment or indulgence or compounding with any other person liable.

20. **AVOIDANCE OF PAYMENTS**

No assurance, security or payment which may be avoided or adjusted under any applicable law, and no release, settlement or discharge given or made by the Security Trustee or any Receiver on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Security Trustee or any Receiver to recover from all or any the Companies (including any moneys which it may be compelled by due process of law to refund pursuant to the provisions of any law relating to liquidation, administration, bankruptcy, insolvency or creditors' rights generally and any costs payable by it to or otherwise incurred in connection with such process) or to enforce the security created by or pursuant to this Trust Debenture to the full extent of the Secured Obligations.

21. **SET-OFF**

Without prejudice to any right of set-off or any similar right to which each Beneficiary may be entitled at law or in equity or by agreement between the parties and, without prejudice to anything else herein contained, each Beneficiary may at any time following the occurrence of an Event of Default without notice to or further authorisation from any Company combine and consolidate all or any accounts of any and/or all of the Companies with such Beneficiary anywhere and/or set off any moneys whatsoever and whether on current, deposit or any other account and in whatever currency or currencies against any moneys or liabilities whatsoever in whatever currency which may be due, owing or incurred by any and/or all of the Companies to such Beneficiary whether actually or contingently and whether or not any period of any deposit or by reference to which interest therein is calculated has expired and any conversion from one currency to another for the purpose of any of the foregoing shall be made at the Beneficiary's then prevailing spot selling rate at its office by which such conversion is made.

22. **SUBSEQUENT CHARGES AND NEW ACCOUNTS**

If a Beneficiary shall at any time receive or be deemed to have received notice of any subsequent mortgage or charge affecting the Charged Property or any part thereof or any assignment or transfer thereof which is prohibited by the terms of this Trust Debenture:

- (i) that Beneficiary may open a new account or accounts for the Company concerned in its books; and
- (ii) if that Beneficiary does not in fact open such new account, then unless it gives express written notice to the Company concerned to the contrary, such Beneficiary shall be treated as if it had in fact opened such account or accounts at the time when it received or was deemed to have received such notice,

and as from such time and when such express written notice shall be given to the Company concerned, all payments by or on behalf of the Company concerned to such Beneficiary shall be credited or treated as having been credited to such new account or accounts and not as having been applied in reduction of the Secured Obligations at such time.

23 SEVERABILITY

If at any time any one or more of the provisions hereof is or becomes invalid, illegal or unenforceable in any respect under any law or regulation, such illegality, invalidity or unenforceability shall not affect the legality, validity or enforceability of the remaining provisions or the effectiveness of any of the remaining security constituted by this Trust Debenture under such law.

24. ASSIGNMENT

- 24.1 This Trust Debenture shall be binding upon and inure to the benefit of each of the parties and their respective successors and permitted assigns and references in this Trust Debenture to any of them shall be construed accordingly.
- 24.2 Except with the prior written consent of the Security Trustee, the Company may not assign or transfer all or any of its rights, benefits or obligations under this Trust Debenture. The Security Trustee may not assign all or any part of its rights, benefits or obligations under this Trust Debenture other than to any of its subsidiaries or, with the prior written consent of Adare (such consent not to be unreasonably withheld), any bank licensed and/or authorised by the Central Bank of Ireland or by the Bank of England.

24.3 The Security Trustee may assign or transfer all or any part of its rights, benefits or obligations under this Trust Debenture or any part thereof to any new or replacement trustee or trustees acting as Security Trustee properly substituted in accordance with the terms of the Facilities Agreement. Where the Security Trustee assigns or transfers its rights, benefits or obligations or any part thereof, each Company shall execute such documents as the Security Trustee may specify to release the Security Trustee to the extent of the assignment or transfer or with a view to perfecting such assignment or transfer, or where necessary, shall execute further security documentation in favour of the assignee or transferee in like form to this Trust Debenture.

24.4 The Security Trustee may disclose to a potential assignee or to any person who may otherwise enter into contractual relations with the Security Trustee in relation to this Trust Debenture such information about any and/or all of the Companies and this Trust Debenture as the Security Trustee considers appropriate.

25. **CERTIFICATE OF THE AGENT CONCLUSIVE**

A certificate signed by an officer of the Agent as to the amount at any time hereby secured or as to any applicable rate of interest shall, as against the Companies, be conclusive evidence as to the amount thereof.

26. **NO WAIVERS, REMEDIES CUMULATIVE**

Time shall be of the essence with respect to the obligations of the Companies under this Trust Debenture but no failure to exercise, nor any delay in exercising on the part of the Security Trustee, any right or remedy under this Trust Debenture or any other document will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies provided by this Trust Debenture are cumulative and not exclusive of any rights or remedies provided by law and may be exercised as often as the Security Trustee thinks appropriate.

27 COSTS AND EXPENSES

27.1 All costs and expenses (including any tax liability and any legal costs and, in each case, value added tax or any similar tax charged or chargeable in respect thereof) incurred by the Security Trustee or, as the case may be, any Receiver:

- (i) in the negotiation, preparation and execution of this Trust Debenture and the completion of the transactions contemplated herein;
- (ii) in the exercise of any of the rights, remedies and powers conferred on the Security Trustee or, as the case may be, any Receiver, by this Trust Debenture or in the perfection or enforcement of any other security for or guarantee in respect of the Secured Obligations or in connection with any proceedings instituted by or against the Security Trustee in relation to the title to the whole or any part of the Charged Property; and
- (iii) as a consequence of or holding the security constituted by this Trust Debenture or any claims or proceedings in relation thereto or to any of the Charged Property,

shall be reimbursed by the Companies to the Security Trustee on demand on a full indemnity basis and shall carry interest from the date of such demand until so reimbursed at the date and otherwise as mentioned in Clause 2.2.

27.2 Each Company shall pay all stamp, registration and other taxes to which this Trust Debenture or any judgment in connection herewith is or at any time may be subject and shall indemnify the Security Trustee against any liabilities, costs, claims and expenses resulting from any failure to pay or delay in paying such tax

27.3 The cost of each Company complying with any of its obligations under the Debenture (including, without limitation, its obligations under Clause 5) shall be borne by each Company.

28. PAYMENTS

The provisions of the Facilities Agreement relating to the payments to be made thereunder (including, without limitation, Clause 23 thereof which regulates what is to happen if a Borrower is required by law to make a deduction or withholding from

any such payment) shall apply mutatis mutandis to payments to be made hereunder as if references therein to "Borrower" and "Borrowers" were to "Company" and "Companies".

29. **NOTICES**

- 29.1 Any notice or other communication to be given under or for the purposes of this Trust Debenture shall be in writing and shall be treated as properly served or given if hand delivered or sent by registered post or facsimile to the relevant person at the address or facsimile number identified below (or such other address or facsimile number as that person may have designated in writing from time to time to the person giving the notice):

Bank	Address:	Bankcentre Ballsbridge Dublin 4
	Facsimile No:	260-1783
	Attention:	AIB Corporate Banking Catherine Moroney Donnchadh O Madagain Bernard Carroll
Company	Address:	Hugenot House 35/38 St. Stephen's Green Dublin 2
	Facsimile No:	661-3968
	Attention:	B.N. Loane P.E. Lynch J. Coll

- 29.2 Any notice or other communication shall be deemed to have been received by the recipient:

- (i) in the case of a letter which is hand delivered, when actually delivered and, in the case of a letter which is sent by registered post, on the second day after posting (or on actual receipt, if earlier); or

- (ii) in the case of transmission by facsimile, at the time of transmission provided that any communication or document to be made or delivered to the Security Trustee shall be effective only when received by the Security Trustee and then only if the same is expressly marked for the attention of the officer referred to above (or such other officer as the Security Trustee may from time to time specify for this purpose).

29.3 Each person making a communication under this Trust Debenture by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant hereto but the absence of such confirmation shall not affect the validity of any such communication.

30. CURRENCY JUDGMENT

30.1 If any sum due from any or all of the Companies under this Trust Debenture or any order or judgment given or made in relation thereto has to be converted from the currency (the "first currency") in which the same is payable thereunder or under such order or judgment into another currency (the "second currency") for the purpose of:

- (i) making or filing a claim or proof against any or all of the Companies; or
- (ii) obtaining an order of judgment in any court or other tribunal; or
- (iii) enforcing any such order or judgment,

the Companies agree to indemnify and hold harmless the Security Trustee from and against any loss suffered as a result of any discrepancy between:

- (a) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency; and
- (b) the rate or rates of exchange at which the Security Trustee is able to purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

- 30.2 The rate or rates of exchange aforesaid shall be determined by the Security Trustee in accordance with applicable market practice and the Security Trustee's certificate as to the amount of any such rate shall be conclusive, save in the case of manifest error.

31. **COUNTERPARTS**

This Trust Debenture may be executed in any number of counterparts and by the different parties to this Trust Debenture on separate counterparts, each of which, when executed and delivered, shall constitute an original, but all the counterparts shall together constitute but one and the same instrument.

32. **GOVERNING LAW**

This Trust Debenture shall be governed by and construed in accordance with the laws of England.

The perpetuity period under the rule against perpetuities if applicable to this Trust Debenture shall be the period of 80 years from the date of this Trust Debenture.

IN WITNESS whereof this Trust Debenture has been signed as a deed and delivered the day and year first above written.

THE FIRST SCHEDULE

(Details of Companies)

Name	Registration No.
Adare Printing Group (UK) Limited	2387953
Kenley Press Limited	778663
Darley Business Forms Limited	405648
Quorum Technical Services Limited	1720724
WBF Limited	2814431
William Caple & Company Limited	501084
Label Converters Limited	1203292
Adare Properties (UK) Limited	2931068
Great Northern Envelope Company Limited	2212509
Alexander Pettigrew Limited	2917499
Park Mill Business Forms Limited	3014889
Pillings Printing Group Limited	120184

THE SECOND SCHEDULE

(Details of Properties)

Part I Unregistered Land

Estate Owner	Short Description
1. WBF Limited (formerly Park Mill Business Forms Limited) No. 2814431	Leasehold property known as land and buildings at Wakefield Road, Clayton West, Huddersfield comprised in a Lease dated 23rd July 1993 made between (1) John Waddington Properties Limited and (2) Park Mill Business Forms Limited
2. Quorum Technical Services Limited No. 1720724	Leasehold property known as Units 1, 4, 9 and 10 Sandford Park Trading Estate, Cheltenham comprised in a Lease dated 19th April 1985 made between (1) Stonehouse Investments (Cheltenham) Limited and (2) Quorum Technical Services Limited
3. WBF Limited (formerly Park Mill Business Forms Limited) No. 2814431	Leasehold property known as 41-51 Blackburn Street, Radcliffe, Bury, Greater Manchester comprised in a Lease dated 25th March 1990 made between (1) Trustees of the London United District of the Ancient Order of Foresters Friendly Society and (2) Waddington Business Forms Limited
4. WBF Limited (formerly Park Mill Business Forms Limited) No. 2814431	Leasehold property known as Unit 8, Willow Road, Poyle comprised in a Lease dated 14th June 1989 made between (1) B Hamoud, R H Bader and others and (2) Waddington Business Forms Limited

Part II Registered Land

Estate Owner	Short Description	Title No(s)
1. William Caple and Company Limited No. 501084	Freehold land and buildings at Morledge Street, Leicester	LT9176, LT7772, LT11652, LT19436, LT32583, LT64969, LT88969 and LT26063
2. Alexander Pettigrew Limited No. 2917499	Freehold property known as Main Street, Coatbridge, Glasgow	LAN45798 and LAN74818

- | | | | |
|----|--|--|-----------|
| 3. | Adare Properties
(UK) Limited
No. 2931068 | Freehold land and buildings at Falconer
Road, Haverhill, Suffolk | SK141185 |
| 4. | Great Northern
Envelope Company
Limited
No. 2212509 | Freehold property known as Maserati
House, Gelderd Road, Leeds | WYK523798 |
| 5. | Great Northern
Envelope Company
Limited
No. 2212509 | Freehold property being land and
buildings on the north-west side of
Ingram Road, Holbeck | WYK556729 |
| 6. | Darley Business
Forms Limited
No. 405648 | Leasehold land and buildings on the
north-west side of and fronting
Wellington Road, Burton-on-Trent | SF297544 |
| 7. | Kenley Press
Limited No. 778663 | Leasehold property known as Unit 5,
Walter Lawrence Trading Estate,
Brewers Hill Road, Dunstable | BD83874 |
| 8. | Pillings Printing
Company Limited | Freehold property being land and
buildings on the north side of Elland
Land, Elland, West Yorkshire | WYK417419 |

THE THIRD SCHEDULE

(Dormant Companies)

	Registration Number
Great Northern Printing Company Limited	2532394
The Re-cycled Envelope Company Limited	2488269
Great Northern Direct Mail Company Limited	2470809
Great Northern Packaging Company Limited	2363934

THE FOURTH SCHEDULE

Part 1

(Form of Notice of Assignment of the Hedging Agreement)

To: [Hedging Counterparty]
From Adare Printing Group (UK) Limited

Date:

Dear Sirs,

We hereby give you notice that we have assigned by way of security pursuant to a trust debenture entered into by us in favour of Allied Irish Banks, p.l.c. as security trustee for itself and others (the "Security Trustee") dated [] 1996 (the "Trust Debenture") all our right, title and interest in and to the Hedging Agreement (the "Agreement") to the Security Trustee.

After your receipt of a notice from the Security Trustee that its rights as assignee under the Trust Debenture have become exercisable:

- (i) all payments under or arising from the Agreement should be made to the Security Trustee or to its order;
- (ii) all remedies provided for in the Agreement or available at law or in equity shall be exercisable by the Security Trustee;
- (iii) all rights to compel performance of the Agreement shall be exercisable by the Security Trustee;
- (iv) all rights, interest and benefits whatsoever accruing to or for the benefit of ourselves from the Agreement shall belong to the Security Trustee.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Trustee as Bankcentre, Ballsbridge, Dublin 4, marked for the attention of AIB Corporate Banking, Ms. Catherine Moroney/Mr. Donnchadh O'Madagain.

Yours faithfully,

for and on behalf of
ADARE PRINTING GROUP (UK) LIMITED

PART II

(Acknowledgement)

To: Allied Irish Banks, p.l.c.

From: Hedging Counterparty

Adare Printing Group (UK) Limited

We acknowledge receipt of a Notice from Adare Printing Group (UK) Limited (the "Company") dated [] 1996 in respect of the Hedging Agreement (the "Agreement").

We confirm that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits referred to in the Notice.

In consideration of the payment to us of £1 receipt of which we hereby acknowledge, we hereby agree as follows:

1. If you issue to us a notice (a "Default Notice") that your rights under the Trust Debenture have become exercisable we shall thereafter:
 - (a) pay to you at such account as you may nominate all amounts from time to time payable by us under the Agreement;
 - (b) perform, observe and comply with all our other undertakings and obligations under the Agreement in your favour and for your behalf as if you were named as a party therein instead of the Company; and
 - (c) if you so request, enter into an agreement with you or your nominee, on the same terms (mutatis mutandis) as the Agreement.
2. If the Company is in breach of any of its obligations, express or implied, under this Agreement or if any event occurs which would permit us to terminate, cancel or surrender the Agreement we will:

- (a) immediately upon becoming aware of it, give you notice of such breach or event;
- (b) accept as adequate remedy of any such breach, performance of such obligation (by you within seven days written notice); and/or
- (c) if you so request, enter into an agreement with you on terms identical to the Agreement subject to all necessary modifications.

3. We agree that after issue by you of a Default Notice, we shall not recognise the exercise by the Company of any of its rights and powers under the Agreement unless and until requested to do so by you.

Yours faithfully,

For and on behalf of

[]

By:

Dated:

THE FIFTH SCHEDULE

(Details of Chattels)

SEE ATTACHED LIST

FROM WBF PARKMILL

(TUE) 04. 16' 96 17:12/ST. 17:12/NO. 3580176864 P 2

W.B.F. LTD

Description	Title	N.B.V. 31.3.96	- Market Value 31.3.96	Serial Number
Strobbe Photocomposing M/C	Owned	122500	115000	625 Type 400
Flexi 3	"	-	70000	018 Series 8202
Morgan 1	"	-	55000	Disposed of April
Morgan 2	"	30000	55000	Disposed of April
Muller Martini 6 colour Graphix press	"	373400	360000	99.24902
Stevens Press	"	98259	80000	2494
Giebelier Rotaflex 627	"	-	60000	3095
NDX High Speed Printer	"	81261	80000	40109
8 Series folder inserter	"	155000	180000	3194
Hunkeler web finishing system	"	71546	120000	52569/2
Muller Martini Mail-a-Form Press 963	"	186951	160000	99.2459-D140
Dremt 3 962	"	84760	120000	Missing
Bielomatik Jumbo Mailer Collator 974	"	186746	220000	P67 - 387
Elmjet Ink Jet printer	"	102054	50000	No number
Flexi	"	15000	70000	092 Series 92-11-86
Dremt 960	"	42701	120000	112504900/358
Giebelier 628 (43795) Type R480	"	43795	60000	Type R480 3308
Muller 959	Leased *	10220	160000	Type 2024 938-11-OB234782

*Secondary Rental

16-APR-1996 14:52 FROM GREAT NORTHERN ENVELOPES TO ADARE

P.02

GNBC 1996

Charged Listing at 30 March 1996

	Description	Title	Expiry	NBV £	M.V £	Chassis No.
1	Waste Extraction system	Leased	3/98	68000	20000	R1133/4
2	W&D 328GS	Leased	3/98	108000	155000	11127
3	W&D 3901	Leased	10/97	173000	200000	8624
4	Heideburg 102VP Speedmaster 4 col	Leased	~ 5/98	222000	300000	526592
5	RA800	Leased	2/01	539000	530000	4816
6	Whitacre 2 col press	Owned		50000	20000	92162
7	W&D 38 GS	Owned		51000	65000	8690
8	W&D 38 CS	Owned		65000	86000	8862
9	Heideburg Speedmaster 5 col	Owned		231000	235000	521828
10	Ingram Road property	Owned		411000	250000	n/a
11	Maserati House property	Owned		487000	450000	n/a

Market Values provided by R.Croisdale/S.Dobinson

TOTAL P.02

Fax sent by : 51236 424591

ALEXANDER PETTIGREW

A4-704

16/04/96 16:48

Pg: 1

MEMORANDUM

To : Peter E Lynch

From : Mike Sanderson

Date : 16 April 1996

ALEXANDER PETTIGREW LTD**CHATTTEL LISTING****ASSET**

	DATE PURC	EST L(Y)	COST 31/03/96	TITLE	N.B.V. 31/03/96	MARKET VALUE	SERIAL / CHASIS NUMBER
LAND & BUILDINGS	1994	50	250,000	OWNED	244,400	240,000	
(COATBRIDGE)							
MULLER GRAPHIA PRINTING PRESS (2 unit)	1982	10	138,792	OWNED	0	50,000	242505B481/83
MORGAN REEL TO REEL COLLATER	1984	10	78,712	OWNED	0	5,000	NONE FOUND
MULLER GRAPHIA PRINTING PRESS (3 unit)	1984	10	180,585	OWNED	0	75,000	935871A015/81
MIYAKOSHI PRINTING PRESS (2 unit)	1985	10	130,475	OWNED	0	40,000	NONE FOUND
PURUP ORIGINATION SYSTEM	1985	5	61,297	OWNED	0	2,000	0076
PURUP UPGRADE	1989	5	141,339	OWNED	0	2,000	
COLOR J PRINTING PRESS	1986	10	220,891	OWNED	4,830	20,000	5154-686
JUNIOR PRINT PRINTING PRESS	1988	10	72,943	OWNED	11,593	25,000	1172
MIYAKOSHI PRINTING PRESS (4 unit)	1988	10	262,274	OWNED	43,463	100,000	B70 MODER MBF
BAMA 3000 PACK TO PACK COLLATOR	1993	10	57,031	OWNED	39,075	25,000	M2829
TOTALS			1,594,339		98,961	584,000	

17/04/96

17:28

AIB CORPORATE BANKING

NO. 311

D09

18/04 '98 15:27

FAX 0116 253 1807

WILLIAM CAPLE

--- ADARE

0002

WILLIAM CAPLE & CO LTD

CHATEL LISTING

14.4.98

ASSETS ABOVE #50000

DESCRIPTION	TITLE	COST	NBV 30.4.91	MV 30.4.91	SERIAL NUMBER
MULLER-MARTINI STITCHER	OWNED	125945	0	30000	99 08734 C148
HEIDELBERG CPC UNIT	OWNED	63157	9474	5000	318
HEIDELBERG 5 COLOUR	OWNED	518183	107955	300000	524716
HEIDELBERG 4 COLOUR	OWNED	488311	142424	240000	526394
HEIDELBERG 2 COLOUR	OWNED	306823	104404	160000	527178
HEIDELBERG 6 COLOUR	OWNED	680003	263542	400000	528133

THE LAND & BUILDINGS ARE VALUED AT 975000 WITH NBV 911708

DARLEY BUSINESS FORMS LIMITED**CHATELLE LISTING****(£250,000)**

DESCRIPTION	TITLE	NBV @31/3/96	MV @31/3/96	CHASSIS NUMBER
DRENT GAZELLE DRENT 2	OWNED	30,000	100,000	11256053
	OWNED	93,000	100,000	11256300
6 COLOUR HEDELBERG	HP AGREEMENT PAID FOR MAR 2000	412,000	445,000	528 193

10 APR '96 16:20 LABEL CONVERTERS LTD 0440 62805

P.2

Label Converters Limited**Chattels list at 30 March 1996**

Description	Title (Owned/Lessed)	Net Book Value 30 March 1996	Market Value 30 March 1996
Mark Andy 4120 12520 412426107-413 50820 6735	Owned	48,712	
Mark Andy 4120 12428 412427107-414 50820 6735	Owned	29,562	
Mark Andy 4120 12428 412427107-414 50820 6735	Owned	37,597	
Mark Andy 4120 12428 412427107-414 50820 6735	Owned	103,541	
Mark Andy 4120 12428 412427107-414 50820 6735	Owned	64,116	
Kopack 10 Colour 618 27026	Owned	90,761	Estimate £170k
Kopack 9 Colour 867 17025	Owned	87,759	Estimate £170k
Kopack 9 Colour 74 17026	Owned	134,650	Estimate £170k

17/04/96

17:29

AIB CORPORATE BANKING

NO. 311

012

FROM R. P. DONNELLEY MARKETING SERVICES
MR DONNELLEY

04.10.1996 15:12

NO. 34 P. 1
BUSINESS

Marketing Services / PM&F Limited



TO: PETER LYNCH

Fax No: 00 353 1661 3968

Organization: ADAM

From: ROBERT

Fax No: 01274-370748 Campus Road
01274-463303 Mailing Services

Subject: SERIAL NO'S

Date: 16/4/96 Time: 4:10PM

Number of pages including cover sheet: 1

Additional information:

THE SERIAL NUMBER OF OUR

4135 BARK XEROX LASER PRINTER IS:

1105205003

REGARDS

ROBERT.

Donnelley House
4th/42 Campus Road
Leatherhills Science Park
Bradford
West Yorkshire WF17 1HR
Please call
with any questions
Telephone: 011774 771111

MEMORANDUM

To: Peter Lynch
From: Helen Brooklasby

Date: 16 April 1996

Re: Chassis Numbers

Heidelberg Speedmaster - 4 Colour
Machine No: HD 72 VP 516.127



KENLEY
PRESS LIMITED

COMMERCIAL AND
INDUSTRIAL

Unit 5
Lawrence Way
Barnham Hill
Tisbury
Wilt. 1016 1017

PILLINGS

Plant & Machinery Asset Register

7.2

4.

D'preciation Rate	Date of Acquisition	Description	Cost	Aggregate D'preciation (As at 30 Sept. 1995)	NBV
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Complete for large kit items representing in total 80% of value
Description should include the asset chassis number or some means of identification

15% R.B.	Aug. 1991	1-Hunkeler Mini Mailer Line comprising B30-1-30/4 M30 Folder No. 575600/134/1.04/03 with 4 plate folds & guarding, continuous stream feeder, slitter, power operated delivery unit, Rafta Glue applicator with control unit. Type MIM 800-1 Hunkeler Gluing unit 120, 527 15/3 in 2 sections each with 6 channel controller. 2 Raba 30 Hot Melt Glue Tanks on one portable stand with 2 Model IK11 Microprocessor hotmelt distribution control units. Type F102, 81/8 M20 Folding Unit 120, 80100240/ 700612559 with 8 plate folds with guarding	£137330.00	£76395.95	£60934.05
	June 1992	Preparing Folder for gluing & 2 Gully cut devices	£ 547.00	261.46	285.54
	Sept. 1992	1-OM9 Multiple P850 Rows Stroker Serial No. 923	£ 13850.00	6620.21	7229.79
	Aug. 1993	1-AK202 Raba 49 Hot Melt Glue Tanks	£ 5083.35	1961.54	3121.81

15% R.B.	Nov. 1989	1-Model CFF Omagabinder Cutter, Slitter, Trimmer No. 530124 with 4 folder station 22 knife unit, ETH6 cross carrier	£70000.00	£43599.53	£26400.47
	Dec. 1992	Holmer Stitching Heads for flat or loop stitching	£ 4240.00	1626.11	2603.89

15% R.B.	Jan. 1991	1-M20-22 Knife Unit & Caten socket	£ 7000.00	3894.06	3105.94
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Sheet1

Pillings Printing Company Limited

Chattel Listing

Land & Buildings

Freehold land, warehouse, office, production Area at Elland Lane, Elland

Plant & Machinery

Komori Lithrone L52811 (ESA) 5 colour offset printing press s/n 223

Didde VIP Web 8 unit printing machine with extraction hoods etc. - s/n 471-0025

Didde VIP Web 10 unit printing machine with accessories etc. - s/n 471-0028

Hunkeler Mini Mailer c/w accessories *see attached.*~~Omegabinder - Gatherer, Stitcher, trimmer c/w knife unit~~

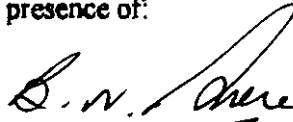
Title	NBV	MKT Value
	30/03/96 STGE000	30/03/96 STGE000
Owned	560	650
HP	400	400
Owned	159	100
Lease	199	150
HP	56	60
Owned	24	20

15%
2.3.15%
2.2. 7.

THE COMPANIES

SIGNED as a deed on behalf of)
ADARE PRINTING GROUP (UK))
LIMITED in the presence of:)

Director*

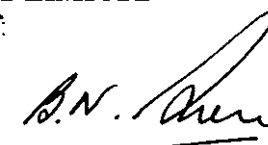


Director/Secretary



SIGNED as a deed on behalf of)
KENLEY PRESS LIMITED)
in the presence of:)

Director*



Director/Secretary

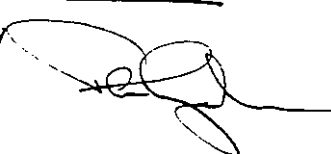


SIGNED as a deed on behalf of)
DARLEY BUSINESS FORMS)
LIMITED)
in the presence of:)

Director*

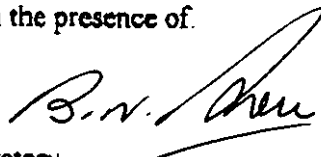


Director/Secretary

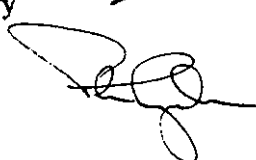


SIGNED as a deed on behalf of)
QUORUM TECHNICAL SERVICES)
LIMITED in the presence of:)

Director*



Director/Secretary



*(to be signed by either
(Mr. Loane or Mr. Lynch in his
capacity as director of both
(Adare Printing Group plc and
(this Company

SIGNED as a deed on behalf of)
PARK MILL BUSINESS FORMS)
LIMITED in the presence of:)

Director* 

Director/Secretary 

SIGNED as a deed on behalf of)
WILLIAM CAPLE & COMPANY)
LIMITED in the presence of:)

Director* 

Director/Secretary 


SIGNED as a deed on behalf of)
LABEL CONVERTERS LIMITED)
in the presence of:)

Director* 

Director/Secretary 

SIGNED as a deed on behalf of)
ADARE PROPERTIES (UK) LIMITED)
in the presence of:)

Director* 

Director/Secretary 

*(to be signed by either
(Mr. Loane or Mr. Lynch in his
(capacity as director of both
(Adare Printing Group plc and
(this Company

SIGNED as a deed on behalf of
**GREAT NORTHERN ENVELOPE
COMPANY LIMITED**
in the presence of:

Director*

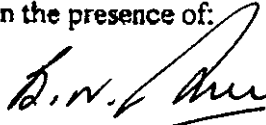


Director/Secretary



SIGNED as a deed on behalf of
**ALEXANDER PETTIGREW
LIMITED** in the presence of:

Director*

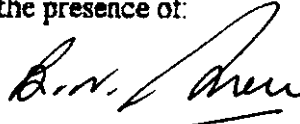


Director/Secretary



SIGNED as a deed on behalf of
**PILLINGS PRINTING COMPANY
LIMITED** in the presence of:

Director*

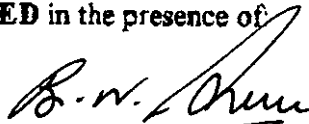


Director/Secretary



SIGNED as a deed on behalf of
WBF LIMITED in the presence of:

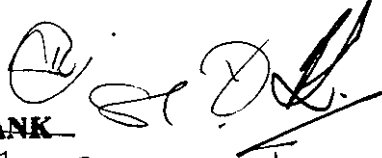
Director*



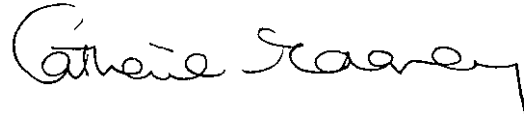
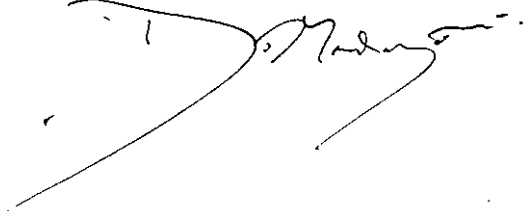
Director/Secretary



*(to be signed by either
(Mr. Loane or Mr. Lynch in his
(capacity as director of both
(Adare Printing Group plc and
(this Company


THE BANK
The Security Trustee

ALLIED IRISH BANKS, p.l.c.

By:  

707546RBJ/PAM/BF0155460.05

Q

This is Appendix "A"
referred to in the declaration
of the directors of Great
Northern Envelope Company
Limited declared before on
the 19th day of April 1996

Sitnds

Dated 1996

ADARE PRINTING GROUP PLC

and

OTHERS

and

ALLIED IRISH BANKS, p.l.c.

CROSS GUARANTEE

McCann FitzGerald
2 Harbourmaster Place
Custom House Dock
Dublin 1
G:\NP\AIB\1600.07A

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THIS GUARANTEE is made on day of 1996

BETWEEN:

- (1) **THE COMPANIES** each of whose name, jurisdiction of incorporation and registration number is set out in the Schedule (together the "Original Guarantors" and each an "Guarantor"); and
- (2) **ALLIED IRISH BANKS, p.l.c.** in its capacity as agent and trustee for itself and the Guaranteed Parties referred to below (hereinafter referred to as the "Security Trustee" which expression shall include its successors and assigns).

RECITAL:

The Guarantors have requested and the Banks have agreed to grant financial accommodation to the Borrowers on the terms and subject to the conditions of a Facilities Agreement (the "Facilities Agreement") dated today between the Borrowers, the Arranger, the Agent, the Security Trustee and the Banks subject (inter alia) to the Guarantors providing the Guaranteed Parties with a guarantee on the terms and subject to the conditions of this Guarantee.

NOW THIS DEED WITNESSES AND THE GUARANTORS HEREBY AGREE AND DECLARE as follows:

1. Interpretation

1.1 In this Guarantee:

"Banks" means each of the financial institutions named in the First Schedule to the Facilities Agreement (including, for the avoidance of doubt, the Issuing Bank and the Overdraft Bank) and each person to whom a Bank has transferred or assigned any right or obligation in accordance with Clause 36 of the Facilities Agreement and "Bank" means any of them;

"Borrowers" and "Borrower" have the meanings given to those terms in the Facilities Agreement;

"Facilities Agreement" has the meaning attributed to it in the Recital;

"Guaranteed Obligations" in relation to all or any of the Guarantors, means all obligations, indebtedness and liabilities covenanted and agreed to be paid, observed, performed and discharged by the Guarantor(s) concerned under Clause 2; and

"Guaranteed Parties" means at any time the Arranger, the Agent, the Security Trustee, the Hedging Counterparties and the Banks at such time and "Guaranteed Party" means any of them.

1.2 Words and expressions defined in the Facilities Agreement shall, unless otherwise defined herein, bear the same meaning in this Guarantee.

1.3 Any reference in this Guarantee to:

a "Clause" and "Schedule" shall, subject to any contrary indication, be construed as a reference to a clause and schedule hereof;

a "person" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing; and

"tax" shall be construed so as to include any tax, levy, impost, duty or other charge of a similar nature (including, without limitation, any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

1.4 Save where the contrary is indicated or where the context otherwise requires, any reference in this Guarantee to:

(i) "this Guarantee" or any other agreement or document shall be construed as a reference to this Guarantee or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, replaced, novated, amended, varied or supplemented and expressions such as "herein", "hereby" and "hereunder" and "therein", "thereby" and "thereunder" shall, as the context requires, be construed accordingly;

(ii) the "Borrowers" shall include each Borrower and its successors;

(iii) the "Guaranteed Parties" shall include each of the Guaranteed Parties' successors and/or permitted assigns under the Facilities Agreement and this Guarantee shall be enforceable notwithstanding any change in the constitution of any of the Guaranteed Parties or the absorption of any of the Guaranteed Parties in or amalgamation with any other person or the acquisition of all or part of the undertaking of any of the Guaranteed Parties by any other person;

(iv) the "Guarantors" shall include each Guarantor and its successors;

(v) a statute shall be construed as a reference to such statute as the same may have been, or may from time to time be, amended or re-enacted;

(vi) any document, agreement or instrument are to be construed as references to the document, agreement or instrument as modified, amended, supplemented or substituted from time to time; and

(vii) words importing the singular number include the plural and vice versa.

1.5 Clause headings are for ease of reference only and shall have no legal effect.

2. Guarantee

In consideration of the Guaranteed Parties entering into the Facilities Agreement, each Guarantor hereby irrevocably and unconditionally jointly and severally with each other Guarantor:

(i) guarantees to and undertakes with each Guaranteed Party the due and punctual, payment, observance, performance and discharge of all of the obligations, indebtedness and liabilities of all or any of the other Guarantors and the Borrowers to each Guaranteed Party whether actual or contingent now or hereafter due, owing or incurred, in whatever currency denominated, howsoever arising and whether alone or jointly with any other person and in whatever style, name or form and whether as principal or surety, including, without limitation, all principal, interest, fees, costs, charges, commissions, expenses, indebtedness and other liabilities due, owing or incurred now or hereafter to each Guaranteed Party under or in connection with the Finance Documents; and

(ii) agrees as a primary obligation to indemnify each Guaranteed Party from time to time on demand from and against any loss incurred by such Guaranteed Party as a result of any of the obligations of any of the Guarantors or the Borrowers expressed to be guaranteed hereunder being or becoming void, voidable, unenforceable or ineffective as against such Guarantors or Borrowers for any reason whatsoever, whether or not known to any Guaranteed Party, the amount of such loss being the amount which the relevant Guaranteed Party would otherwise have been able to recover from such Guarantors or Borrowers.

2.2 Each of the Guarantors irrevocably and unconditionally covenants and agrees with each Guaranteed Party to pay to each Guaranteed Party on demand any and every sum or sums of money now or hereafter due to each Guaranteed Party arising out of, under or in connection with, all or any of the Guaranteed Obligations.

2.3 For the avoidance of doubt, nothing in the Facilities Agreement specifying or implying that the obligations of the parties thereto are several rather than joint shall affect the obligations of any party to this Guarantee as Guarantor.

3. Preservation of Rights

3.1 This Guarantee and the obligations of the Guarantors herein contained shall be in addition to and independent of every other guarantee or security which any of the Guaranteed Parties may at any time hold in respect of all or any

of the Guaranteed Obligations and may be enforced without any of the Guaranteed Parties first taking steps or proceedings against any particular Guarantor or Borrower.

3.2 Neither the obligations of any Guarantor herein contained nor the rights, powers and remedies conferred in respect of any Guarantor upon the Guaranteed Parties by this Guarantee or by law shall be discharged, impaired or otherwise affected by:

- (i) the winding-up, dissolution, administration, examination or re-organisation of any Borrower, Guarantor or any other person or any equivalent or analogous proceeding under the laws of the jurisdiction in which such Borrower, Guarantor or other person is incorporated or any change in the status, function, control or ownership of any such person;
- (ii) any of the Guaranteed Obligations being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- (iii) any time, waiver or other indulgence whatsoever being granted or agreed to be granted to any Borrower or Guarantor or any other person in respect of all or any of the Guaranteed Obligations;
- (iv) any increase or decrease in the amount of the Facilities (or any of them) or any amendment of any of the Finance Documents or any variation, waiver or release of all or any of the Guaranteed Obligations;
- (v) the taking of any security from any Borrower or Guarantor or any other person or any failure to take, or fully to take, any security now or hereafter agreed to be taken in respect of any of the Guaranteed Obligations;
- (vi) any failure to realise or fully to realise the value of, or any release, discharge, exchange or substitution of, any security taken in respect of any of the Guaranteed Obligations; or
- (vii) any other act, event or omission whatsoever which, but for this Clause 3.2, might operate to discharge, impair or otherwise affect any of the obligations of any Guarantor herein contained or any of the rights, powers or remedies conferred upon the Guaranteed Parties by this Guarantee, any of the other Finance Documents or by law.

3.3 Any settlement or discharge between any Guarantor and any of the Guaranteed Parties shall be conditional upon no security or payment to any of the Guaranteed Parties by any Guarantor, any Borrower or any other person on behalf of any Guarantor or, as the case may be, any Borrower, being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency, examination, administration, liquidation or similar

laws of general application for the time being in force and, if any such security or payment is so avoided or reduced, the relevant Guaranteed Party or, as the case may be, Guaranteed Parties, shall be entitled to recover the value or amount of such security or payment from any Guarantor subsequently as if such settlement or discharge had not occurred.

3.4 None of the Guaranteed Parties shall be obliged before exercising any of the rights, powers or remedies conferred upon it in respect of any Guarantor by this Guarantee, by any other Finance Document or by law:

- (i) to make any demand of any of the Borrowers or any of the Guarantors or any other person;
- (ii) to take any action or obtain judgment in any court against any of the Borrowers or any of the Guarantors or any other person;
- (iii) to make or file any claim or proof in a winding-up or dissolution of any of the Borrowers or any of the Guarantors or any other person; or
- (iv) to enforce or seek to enforce any other security taken in respect of any of the Guaranteed Obligations.

3.5 Each Guarantor separately agrees and covenants that, so long as any of the Guaranteed Obligations are or may be owed, due or incurred by the Borrowers (or any of them) to the Guaranteed Parties (or any of them) or the Guaranteed Parties (or any of them) may be under any obligation to grant or continue any facility to the Borrowers (or any of them), the relevant Guarantor shall not exercise any rights, powers or remedies which that Guarantor may at any time have by reason of performance or satisfaction by it of its obligations and/or liabilities hereunder including, without limitation, the following rights:

- (i) to be indemnified by any of the Borrowers in respect of all or any of the Guaranteed Obligations; and/or
- (ii) to claim any contribution from any other guarantor or any other person in respect of all or any of the Guaranteed Obligations; and/or
- (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Guaranteed Parties (or any of them) in respect of all or any of the Guaranteed Obligations or of any other security or guarantee taken by the Guaranteed Parties (or any of them) pursuant to, or in connection with, this Guarantee,

any sums recovered by the relevant Guarantor in breach of this Clause 3.5 shall be held in trust for the Guaranteed Parties, be identified at all times as assets of the Guaranteed Parties and forthwith on receipt be paid to the Security Trustee (for the account of the Guaranteed Parties).

3.6 Each Guarantor agrees that, so long as any of the Guaranteed Obligations remain outstanding, if a demand has been made upon it hereunder which has been satisfied in full or otherwise (whether by payment or discharge made by any Borrower, any other Guarantor or any other person), it will not claim, demand or receive payment of or exercise any set off, or right of proof in a winding-up or assert any counterclaim in respect of, any monies due to it from any Borrower or otherwise exercise any other right or remedy in respect thereof.

3.7 In the event of this Guarantee ceasing from any cause whatsoever to be binding as a continuing security on all or any of the Guarantors:

- (a) all cheques, orders for payment, drafts, bills, notes and negotiable instruments or securities drawn, made, endorsed or accepted by or for the account of the Borrowers (or any of them) on the Guaranteed parties (or any of them) or their agents and purporting to be dated on or before the date when the guarantee from the relevant Guarantor hereunder ceases to be a continuing security (the "discontinuance date") although presented to or paid by the Guaranteed Parties (or any of them) or its agents after the discontinuance date; and
- (b) all indebtedness and other liabilities of the Borrowers (or any of them) to the Guaranteed Parties (or any of them) at the discontinuance date whether actual or contingent or whether payable forthwith or thereafter and also all credits then established by the Guaranteed Parties (or any of them) for the Borrowers or either of them,

shall remain payable by the Guarantors under this Guarantee notwithstanding that the guarantee from all or any of the Guarantors shall have ceased to be binding as a continuing security.

4. Costs, Expenses and Default Interest

4.1 The Guarantors shall, from time to time on demand, reimburse the Security Trustee and each of the Guaranteed Parties for all costs and expenses (including legal fees) together with any applicable Value Added Tax incurred in relation to this Guarantee including all costs and expenses incurred in or in connection with the negotiation, execution and implementation of this Guarantee and all costs and expenses incurred in or in connection with the preservation and/or enforcement and/or any waiver of any of the rights of the Guaranteed Parties under, or any amendment to, this Guarantee.

4.2 The Guarantors shall pay all stamp, registration and other taxes to which this Guarantee and the Security Documents to which all or any of the Guarantors are or will be a party or any judgment given in connection herewith or therewith is or at any time may be subject and shall, from time to time on demand, indemnify the Guaranteed Parties against any liabilities, claims, costs and expenses resulting from any failure to pay or delay in

paying any such tax.

- 4.3 If any sum due and payable by any Guarantor hereunder to the Guaranteed Parties (or any of them) is not paid on the due date therefor in accordance with the provisions hereof or if any sum due and payable by any Guarantor under any judgment of any court in connection herewith is not paid on the due date in accordance with such judgment, during the period beginning on such due date or, as the case may be, the date of such judgment and ending on the date upon which the obligation of such Guarantor to pay such sum is discharged the Guarantor shall (as a separate and independent obligation) pay interest at the default rate determined in accordance with Clause 19.1 of the Facilities Agreement.

5. Representations and Warranties

5.1 Each Guarantor represents and warrants to the Guaranteed Parties that:

- (i) it has been duly incorporated as a company under the laws of the jurisdiction of its incorporation and is validly existing and has all necessary corporate power and authority to enter into and deliver this Guarantee and to perform its obligations hereunder, to enter into and deliver the Security Documents to which it is or will be a party, to create any security constituted or to be constituted thereby and to perform its obligations thereunder and to own its properties and assets and to carry on its business as currently conducted;
- (ii) all necessary corporate action has been taken (including without limitation the passing of any shareholders resolution(s) required by law or its constitutional documents) by it to authorise its execution, delivery and performance of this Guarantee and the Security Documents to which it is or will be a party, to create any security constituted or to be constituted by the Security Documents to which it is or will be a party and to observe and perform its obligations under this Guarantee and the Security Documents to which it is or will be a party;
- (iii) this Guarantee constitutes, and the Security Documents to which it is or will be a party constitute, or will when executed and delivered by it, constitute legal, valid and binding obligations of it;
- (iv) the execution and delivery by it of this Guarantee and the Security Documents to which it is or will be a party and the performance and observance by it of its obligations hereunder and thereunder and the creation by it of any security constituted or to be constituted by the Security Documents to which it is or will be a party do not and will not violate or result in a breach of, or exceed any power granted to it or any of its directors under:
 - (a) any law, rule or regulation to or by which it or any of its

business, property or assets is subject or bound;

- (b) any judgment, order, injunction, determination, award or ruling of any court or arbitrator or any judicial, administrative or governmental authority to or by which it is subject or bound;
 - (c) its constitutional documents; or
 - (d) any deed, agreement, franchise, concession, licence, treaty or other instrument to which it is a party or which may be binding upon it or which may materially affect its business or any of its properties or assets;
 - (v) the execution and delivery by it of this Guarantee and the Security Documents to which it is or will be a party and the performance and observance by it of its obligations hereunder and thereunder will not result in the existence of nor oblige it to create any security over all or any of its present or future revenues or assets except as provided for or permitted herein or therein; and
 - (vi) every consent, licence, approval or authorisation of, exemption from any registration, recording or filing with any person required in connection with the execution and delivery by it of this Guarantee and each of the Security Documents to which it is or will be a party or the creation of any security thereby contemplated or to make the same admissible in evidence has been (or will be within any prescribed period in the case of any registration, recording or filing) obtained or made and is in full force and effect and all necessary fees required in connection therewith have been (or, as the case may be, will be) paid.
- 5.2 The representations and warranties of each Guarantor set out in Clause 5.1 shall survive the execution of this Guarantee and shall be correct and complied with in all respects so long as any of the Guaranteed Obligations are or may be owed, due or incurred by the Borrowers (or any of them) to the Guaranteed Parties (or any of them) or the Guaranteed Parties (or any of them) may be under any obligation to continue any facility to the Borrowers (or any of them) as if repeated therein by reference to the then existing circumstances.
6. Covenants
- 6.1 Each Guarantor undertakes with the Guaranteed Parties that it will obtain, comply with the terms of, and do all that is necessary to maintain in full force and effect, all consents, licences, approvals and authorisations required to enable it lawfully to perform its obligations under this Guarantee and any Security Document to which it is or will be a party and to ensure the legality, validity, or admissibility in evidence of this Guarantee and each Security Document to which it is or will be a party and promptly provide the

Security Trustee with evidence thereof on request and shall ensure that its obligations hereunder do not cease to be binding as a continuing security so long as any of the Borrowers' obligations under the Finance Documents remain outstanding.

- 6.2 Each Guarantor shall at any time, at the request of the Security Trustee but at the cost of such Guarantor, promptly sign, seal, execute, deliver and do all such deeds, instruments, acts and things in such form as the Security Trustee may reasonably require for perfecting or protecting the guarantee provided hereunder.

7. Payments

The provisions of the Facilities Agreement relating to the payments to be made thereunder (including, without limitation, Clause 24 thereof which regulates what is to happen if any of the Borrowers is required by law to make a deduction or withholding from any such payment) shall apply mutatis mutandis to payments to be made hereunder as if references therein to "Borrower" and "Borrowers" were to "Guarantor" and "Guarantors".

8. Set-Off

Without prejudice to any right of set-off or any similar right to which the Guaranteed Parties (or any of them) may be entitled at law or in equity or by agreement between the parties and, without prejudice to anything else herein contained, each Guaranteed Party may at any time (insofar as it relates to payments of interest) and at any time following the occurrence of an Event of Default (insofar as it relates to payments of principal) without notice to or further authorisation from any Guarantor combine and consolidate all or any accounts of any and/or all of the Guarantors with such Guaranteed Party anywhere and/or set-off any moneys whatsoever and whether on current, deposit or any other account and in whatever currency or currencies against any moneys or liabilities whatsoever in whatever currency which may be due, owing or incurred by any and/or all of the Guarantors to such Guaranteed Party whether actually or contingently and whether or not any period of any deposit or by reference to which interest therein is calculated has expired and any conversion from one currency to another for the purpose of any of the foregoing shall be made at such Guaranteed Party's then prevailing spot selling rate at its office by which such conversion is made.

9. Continuing Security

The obligations of each Guarantor under this Guarantee shall be a continuing security notwithstanding any settlement of account or other matter or thing whatsoever, and in particular, but without limitation, shall not be considered discharged by any intermediate discharge or payment of or on account of all or any of the Guaranteed Obligations and shall continue in full force and effect until final payment in full of the Guaranteed Obligations. No demand

made by the Security Trustee or any of the Guaranteed Parties hereunder shall prejudice or restrict the right of the Security Trustee or any of the Guaranteed Parties to make further or other demands.

10. New Accounts

In the event of this Guarantee being determined in relation to, or otherwise ceasing to be binding on, any Guarantor as a continuing security for whatever reason, it shall be lawful for each Guaranteed Party at its discretion either to continue any then existing account(s) with any Borrower or to open one or more fresh accounts with such Borrower (which shall bear interest on any credit balances at the prevailing market rate), to which all moneys subsequently received for the credit of such Borrower shall be credited or be treated as having been credited and such moneys shall not operate to reduce the amount of the obligations of such Borrower hereby guaranteed by such Guarantor at the time of this Guarantee so ceasing to be binding as a continuing security.

11. Application of Certain Receipts

Each Guarantor agrees that:

- (i) any dividends or payments received by or on behalf of the Guaranteed Parties (or any of them) in respect of the Guaranteed Obligations in any insolvency, winding-up administration, voluntary arrangement or dissolution shall, for the purposes of this Guarantee be taken to discharge those obligations only to the extent of the actual amount so received; and
- (ii) the Guaranteed Parties (or any of them) may keep in one or more suspense or impersonal accounts for so long as the Guaranteed Parties (or any of them) shall think fit any moneys received, recovered or realised from any Guarantor hereunder or under any of the Security Documents to which such Guarantor is a party without being under any obligation to apply the same or any part thereof in or towards discharge of any amounts then due or owing by the Borrowers and the subject of this Guarantee.

12. Avoidance of Payments

No assurance, security or payment which may be avoided or adjusted under any applicable law, and no release, settlement or discharge given or made by the Guaranteed Parties (or any of them) on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Guaranteed Parties (or any of them) to recover from each Guarantor (including any moneys which it might be compelled by due process of law to refund under the provisions of any law relating to liquidation, bankruptcy, administration, insolvency or creditors' rights generally and any costs payable by it pursuant to or otherwise incurred in connection with such

process) to the full extent of this Guarantee as if such assurance, security, payment, release, settlement, discharge or arrangement (as the case may be) had never been granted given or made; and any such release, settlement, discharge or arrangement shall as between the Guaranteed Parties (or any of them) and any Guarantor and each of them be deemed to have been given or made upon the express condition that it shall become and be wholly void and of no effect if the assurance security or payment on the faith of which it was made or given shall be void or (as the case may be) shall at any time thereafter be avoided to the intent and so that each Guaranteed Party shall become and be entitled at any time after any such avoidance to exercise all or any of the rights in this Guarantee expressly conferred upon such Guaranteed Party and of all or any other rights which by virtue and as a consequence of this Guarantee such Guaranteed Party would have been entitled to exercise but for such release, settlement, discharge or arrangement.

13. Remedies and Waivers

No failure to exercise, nor any delay in exercising, on the part of the Guaranteed Parties (or any of them), any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

14. Joint and Several Liability

14.1 This Guarantee is made by the Guarantors and each of them jointly and severally and the Guarantors shall be jointly and severally liable hereunder and this Guarantee shall be construed accordingly.

14.2 Each Guarantor agrees to be bound by this Guarantee notwithstanding that any other Guarantor which was intended to execute or to be bound by this Guarantee does not do so or is not effectively so bound and notwithstanding that any of the obligations of any other Guarantor herein contained may be determined or become invalid or unenforceable against such other Guarantor and whether or not the same is known to the Guaranteed Parties (or any of them).

14.3 Without prejudice to anything else herein contained each Guarantor agrees that the Guaranteed Parties (or any of them) shall be at liberty to release or discharge any other Guarantor from liability hereunder or any other person who has guaranteed the Guaranteed Obligations without prejudicing or affecting the obligations of the first mentioned Guarantor hereunder.

15. Evidence of Debt

The certificate signed by an officer of the Agent as the amount payable at any time under this Guarantee shall, in the absence of manifest error, be

conclusive evidence as to the amount thereof against each of the Guarantors.

16. Partial Invalidity

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect in relation to any one or more of the Guarantors under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof in relation to such Guarantors or under the law of any other jurisdiction shall in any way be affected or impaired thereby.

17. Benefit of Guarantee and Indemnity

17.1 Each Guarantor hereby acknowledges and covenants that the obligations binding upon it contained herein are owed to, and shall be for the benefit of the Guaranteed Parties and that the Guaranteed Parties shall be entitled severally to enforce the said obligations against such Guarantor.

17.2 No Guarantor shall be entitled to assign or transfer all or any of its rights, benefits or obligations hereunder.

17.3 Each Guaranteed Party may at any time assign or transfer all or any of its rights and/or obligations under this Guarantee without the consent of any of the Guarantors.

17.4 In the event that pursuant to any arrangement, compromise, merger, amalgamation or analogous proceeding in any jurisdiction all or any of the Guaranteed Obligations are transferred to or assumed by any other person or persons, this Guarantee shall take effect as if all references to the Borrowers included such other person or persons.

18. Notices

18.1 Any notice or other communication to be given under or for the purposes of this Guarantee shall be in writing and shall be treated as properly served or given if hand delivered or sent by registered post or facsimile to the relevant person at the address or facsimile number identified below for such other address or facsimile number as that person has designated in writing from time to time to the person giving the notice:-

(a) the Security Trustee
as follows:

Address: AIB Corporate Banking
Bankcentre
Ballsbridge
Dublin 4

Facsimile No: 2601783
Attention: Catherine Moroney
Donnchadh Ó Madagáin

Bernard Carroll

(b) the Guarantors: Address: Huguenot House
35/38 St. Stephen's Green
Dublin 2

Facsimile No: 6613968
Attention: B.N. Loane
P.E. Lynch
J. Coll

18.2 Any such notice or other communication shall be deemed to have been received by the recipient:-

- (a) in the case of a letter which is hand delivered, when actually delivered and, in the case of a letter which is sent by registered post, on the second day after posting (or on actual receipt, if earlier); or
- (b) In the case of transmission by facsimile, at the time of transmission provided that any communication or document to be made or delivered to the Security Trustee shall be effective only when received by the Security Trustee and then only if the same is expressly marked for the attention of the department and officer referred to above (or such other department and officer as the Security Trustee may from time to time specify for this purpose).

18.3 Each person making a communication under this Guarantee by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant to this Guarantee but the absence of such confirmation shall not affect the validity of any such communication.

19. Indemnity

The Guarantors shall jointly and severally indemnify and keep the Guaranteed Parties indemnified against:

- (a) any loss or damage which may be incurred or suffered by the Guaranteed Parties (or any of them) as a result of the breach of any covenant, undertaking or agreement on the part of all or any of the Guarantors contained in this Guarantee or any representation or warranty by all or any of the Guarantors contained in this Guarantee being or proving at any time to be materially incorrect or untrue when made or deemed to be made; and
- (b) all actions, losses, claims, proceedings, costs, demands and liabilities which may be suffered by the Guaranteed Parties (or any of them) under or in connection with this Guarantee.

20. Currency Judgment

20.1 If any sum due from all or any of the Guarantors under this Guarantee or any order or judgment given or made in relation thereto has to be converted from the currency (the "first currency") in which the same is payable thereunder or under such order or judgment into another currency (the "second currency") for the purpose of:

- (i) making or filing a claim or proof; or
- (ii) obtaining an order or judgment in any court or other tribunal;
or
- (iii) enforcing any such order or judgment

against all or any of the Guarantors, the Guarantors agree to jointly and severally indemnify and hold harmless each Guaranteed Party from and against any loss suffered as a result of any discrepancy between:

- (a) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency; and
- (b) the rate or rates of exchange at which such Guaranteed Party is able to purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

20.2 The rate or rates of exchange aforesaid shall be determined by the Guaranteed Parties in accordance with applicable market practice.

21. Counterparts

This Guarantee may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which when so executed and delivered shall be an original but all the counterparts shall together constitute but one and the same instrument.

22. Governing Law and Jurisdiction

22.1 This Guarantee shall be governed by and construed in accordance with the laws of Ireland.

22.2 For the benefit of the Guaranteed Parties, the parties hereto irrevocably agree that any legal action or proceedings in connection with this Guarantee may be brought in the Irish courts, which shall have jurisdiction to settle any disputes arising out of or in connection with this Guarantee. The submission to such jurisdiction shall not (and shall not be construed so as to) limit the right of any of the Guaranteed Parties (or any of them) in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or

more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

- 22.3 Each Guarantor incorporated in a jurisdiction other than Ireland hereby irrevocably appoints the Company to accept service of process on its behalf in Ireland in connection with any suit, action or proceeding arising out of or in connection with this Guarantee.

IN WITNESS whereof the parties hereto have executed this Guarantee the day and year first before written.

THE SCHEDULE**The Guarantors**

Name	Jurisdiction	Registration No.
Adare Printing Group plc	Ireland	61078
Presswell Group Limited	Ireland	148456
Presswell Limited	Ireland	63945
Flexible Packagings Limited	Ireland	61079
Delamerea Limited	Ireland	172248
Mount Salus Press Limited	Ireland	22554
Hermes Holdings Limited	Ireland	41758
CJ Fallon (Holdings) Limited	Ireland	115560
CJ Fallon	Ireland	63608
Perigord Limited	Ireland	7677
Kenley Press Limited	England	778663
Darley Business Forms Limited	England	405648
Adare Printing Group (UK) Limited	England	2387953
Quorum Technical Services Limited	England	1720724
Park Mill Business Forms Limited	England	3014889
William Caple & Company Limited	England	501084
Label Converters Limited	England	1203292
Alexander Pettigrew Limited	England	2917499
Adare Properties (UK) Limited	England	2931068
Great Northern Envelope Company Limited	England	2212509
WBF Limited	England	2814431
Pillings Print Company Limited	England	120184

19-APR-96 10:20 FROM MCCANN FITZGERALD

The Common Seal of
ADARE PRINTING GROUP Plc:
was hereunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
PRESSWELL GROUP LIMITED
was hereunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
PRESSWELL LIMITED
was hereunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
DELAMEREE LIMITED
was hereunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
FLEXIBLE PACKAGINGS LIMITED
was hereunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
MOUNT SALUS PRESS LIMITED
was hereunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
HERMES HOLDINGS LIMITED
was hereunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
CJ FALLON (HOLDINGS) LIMITED
was hereunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
CJ FALLON
was hereunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
PERIGORD LIMITED
was hereunto affixed
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
KENLEY PRESS LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
DARLEY BUSINESS FORMS LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
ADARE PRINTING GROUP (UK) LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
QUORUM TECHNICAL SERVICES LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
PARK MILL BUSINESS FORMS LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
WILLIAM CAPLE & COMPANY LIMITED
in the presence of:

Director

Director/Secretary

**SIGNED as a deed on behalf of
LABEL CONVERTERS LIMITED**
in the presence of:

Director

Director/Secretary

**SIGNED as a deed on behalf of
ALEXANDER PETTIGREW LIMITED**
in the presence of:

Director

Director/Secretary

**SIGNED as a deed on behalf of
ADARE PROPERTIES (UK) LIMITED**
in the presence of:

Director

Director/Secretary

**SIGNED as a deed on behalf of
GREAT NORTHERN ENVELOPE COMPANY LIMITED**
in the presence of:

Director

Director/Secretary

The Common Seal of
WBF LIMITED
was hercunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
PILLINGS PRINT COMPANY LIMITED
was hercunto affixed
in the presence of:

Director

Director/Secretary

Signed by:

for and on behalf of
ALLIED IRISH BANKS, p.l.c.

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DATED _____ 1996

ADARE PRINTING GROUP (UK) LIMITED
AND OTHERS

- and -

ALLIED IRISH BANKS, p.l.c.

Q
THIS IS APPENDIX "B"
REFERRED TO IN THE
DECLARATION OF
THE DIRECTORS OF THE
GREAT NORTHERN
ENVELOPE COMPANY
LIMITED DELAID
BEFORE ME ON THE
19th DAY OF APRIL 1996

Stands

COMPOSITE TRUST DEBENTURE

WILDE SAPTE

1 Fleet Place
London
EC4M 7WS

Tel: 0171-246 7000
Fax: 0171-246 7777

REF: # PAM/RBJ/707546.05

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THIS COMPOSITE TRUST DEBENTURE dated
1996

BETWEEN:

- (1) THE COMPANIES listed in the First Schedule (the "Companies" and each a "Company"); and
- (2) ALLIED IRISH BANKS, p.l.c. having its registered office at Bankcentre, Ballsbridge, Dublin 4, Ireland in its capacity as Security Trustee for the Beneficiaries (as defined herein) of the security constituted by this Trust Debenture (the "Security Trustee").

RECITALS:

1. By a facilities agreement dated [] between (1) Adare Printing Group PLC, (2) and (3) Adare Printing Group (UK) Limited and Mount Salus Press Limited, # (4) the Overdraft Borrowers, # (5), (6) # (7) and (8) Allied Irish Banks, p.l.c. as Arranger, Agent, Security Trustee, Issuing Bank and Overdraft Bank and # (9) the financial institutions referred to in the first schedule thereof (the "Facilities Agreement"), the Banks have agreed to make certain credit and other facilities available to the Borrowers upon the terms and subject to the conditions set out in the Facilities Agreement.
2. It is one of the conditions to the availability of the Facilities that each Company executes this Trust Debenture and provides to the Security Trustee the security created by this Trust Debenture.
3. The Security Trustee has agreed to act as trustee of the security constituted by this Trust Debenture and to hold the benefit thereof on trust under the terms and conditions of the Facilities Agreement.

THIS TRUST DEBENTURE WITNESSETH as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 Words and expressions defined in the Facilities Agreement and not otherwise defined herein shall, unless there is something in the subject or the context which is inconsistent therewith, bear the same meaning herein as in the Facilities Agreement.

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1.2 In this Trust Debenture:

"Act" means the Law of Property Act 1925;

"Adart" means Adare Printing Group Plc;

"Bank Balances" means all existing and future debts represented by credit balances on accounts at, or deposits with, the Security Trustee or any other Beneficiary or any other bank or financial institution;

"Beneficiaries" means at any time the Arranger, the Agent, the Security Trustee, the Banks at such time and the Hedging Counterparties and their respective successors, transferees and assigns and "Beneficiary" means any of them;

"Borrowers" and "Borrower" have the meanings given to those terms in the Facilities Agreement;

"Charged Property" means the undertaking and assets of each Company both present and future charged in favour of, or assigned (whether at law or in equity) to, the Security Trustee by or pursuant to this Trust Debenture;

"Claims" means all things in action which may give rise to a debt, revenue or claim and all other rights and remedies of whatever nature in respect of the same including, without limitation, all negotiable and non-negotiable instruments, guarantees, indemnities, rights of tracing and security interests;

"Debts" means all the existing and future bank and other debts due or owing to the Company (whether originally incurred to the Company or subsequently assigned to it) and the full benefit of all rights and remedies relating thereto, including, without limitation, all negotiable and non-negotiable instruments, guarantees, indemnities, rights of tracing and security interests;

"Environment" means:

- (i) land including the sea bed and any natural or man-made structures;

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- (ii) water including rivers, lakes (man-made or natural), canals, the ocean (whether within or without territorial waters), ground waters and waters in drains and sewers; and
- (iii) air including air within buildings and other natural and man-made structures above or below ground;

"Environmental Laws" means all and any applicable laws, including common law, statute, bye-law and subordinate legislation, European Community Regulations and Directives and judgments and decisions, including notices, orders or circular, of any court or authority competent to make such judgment or decision compliance with which is mandatory for any Company in any jurisdiction with regard to:

- (i) the pollution or protection of the Environment;
- (ii) harm to the health of humans, animals or plants including laws relating to public and workers' health and safety;
- (iii) emissions, discharges or releases into the Environment of chemicals or any other pollutants or contaminants or industrial, radioactive, dangerous, toxic or hazardous substances or waste (whether in solid, semi-solid, liquid or gaseous form and including noises and genetically modified organisms); or
- (iv) the manufacture, processing, use, treatment, storage, distribution, disposal, transport or handling of the substances or wastes described in (iii) above;

"Environmental Permits" means all and any permits, licences, consents, approvals, certificates, qualifications, specifications, registrations and other authorisations including any conditions which attach to any of the foregoing and the filing of all notifications, reports and assessments required under Environmental Laws for the operation of any business from or using any of the Charged Property or the occupation or use of all or any of the freehold, leasehold or immovable property of any Company;

"Event of Default" means any event, howsoever described, specified in any of the Finance Documents as an event upon the occurrence of which the Security Trustee becomes entitled to call for early repayment of all or any of the Secured Obligations

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or any failure by any Company to pay or repay on demand all or any of the Secured Obligations which are so payable;

"Fixed Charge Property" means the assets of each Company described in Clauses 3.1(a) to # 3.1(f) inclusive;

"Floating Charge Property" means the assets of each Company described in Clause # 3.1(m);

"Haverhill Premises" means the freehold property situate at Falconer Road, Haverhill, Suffolk described in Part II of the Second Schedule and owned by Adare Properties (UK) Limited;

"Planning Acts" means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Local Government Planning and Land Act 1980 and any other legislation of a similar nature;

"Properties (UK) First Charge" means the legal charge dated 17th May 1994 and made between Adare Properties (UK) Limited (1) and John Waddington Properties Limited (2) and registered on 25th May 1994 over the Haverhill Premises;

"Receiver" means any one or more receivers and/or managers appointed by the Security Trustee in respect of any Company or over all or any part of the Charged Property;

"Secured Obligations" means all monies, obligations and liabilities covenanted or guaranteed to be paid or discharged by the Companies under Clause 2 of this Trust Debenture; and

"Shares" means, in relation to a Company, all the shares of any class in the capital of any company which are now, or at any time hereafter, owned by that Company or in which that Company has an interest.

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1.3 In this Trust Debenture:

- (a) the expressions "Banks", "Security Trustee", "Beneficiary", "Hedging Counterparties" and "Company" where the context admits shall include their respective successors and assigns; and
- (b) a "Clause" or a "Schedule" shall, unless otherwise stated, be construed as a reference to a clause or a schedule hereof.

1.4 Save where the contrary is indicated, any reference in this Trust Debenture:

- (a) to any statute or provision of any statute shall be deemed also to refer to any statutory modification, substitution or re-enactment thereof or any statutory instrument, order, regulation, bye-law, permission or direction made thereunder or under such modification, substitution or re-enactment;
- (b) to this Trust Debenture or any other agreement or document shall be construed as a reference to this Trust Debenture or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated or supplemented (and so that any reference to this Trust Debenture shall include, unless the context otherwise requires, any agreement or document expressed to be supplemental hereto or expressed to be collateral herewith or which is otherwise entered into pursuant to or in accordance with the provisions hereof);
- (c) to a "person" or "persons" include, without limitation, individuals, firms, corporations, government agencies, authorities and other bodies, incorporated or unincorporated and whether having direct legal personality or not;
- (d) to a company being "dormant" is a reference to it being dormant within the meaning given to that expression by section 250(3) of the Companies Act 1985, and
- (e) to a "subsidiary" is a reference to a subsidiary as defined by section 736 of the Companies Act 1985 (as substituted by section 144 of the Companies Act 1989).

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- 1.5 Clause and Schedule headings are for ease of reference only.
- 1.6 Words denoting the singular number shall include the plural number also and vice versa.

2. COVENANT TO PAY

- 2.1 The Companies hereby irrevocably jointly and severally covenant with the Security Trustee that they will on demand by the Security Trustee or as otherwise agreed with the Security Trustee discharge each and every liability which any Company may now or hereafter have to the Security Trustee and to the Beneficiaries (or any of them) # (whether solely or jointly with one or more persons, whether under this Trust Debenture or otherwise, whether as principal or as surety or in some other capacity and whether originally incurred by any Company or by some other person) and pay to the Security Trustee every sum (of principal, interest or otherwise) now or hereafter owing, due or incurred by any Company to the Security Trustee and to the Beneficiaries (or any of them) in respect of any such liabilities.
- 2.2 If any such liability becomes due (whether upon the making of a demand or otherwise), the Companies shall pay interest on such sums (after as well as before any judgment) during the period beginning on the date the liability becomes due and ending on the date of payment at the rate or rates (as may be appropriate) specified in Clause 18 of the Facilities Agreement for such other rate or rates as may be agreed between the Company concerned and the relevant Beneficiary and in the absence of such agreement [2%] above the relevant Beneficiary's base rate from time to time.

3. MORTGAGE, CHARGE AND ASSIGNMENT OF SECURITY

- 3.1 Each Company (and in relation to sub-clause (1), Adare Printing Group (UK) Limited only), with full title guarantee, as continuing security for the payment, performance and discharge of the Secured Obligations, hereby:
- (a) charges in favour of the Security Trustee by way of legal mortgage any freehold and leasehold land of the Company concerned referred to in the Second Schedule together in all cases with all buildings and (to the extent the same are not otherwise subject to a fixed charge hereunder) all

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fixtures (including trade fixtures) from time to time on every such property and all fixed plant and machinery both present and future therein or thereon;

- (b) charges in favour of the Security Trustee all its estate, right, title and interests in any other land or buildings now belonging to the Company concerned and all future estates, interests and rights of the Company concerned in such lands, hereditaments and premises and in any other freehold or leasehold property vested in or held by or on behalf of the Company concerned from time to time together in all cases (to the extent the same are not otherwise subject to a fixed charge hereunder) all fixtures (including trade fixtures) and all fixed plant and machinery from time to time therein;
- (c) assigns to the Security Trustee all of its rights, title and interest in and to the equipment and chattels specified under its name in the fifth Schedule;
- (d) charges in favour of the Security Trustee all plant, machinery, equipment, goods and chattels (other than stock-in-trade) now or hereafter belonging to the Company concerned # together with all and any machines, equipment, goods, components, parts or any other items whatsoever from time to time installed therein or used in replacement or by way of substitution for all or any part thereof, other than any assets for the time being effectively assigned to the Security Trustee by way of mortgage under Clause 3.1 (c) above;#
- #(e) assigns and agrees to assign in favour of the Security Trustee all rights and claims to which the Company concerned is now or may hereafter become entitled in relation to the freehold, leasehold or immovable property and the moveable property and other chattels mortgaged or charged hereunder including, without limitation, those against any manufacturer, supplier, or installer of such property, any builder, contractor or professional advisor engaged in relation to such property and any lessee, sub-lessee or licensee of any freehold, leasehold or immovable property mortgaged or charged hereunder and any guarantor or surety for the obligations of such person and, to the extent that any of the moveable property or other chattels mortgaged or charged hereunder is now or is at any time hereafter hired, leased or rented to any other person, the rights under the hiring, leasing or rental contract and any

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guarantee, indemnity or security for the performance of the obligation of such person and any other rights and benefits relating thereto;

- #(f) assigns and agrees to assign in favour of the Security Trustee all present and future rights, interest, title and benefit of the Company concerned to and in the proceeds of any of the insurances now or hereafter maintained or effected by the Company concerned to the extent the same are not otherwise subject to a fixed charge hereunder;
- #(g) charges in favour of the Security Trustee (subject to the provisions of Clause 8.2) all the rights, title, interest and benefit of the Company concerned to and in (i) the uncollected and unrealised Debts of the Company concerned, (ii) the collected and realised Debts of the Company concerned, (iii) the Bank Balances, (iv) the uncollected and unrealised Claims of the Company concerned and (v) the collected and realised Claims of the Company concerned;
- #(h) charges in favour of the Security Trustee the uncalled capital of the Company concerned;
- #(i) charges in favour of the Security Trustee the Shares and all other stocks, shares, bonds and securities of any kind whatsoever whether marketable or otherwise and all other interests (including but not limited to loan capital) of the Company concerned both present and future in every company, firm, consortium or entity whatsoever situate, including all dividends, interest and other distributions paid or payable in respect thereof and all allotments, accretions, offers rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of and/or incidental to the same and all stocks, shares, rights, money and property accruing thereto and/or offered at any time by way of conversion, redemption, bonus, preference option or otherwise in respect thereof;
- #(j) charges in favour of the Security Trustee all letters patent, trademarks, designs and utility models, copyrights, design rights, applications for registration of any of the foregoing and rights to apply for them in any part of the world, inventions, confidential information, know how and rights of like nature arising in relation to the foregoing, whether registered or unregistered, now or at any time hereafter belonging to the Company

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concerned and the benefit of all licences and other rights to use any of the same;

#(k) charges in favour of the Security Trustee all goodwill (including all brand names not otherwise subject to a fixed charge or assignment by or pursuant to this Trust Debenture) now or at any time hereafter belonging to the Company concerned;

#(l) charges, assigns and agrees to assign to the Security Trustee all of its rights, title, interest and benefit under or in respect of the Hedging Agreement; and#

#(m) charges in favour of the Security Trustee the whole of the Company concerned's undertaking, property, assets and rights whatsoever and wheresoever both present and future other than any assets for the time being effectively charged to the Security Trustee by way of fixed charge or effectively assigned (whether at law or in equity) to the Security Trustee or otherwise subject to an effective fixed security in favour of the Security Trustee including without limitation heritable property and all other property and assets in Scotland.

3.2 The mortgages and charges hereby created shall:

- (a) as regards the Fixed Charge Property, be first fixed mortgages and charges; and
- (b) as regards the Floating Charge Property, be a first floating charge;

save that in respect of the Haverhill Premises the security hereby created shall rank next after the security created by the Properties (UK) First Charge.#

3.3 On final payment and discharge of the Secured Obligations the Security Trustee will at the request and cost of the Companies release, surrender, re-convey or re-assign (as the case may be) to the Companies the property and assets mortgaged, charged and assigned by or pursuant to Clause 3.1.

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4. CRYSTALLISATION OF FLOATING CHARGE

- 4.1 The Security Trustee may at any time following the occurrence of an Event of Default by notice in writing to the company concerned convert the floating charge created by a company pursuant to Clause # 3.1(m) with immediate effect into a fixed charge as regards any property or assets specified in the notice.
- 4.2 Notwithstanding Clause 4.1 and without prejudice to any rule of law which may have a similar effect, the floating charge created by a Company pursuant to Clause # 3.1(m) shall automatically be converted with immediate effect into a fixed charge as regards all the assets subject to the floating charge in question and without notice from the Security Trustee to the Company concerned on:
- (a) the presentation of a petition for the compulsory winding-up of the Company concerned;
 - (b) the convening of a meeting for the passing of a resolution for the voluntary winding-up of the Company concerned,
 - (c) on the presentation of a petition for the making of an administration order in relation to any Company; or
 - (d) the creation or attempted creation by the Company concerned of any security over all or any part of the Floating Charge Property without the prior consent in writing of the Security Trustee or the levying or attempted levying by any person of any distress, execution, sequestration or other process against any of the Floating Charge Property.

5. PERFECTION OF SECURITY AND FURTHER ASSURANCES

- 5.1 Adare Printing Group (UK) Limited shall deliver a notice to each Hedging Counterparty in the form of Part I of the Fourth Schedule and shall procure that an acknowledgment in the form of Part II of the Fourth Schedule is forthwith delivered by each such Hedging Counterparty to the Security Trustee.
- 5.2 Each Company shall execute such notices as the Security Trustee shall require of the security created under Clause 3.1. Each such notice shall be in the form approved by the Security Trustee and shall be addressed to person or persons as the Security

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Trustee shall determine (following the receipt by the Security Trustee of such information from the Companies as the Security Trustee may require in relation to the property and assets of the Companies subject to the security) and the Security Trustee may at any time deliver such notices to the addressees thereof.

5.3 Each Company shall promptly notify the Security Trustee of any proposal or contract for the acquisition by, or conveyance, grant, lease, transfer or other disposition to it or any nominee on its behalf of any freehold or leasehold or other immovable property and, on demand made to the Company concerned by the Security Trustee and at the cost of the Company concerned, execute and deliver to the Security Trustee a legal mortgage or legal charge supplemental to this Trust Debenture in favour of the Security Trustee of any freehold, leasehold or other immovable properties which become vested in it after the date hereof and all fixtures and fittings (including trade fixtures and fittings) therein to secure the payment or discharge of the Secured Obligations in such form as the Security Trustee may require provided that the Company concerned shall not be required when granting such additional security to enter into covenants and/or obligations more onerous than those contained herein unless the same are required for the effective creation or enforcement of such additional security or for the protection of the Security Trustee. In the case of any leasehold property in relation to which the consent of the landlord in whom the reversion of that lease is vested is required in order for a Company to perform any of the foregoing obligations, such Company shall not be required to perform that particular obligation unless and until it has obtained the landlord's consent (which it shall use its reasonable endeavours to do).

5.4 In the case of any freehold, leasehold or other immovable property acquired by any Company or any nominee after the execution of this Trust Debenture forming part of the Charged Property title to which (either before or after the acquisition thereof) is registered under the Land Registration Acts 1925 to 1988, the Company concerned shall promptly notify the Security Trustee of the title number(s) and contemporaneously with the making of an application to H.M. Land Registry for the registration of the Company concerned or its nominee (as the case may be) as the Registered Proprietor thereof apply to H.M. Chief Land Registrar substantively to register this Trust Debenture on the Charges Register of such property.

5.5 Each Company hereby applies to H.M. Chief Land Registrar to enter the following restrictions in the Proprietorship Register of the freehold, leasehold or other immovable property owned by such Company title to which is registered under the Land Registration Acts 1925 to 1988:

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"Except under an Order of the Registrar no transfer, disposition, dealing, charge or mortgage by the proprietor of the land or any transfer made in the exercise of the power of sale possessed by the holder of any subsequent charge is to be registered or noted without the consent of the proprietor for the time being of Charge No []."

- 5.6 The Beneficiaries are under an obligation to make further advances and application is made to H.M. Chief Land Registrar for a note to be entered on the register of each freehold/leasehold property owned by any Company the title to which is registered under the Land Registration Acts 1925-88 to that effect.
- 5.7 Each Company shall, if so requested by the Security Trustee, deposit with the Security Trustee and permit the Security Trustee during the continuance of the security created hereby to hold and retain the following:
- (a) all deeds and documents of title relating to all freehold and leasehold property from time to time belonging to the Company concerned (and the insurance policies relating thereto);
 - (b) all certificates or other documents representing or evidencing ownership of the Shares together with duly executed and stamped stock transfer forms in blank; and
 - (c) all such documents relating to the Fixed Charged Property as the Security Trustee may from time to time require for the purpose of perfecting and protecting the security herein.
- 5.8 In addition to and without prejudice to anything else herein contained, each Company shall at any time, at the request of the Security Trustee but at the cost of the Companies, promptly sign, seal, execute, deliver and do all such deeds, instruments, acts and things in such form as the Security Trustee may require for perfecting or protecting the security intended to be constituted by or pursuant to this Trust Debenture or for facilitating the realisation thereof or the exercise of any and all powers, authorities and discretions intended to be vested in the Security Trustee, any Beneficiary or any Receiver by or pursuant to this Trust Debenture.
- 5.9 Without limiting the generality of Clause # 5.8, the Companies jointly and severally agree to procure that:

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- (a) # any plant, machinery, equipment, goods and chattels # acquired by the Company and having a book or market value of # £250,000 or more (the # "New Chattels") # shall be notified to the Security Trustee no later than 30 days after the date of # such acquisition, such notification shall include full particulars of the # New Chattels sufficient in the opinion of the Security Trustee to allow them to be readily identified and # specify in relation to each # New Chattel to which of the Companies the # New Chattel belongs; and
- (b) # if required to do so by the Security Trustee #, the Companies to which those # New Chattels belong at their own cost execute and deliver to the Security Trustee a chattel mortgage on such # New Chattel or # New Chattels to secure payment or discharge of the Secured Obligations in such form as the Security Trustee may require, such chattel mortgage to be delivered to the Security Trustee no more than 30 days after the relevant Companies are required to execute and deliver the same.

5.10 The obligations of the Companies under this Clause 5 shall be in addition to and not in substitution for the covenants for further assurance deemed to be included in this Trust Debenture by virtue of Section 76(1)(c) of the Act.

6. **NEGATIVE PLEDGE**

6.1 Each Company hereby undertakes that at no time during the subsistence of the security created by this Trust Debenture shall it, otherwise than (a) as permitted by or pursuant to the Facilities Agreement, (b) with the Security Trustee's prior written consent or (c) in the Security Trustee's favour (as agent and trustee for the Beneficiaries):

- (a) create or attempt to create or permit to arise or subsist any security on or over the Charged Property or any part thereof; or
- (b) sell, transfer, lend, lease, license or otherwise dispose of the Charged Property or any part thereof or attempt or agree to do so whether by means of one or a number of transactions related or not and whether at one time or over a period of time save that the Floating Charge Property

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may be sold on an arm's length basis at market value in the ordinary course of the Company's trading as now conducted.

- 6.2 None of the foregoing prohibitions in this Clause 6 shall be construed as limiting any powers exercisable by any Receiver appointed by the Security Trustee under or pursuant to this Trust Debenture.

7. **EXERCISE OF RIGHTS IN RESPECT OF SHARES**

- 7.1 Subject to Clause 7.2# and 7.3, all voting rights and rights of the Company concerned in respect of bonus or rights issues shall:

- (a) with respect to any Shares charged by or pursuant to this Trust Debenture and registered in the name of the Security Trustee or its nominee(s), be exercised as the Company concerned may from time to time in writing reasonably direct; and
- (b) with respect to any Shares charged by or pursuant to this Trust Debenture and registered in the name of the Company concerned or its nominee(s), be exercised by the Company concerned.

Provided in each case that such direction or exercise by the Company concerned does not in the opinion of the Security Trustee adversely affect the Shares which are the subject of fixed security pursuant to Clause 3.1(i) and is not otherwise inconsistent with this Trust Debenture.

- 7.2 With respect to the Company concerned's rights and powers relating to any of the Shares:

- (a) # the Company concerned shall not # exercise such rights or powers in any manner which in the opinion of the Security Trustee is inconsistent with the security intended to be conferred on the Security Trustee by or pursuant to this Trust Debenture;
- #(b) the Security Trustee and its nominee(s) shall be entitled at all times to exercise all such rights and powers for the purpose of preserving the value of the security intended to be conferred on the Security Trustee by or pursuant to this Trust Debenture or of realising such security, and

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- (c) after the occurrence of an Event of Default (and without any consent or authority on the part of the Company concerned) the Security Trustee and its nominee(s) may at the Security Trustee's discretion (in the name of the Company concerned or otherwise) exercise or cause to be exercised in respect of any of the Shares any voting rights or rights to receive dividends, interest, principal or other payments of money, as the case may be, forming part of the Shares and all other powers and rights conferred or exercisable by the owner, bearer or holder thereof.

7.3 Each Company hereby covenants and agrees with the Security Trustee that:

- (a) it will at all times before the Security Trustee or any nominee of the Security Trustee # becomes registered owner or acquires legal title to any of the Shares subject to a charge hereunder exercise all and any rights and powers with respect to such Shares in a manner which will not prejudice the security hereby constituted in respect thereof and as directed by the Security Trustee for the purpose of preserving the value of the security intended to be conferred on the Security Trustee by or pursuant to this Trust Debiture or of realising such security; and
- (b) it will not, without the prior written consent of the Security Trustee, make any changes to the Articles of Association of the company in which the Shares are held (save as requested by the Security Trustee pursuant to Clause 7.4) in respect of the registration of transfers of shares or pre-emption rights.

7.4 If requested by the Security Trustee, the Company shall procure that the Articles of Association of the Companies (or any of them) are altered in a manner satisfactory to the Security Trustee so as to permit the transfer of the Shares to the Security Trustee or its nominee pursuant to this Trust Debiture and by the Security Trustee or its nominee to any person following the exercise of its rights under this Trust Debiture without requiring the consent of the directors of the relevant Company or Companies or any other condition to be obtained or met.

8. COLLECTION OF DEBTS AND RELATED MATTERS

- 8.1 Each Company shall at all times during the subsistence of the security constituted by this Trust Debiture get in and realise its Debts and Claims in the ordinary course of

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its business and trading activities and shall pay the proceeds of such Debts and Claims into its account with the Security Trustee or any other Beneficiary (or into such account as the Security Trustee may stipulate whether or not being an account with the Security Trustee or any other Beneficiary or in the name of the Company) (and so that for this purpose the realisation of Debts and Claims by means of block discounting, factoring or the like shall not be regarded as dealing in the ordinary course of the Company concerned's business) and the Company concerned shall not without the prior consent in writing of the Security Trustee sell, factor, discount or otherwise charge or assign the Debts or Claims in favour of any other person or purport to do so and the Company concerned shall if called upon to do so by the Security Trustee from time to time execute legal assignments of the Debts and Claims to the Security Trustee or any other Beneficiary in forms approved by the Security Trustee.

8.2 Prior to the security hereby created becoming enforceable, in the absence of any written directions to the contrary from the Security Trustee, any moneys in respect of the Debts and Claims received by the Company concerned and paid into any account in accordance with the requirements of Clause 8.1 hereof shall upon being paid into such account be released from the fixed charge created by Clause 3.1(e) hereof and shall become subject to the floating charge created by Clause 3.1(m). Such release from the fixed charge shall not affect and shall be entirely without prejudice to the continuance of the said fixed charge on all other Debts or Claims of the Company concerned outstanding from time to time and on all moneys which the Company concerned receives in respect thereof.

9. REPRESENTATIONS

9.1 Each Company hereby represents and warrants to the Security Trustee that:

- (a) it is, and will at all times during the subsistence of the security constituted by this Trust Debenture be, the sole, lawful and beneficial owner of all of the Charged Property charged or, as the case may be, assigned, by it hereunder free from any security (other than the security created by or pursuant to this Trust Debenture or the security permitted pursuant to Clause 6.1); —
- (b) except in accordance with the provisions of the Facilities Agreement and of this Trust Debenture or as otherwise agreed in writing by the Security

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Trustee, it has not sold or granted any rights of pre-emption over or agreed to sell or grant any right of pre-emption over or granted or agreed to grant any lease or tenancy of or otherwise disposed of or agreed to dispose of the benefit of all or any of its right, title and interest in and to all or any part of the Charged Property;

- (c) it has obtained, and will at all times during the subsistence of the security constituted by this Trust Debenture obtain, all consents necessary to ensure that no other party to any agreement or arrangement entered into by it becomes entitled to terminate such agreement or arrangement as a consequence of the Company entering into this Trust Debenture;
- (d) nothing has been done on or in relation to any of the freehold, leasehold or other immovable property mortgaged or charged hereby which constitutes a "development" within the meaning of the Planning Acts, without any requisite permission having been obtained and no situation exists in relation to any of the freehold, leasehold or other immovable property secured hereby in respect of which a warning notice or an enforcement notice has been or may be made;
- (e) it is in compliance with all Environmental Laws and it has obtained, and will at all times during the subsistence of the security constituted by this Trust Debenture obtain, and is in compliance with, all Environmental Permits;
- (f) there are no circumstances relating to any of the Charged Property which have led, or could lead, to a competent authority or a third party taking any action or making a claim under any Environmental Laws including the requirement to clean up any contaminated land or the revocation, suspension, variation or non-renewal of any Environmental Permits or to it having to take action to avert the possibility of any such action or claim where such action or claim could have an adverse effect on the value of any of the Charged Property or on the ability of it to conduct any of its business or to perform its obligations under this Trust Debenture;
- ##(g) Screen Print Limited and each company listed in the Third Schedule to this Trust Debenture is dormant and shall remain so, does not trade and has no assets and shall not trade or acquire assets without the prior written consent of the Security Trustee; and

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- (h) the properties listed in the Second Schedule and in the second schedule to the Irish Trust Debenture constitute all of the real property in which Adare and its subsidiaries have an interest.

10. COVENANTS

10.1 Each Company hereby covenants with the Security Trustee and the other Beneficiaries that during the continuance of the security created hereby it shall:

- (a) conduct and carry on its business in a proper and efficient manner and not make any substantial alteration in the nature of or mode of conduct of that business and keep or cause to be kept proper books of account relating to such business and shall keep the said books of account and all other documents relating to its affairs at its registered office or other place or places where the same ought to be kept and punctually pay, as the same become due, all debts and liabilities which by virtue of the provisions of any law relating to liquidation, bankruptcy, insolvency or creditors' rights generally would have priority to all or any part of the security created by or pursuant to this Trust Debenture;
- (b) without prejudice to the provisions of sub-clause 10.1(a) above, ensure that all liabilities which if unpaid would or might on a liquidation or receivership of the Companies or otherwise have priority over the security by way of floating charge hereby created shall be paid and discharged when the same must be paid;
- (c) perform and observe the covenants and conditions contained or comprised in any agreement from time to time made between any of its debtors and the Company itself;
- (d) at its own expense insure and keep insured in its name with the name of the Security Trustee noted thereon and is specified as loss payee, all its assets of an insurable nature with insurers previously approved of in writing by the Security Trustee against loss or damage by fire, civil commotion, explosion, aircraft, flood, storm, tempest, lightning, burst pipes, electrical faults and such other risks and contingencies as the Security Trustee shall from time to time request to the full replacement value thereof from time to time,

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including, without limitation, architects', surveyors', engineers' and all other professional fees and charges; maintain such other insurance policies (with the interest of the Security Trustee and the other Beneficiaries noted therein) containing like provisions for the protection of the Security Trustee as are normally maintained by prudent companies carrying on similar businesses; duly and punctually pay all premia and other moneys necessary for effecting and keeping up such insurances and on demand produce to the Security Trustee the policies of such insurance and proof of such payments; all moneys to be received by virtue of any insurance maintained or effected by it (whether or not in pursuance of its obligations hereunder) shall (save as hereinafter otherwise provided) be paid to the Security Trustee (or if not paid by the insurers directly to the Security Trustee held in trust for the Security Trustee and shall, at the option of the Security Trustee, be applied in replacing, restoring or reinstating the property or assets destroyed, damaged or lost (any deficiency being made good by the Companies) or in reduction of the Secured Obligations; furnish promptly copies of all such insurance policies to the Security Trustee with the interest of the Security Trustee and the other Beneficiaries noted therein;

- (e) observe and perform all covenants and stipulations from time to time affecting its freehold or leasehold property or the mode of user or enjoyment of the same and not without the prior consent in writing of the Security Trustee enter into any onerous or restrictive obligations affecting any such property or create or permit to arise any overriding interest or any easement or right whatsoever in or on such property which might adversely affect the value thereof or do or suffer to be done on any such property anything which is a "development" as defined in the Planning Acts as from time to time amended otherwise than in accordance with the provisions of those Acts nor do or suffer or omit to be done any act, matter or thing whereby any provision of any Act of Parliament, order or regulation from time to time in force affecting any such property is infringed;
- (f) keep all buildings, structures, fixtures and fittings (including trade fixtures and fittings), plant, and, to the extent reasonably appropriate, machinery, in good and substantial repair and in good working order and condition (fair wear and tear excepted) and not pull down or remove or sell or otherwise dispose of any of the same without the prior consent in writing of the Security Trustee except in the ordinary course of use, repair, maintenance or improvement;

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- (g) not make any structural alterations, or additions to any freehold, leasehold or other immovable property subject to the security constituted by this Trust Debenture without the prior written consent of the Security Trustee,
- (h) pay as and when the same must be paid all taxes, rates, duties, charges, assessments and outgoings whatsoever and of any description which shall be assessed, charged or imposed upon or payable in respect of any of the freehold or leasehold property hereby mortgaged or charged or any part thereof (save to the extent that payment of the same is being contested in good faith);
- (i) pay any rents reserved by the terms of any lease and (in any event) keep all of its freehold and leasehold and other immovable property in good and substantial repair and perform and observe all the covenants, agreements and stipulations on the part of it contained in any lease or leases comprised within any of the freehold or leasehold property hereby mortgaged or charged and not do or suffer to be done any act or thing whereby any such lease or leases is or are likely to become liable to forfeiture or otherwise be unilaterally determined by the landlord(s);
- (j) not (without the prior consent in writing of the Security Trustee) grant or agree to grant (whether in exercise or independently of any statutory power) any lease or tenancy of the freehold or leasehold property hereby mortgaged or charged or any material part thereof;
- (k) not (without the prior consent in writing of the Security Trustee) permit any person to become entitled to any proprietary right or interest which might affect the value to an extent which is in the opinion of the Security Trustee material of any land, fixtures or fixed plant and machinery hereby charged;
- (l) notify the Security Trustee of any notice received in relation to the freehold or leasehold property hereby mortgaged or charged which might reasonably be expected to affect the value of such property, or the Security Trustee's security therein, adversely and within thirty days after receipt by it of any application, requirement, order or notice served or given by any public or local or any other authority with respect to all the Charged Property (or any material part thereof), give written notice thereof to the Security Trustee

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and also (within seven days after demand) produce the same or a copy thereof to the Security Trustee and inform the Security Trustee of the steps taken or proposed to be taken to comply with any such requirement thereby made or implicit therein;

- (m) duly and punctually perform and observe all its obligations in connection with the Charged Property under any present or future statute or any regulation, order or notice made or given thereunder;
- (n) otherwise than as permitted herein not do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice, to an extent which in the opinion of the Security Trustee is material, the value to the Security Trustee of the security hereby created;
- (o) not (without the prior consent in writing of the Security Trustee or as otherwise provided in the Facilities Agreement) redeem or purchase its own shares or form, or acquire, or dispose of any subsidiary;
- (p) furnish to the Security Trustee from time to time, and at such intervals as the Security Trustee shall from time to time require, such information regarding its and its subsidiaries' assets and liabilities as the Security Trustee may require including, without prejudice to the generality of the foregoing, details of all of its stock-in-trade from time to time, copies of all and any statements relating thereto and all of its debts from time to time together with details of the debtors and copies of all and any invoices rendered in respect of such debts and details of all debts which would, on its liquidation be paid in priority to all of its other unsecured debts;
- (q) use, operate, maintain and control each item of plant, machinery and equipment subject to a mortgage or fixed charge hereunder in a careful and proper manner and in accordance with all licences, agreements, manufacturers' recommendations (as originally drafted or as amended from time to time), statutes, laws, ordinances, and regulations relating to the use, operation, maintenance and control thereof and neither use nor knowingly permit any such items to be used for any unlawful purpose and ensure that any replacement or substitute parts are in good repair and working order and are free from any lien or other encumbrance whatsoever and are owned by it;

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- (r) keep each item of plant, machinery and equipment subject to a mortgage or fixed charge hereunder at the location or locations (if any) from time to time approved in writing by the Security Trustee and not remove any such item or items from its location without the prior written consent of the Security Trustee, except for the purpose of maintenance or repair;
- (s) keep each item of plant, machinery and equipment subject to a mortgage or fixed charge hereunder in good repair and condition and working order and not do or omit to do anything which could reasonably be expected to result in any item of plant, machinery and equipment subject to a fixed charge hereunder or any part thereof being confiscated, seized, requisitioned, taken in execution, impounded or otherwise taken out of its control;
- (t) if it has not already done so, in the case of any plant, machinery and equipment subject to a mortgage or fixed charge hereunder located on leasehold premises, obtain evidence in writing from any lessor of any such premises that he waives absolutely all and any rights he may have now or at any time in the future over any of such plant, machinery and equipment;
- (u) punctually pay all calls, instalments and other payments that may become due in respect of the Shares or other stocks and securities subject to a fixed charge hereunder;
- (v) take all such steps and do all such acts as may be necessary for keeping on foot any letters patent or for maintaining the registration of any trademarks or other intellectual property subject to the security constituted by this Trust Debenture and for restoring the same if they have at any time become void and, in particular, pay all fees necessary for that purpose before the same become due and produce to the Security Trustee on demand the receipts for such fees;
- (w) use its best endeavours to protect and safeguard the letters patent, trademarks or other intellectual property subject to the security constituted by this Trust Debenture from and against theft, loss, destruction, unauthorised access, copying or use by third parties and to detect any infringement of the same and if it shall become aware of any such infringement at once give to the Security Trustee all information in its possession with regard thereto and, at the request of the Security Trustee but at its cost, commence and diligently prosecute or permit the Security

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Trustee in the name of its cost to commence and prosecute all proceedings necessary to prevent such infringements or to recover damages in respect thereof and it hereby appoints the Security Trustee and the persons deriving title under it to be its attorney and attorneys in its name or otherwise and on its behalf to execute and do all deeds, acts, matters and things that may in its or their opinion be required for the purposes aforesaid or any of them;

- (x) comply with all Environmental Laws and Environmental Permits applicable from time to time to the Charged Property or any part thereof and not allow any circumstances to arise which could lead to a competent authority or a third party taking action or making a claim under any Environmental Laws including the requirement to clean up any contaminated land or the renovation, suspension, variation or non-renewal of any Environmental Permits or to it having to take action to avert the possibility of any such claim where such action or claim could have an adverse effect on the value of any of the Charged Property or on its ability to conduct any of its business or to perform its obligations under this Trust Debenture;
- (y) within seven days of the receipt of notice of the same, give full particulars (and if requested, a copy of any written particulars received by it) to the Security Trustee of any notice, order, direction, designation, resolution or proposal having application to all or any part of the Charged Property or to the area in which it is situate, given or made by any planning authority or other public body or authority whatsoever under or by virtue of planning legislation or Environmental Laws or any other statutory power whatsoever or in pursuance of the powers conferred by any other statute whatsoever; and if so required by the Security Trustee, without delay and at its cost, take all reasonable or necessary steps to comply with any such notice or order and at the request of the Security Trustee, without delay and at its cost make or join with the Security Trustee in making such objections or representations against or in respect of any proposal for such notice or order as the Security Trustee shall deem expedient; and
- (z) ensure that (unless the Security Trustee otherwise agrees in writing) any company which becomes its subsidiary and any of its dormant subsidiaries which ceases to be dormant delivers to the Security Trustee (in a form approved by the Security Trustee but in each case having provisions no more onerous than those contained in the comparable Security Documents for the time being) (a) a guarantee in respect of all of the Borrowers'

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obligations to the Security Trustee and the other Beneficiaries under the Finance Documents and (b) a debenture in favour of the Security Trustee (as agent and trustee for the Beneficiaries) creating first, fixed and floating charges over its assets, each duly executed and delivered by the company or, as the case may be, the subsidiary concerned.

10.2 Adare Printing Group (UK) Limited hereby covenants with the Security Trustee and the other Beneficiaries that during the continuance of the security created hereby it shall:

- (a) not, without the prior written consent of the Security Trustee agree to or make any modification, amendment, waiver or release of any Hedging Agreement or permit any breach or default to exist in respect thereof or take or omit to take any action the taking or omission of which might result in the modification, amendment or release of any Hedging Agreement or which might in any way prejudice the rights, title and interest under any Hedging Agreement hereby assigned; and
- (b) remain liable to perform all obligations assumed by it under each Hedging Agreement and duly perform all such obligations and the Security Trustee shall be under no obligation by virtue of these presents in respect of any failure by Adare Printing Group (UK) Limited so to perform such obligations#.

10.3 In the case of default by any Company in the performance of any of the foregoing covenants contained in either Clause 10.1 or 10.2 it shall be lawful for (but not obligatory upon) the Security Trustee to do whatever may in the Security Trustee's opinion be necessary to make good such default, and all sums expended by the Security Trustee in that behalf shall be added to the monies hereby secured and bear interest accordingly and the Security Trustee may effect insurances in such amounts and against such risks, as the Security Trustee shall, in its absolute discretion, decide.

11. POWER OF SALE

11.1 Section 103 of the Act shall not apply to this Trust Debenture. On or at any time after the occurrence of an Event of Default the Security Trustee may exercise without further notice to the Companies and without the restrictions contained in the Act and whether or not it shall have appointed a Receiver, all the powers conferred on mortgagees by the common law and the Act as varied or extended by this Trust

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Debenture and all the powers and discretions hereby conferred either expressly or by reference on a Receiver.

11.2 Notwithstanding any provisions contained in this Trust Debenture, the Secured Obligations shall be deemed for the purposes of section 101 of the Act to have become due and payable within the meaning of section 101 of the Act and the power of sale and other powers conferred on mortgagees by the Act as varied or extended by this Trust Debenture shall arise immediately on execution of this Trust Debenture.

11.3 The restriction on the right of consolidating mortgage securities which is contained in section 93 of the Act shall not apply to this Trust Debenture.

12. POWER OF LEASING

The power of leasing conferred upon a mortgagor in possession by section 99 of the Act and the power of accepting the surrender of leases conferred upon a mortgagor in possession by section 100 of the Act and any other powers of leasing, surrendering or accepting surrenders of leases vested in any Company shall not be exercisable without the prior consent in writing of the Security Trustee nor shall any Company, without the prior consent in writing of the Security Trustee, confer on any person any contractual licence to occupy or any other right or interest in any freehold or leasehold or other immovable property hereby charged or grant any licence or consent to assign, undertake or part with possession or occupation thereof.

13. ENTRY INTO POSSESSION AND APPOINTMENT AND POWERS OF RECEIVER

13.1 On or at any time after the occurrence of an Event of Default, the Security Trustee may, without notice to the Companies, take possession of and hold all or any part of the Charged Property and the Security Trustee may, without first appointing a Receiver, exercise all or any of the powers conferred on mortgagees by the Act as varied or extended by this Trust Debenture and all the powers, authorities and discretions conferred by this Trust Debenture expressly or by implication on any Receiver or otherwise conferred by statute or common law on mortgagees or receivers.

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- 13.2 On or at any time after the occurrence of an Event of Default or if requested by any or all of the Companies, the Security Trustee may, without notice to the Companies, in writing under its Common Seal or under the hand of any officer(s) or manager(s) or any other nominated person of the Security Trustee, appoint any person to be a Receiver or Receiver and manager of all or any part of the Charged Property and may, except as otherwise required by statute, remove any such Receiver and appoint another or others in his or their place or appoint another person or persons to act jointly with any such Receiver.
- 13.3 Such an appointment over part only of the Charged Property shall not preclude the Security Trustee from making any subsequent appointment of the same or another Receiver over any part of the Charged Property over which an appointment has not been previously made.
- 13.4 Where more than one Receiver is appointed they shall have power to act severally unless the Security Trustee shall in the appointment specify to the contrary.
- 13.5 A Receiver shall be deemed at all times and for all purposes to be the agent of the Companies in respect of which he is appointed and the Companies shall be solely responsible for his acts or defaults and for the payment of his remuneration and the Receiver shall at no time act as agent for the Security Trustee.
- 13.6 Neither the Security Trustee nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect or default of any nature whatsoever in connection with all or any part of the Charged Property to which a mortgagee in possession might as such be liable.
- 13.7 The restrictions contained in sections 109(1) and 109(6) of the Act shall not apply to this Trust Debenture.
- 13.8 A Receiver shall have all the powers conferred from time to time on receivers by statute (including, without limitation, all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (and whether or not the Receiver is an administrative receiver) and (in the event that the Receiver is an administrative receiver) all the other powers exercisable by an administrative receiver by virtue of the provisions of the Insolvency Act 1986) and in the case of the powers conferred by the Act without the restrictions contained in such Act (as amended) and, in

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addition, power on behalf and at the cost of the Companies (notwithstanding liquidation of any Company) to do or omit to do anything which the Companies could do or omit to do in relation to the Charged Property or any part thereof and in particular (but without limitation) a Receiver shall have the power to do all or any of the following:

- (a) enter upon, take possession of, collect and get in all or any of the Charged Property, exercise in respect of any shares or stocks secured hereunder all voting or other powers or rights available to a registered holder thereof in such manner as he may think fit and bring, defend or discontinue any proceedings (including, without limitation, proceedings for the winding-up of any and/or all of the Companies) or submit to arbitration in the name of any and/or all of the Companies or otherwise as may seem expedient to him;
- (b) carry on, manage, develop, reconstruct, amalgamate or diversify the business of the Companies or any part thereof or concur in so doing, lease or otherwise acquire and develop or improve properties or other assets without being responsible for loss or damage;
- (c) raise or borrow any money from or incur any other liability to the Security Trustee and any other Beneficiary or others on such terms with or without security as he may think fit and so that any such security may be or include a charge on the whole or any part of the Charged Property ranking in priority to this security or otherwise;
- (d) sell by public auction or private contract, let, surrender or accept surrenders, grant licences or otherwise dispose of or deal with all or any of the Charged Property or concur in so doing in such manner for such consideration and generally on such terms and conditions as he may think fit (including, without limitation, conditions excluding or restricting the personal liability of the Receiver or the Security Trustee) with full power to convey, let, surrender, accept surrenders or otherwise transfer or deal with such Charged Property in the name and on behalf of any and/or all of the Companies or otherwise and so that the covenants and contractual obligations may be granted and assumed in the name of and so as to bind any and/or all of the Companies if he shall consider it necessary or expedient so to do; any such sale, lease or disposition may be for cash, debentures or other obligations, shares, stock, securities or other valuable

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consideration and be payable immediately or by instalments spread over such period as he shall think fit and so that any consideration received or receivable shall ipso facto forthwith be and become charged with the payment of all Secured Obligations; plant, machinery and fixtures may be severed and sold separately from the premises containing them and the Receiver may apportion any rent and the performance of any obligations affecting the premises sold without the consent of the Companies;

- (e) promote, procure the formation or otherwise acquire the share capital of any body corporate with a view to such body corporate purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Charged Property or otherwise, arrange for companies to trade or cease to trade and to purchase, lease, license or otherwise acquire all or any of the Charged Property on such terms and conditions whether or not including payment by instalments secured or unsecured as he may think fit;
- (f) make any arrangement or compromise or enter into or cancel any contracts which he shall think expedient;
- (g) make and effect such repairs, renewals and improvements to the Charged Property or any part thereof as he may think fit and maintain, renew, take out or increase insurances including, without limitation, Indemnity Insurance;
- (h) appoint managers, agents, officers, and employees for any of such purposes or to guard or protect the Charged Property at such salaries and commissions and for such periods and on such terms as he may determine and dismiss the same;
- (i) make or require the directors of all or any of the Companies to make calls, conditionally or unconditionally, on the members of the Companies concerned in respect of uncalled capital and enforce payment of any call so made by action (in the name of the Companies concerned or the Receiver as may be thought fit) or otherwise;
- (j) without any consent by or notice to the Companies, exercise on behalf of any and/or all of the Companies all the powers and provisions conferred on a landlord or a tenant by any legislation from time to time in force

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relating to rents or otherwise in respect of any part of the Charged Property but without any obligation to exercise any of such powers and without any liability in respect of powers so exercised or omitted to be exercised;

- (k) without any consent or notice by or to the Companies, exercise for and on behalf of any and/or all of the Companies and in the name of any or all of the Companies all powers and rights of the Companies relevant to and necessary to effect the registration in the Land Registry of the crystallisation of the first floating charge and/or the appointment of a Receiver hereunder;
- (l) settle, arrange, compromise and submit to arbitration any accounts, claims, questions or disputes whatsoever which may arise in connection with the business of any and/or all of the Companies or the Charged Property or any part thereof or in any way relating to the security constituted by this Trust Debenture, bring, take, defend, compromise, submit to and discontinue any actions, suits, arbitrations or proceedings whatsoever whether civil or criminal in relation to the matters aforesaid, enter into, complete, disclaim, abandon or disregard, determine or rectify all or any of the outstanding contracts or arrangements of any and/or all of the Companies in any way relating to or affecting the Charged Property or any part thereof and allow time for payment of any debts either with or without security as he shall think expedient;
- (m) redeem any prior encumbrance and settle and agree the accounts of the encumbrancer; any accounts so settled and agreed shall (subject to any manifest error) be conclusive and binding on the Company concerned and the money so paid shall be deemed an expense properly incurred by the Receiver;
- (n) generally, at his option, use the name of any and/or all of the Companies in the exercise of all or any of the powers hereby conferred;
- (o) exercise, or permit any and/or all of the Companies or any nominees of such Company or Companies to exercise, any powers or rights incidental to the ownership of the Charged Property or any part thereof in such manner as he may think fit; and

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- (p) sign any document, execute any deed and do all such other acts and things as may be considered by him to be incidental or conducive to any of the matters or powers aforesaid or to the realisation of the Security Trustee's security and use the name of any and/or all of the Companies for all the above purposes.

- 13.9 A Receiver shall be entitled to remuneration at a rate to be fixed by agreement between him and the Security Trustee (or, failing such agreement, to be fixed by the Security Trustee).

14. DELEGATION OF POWERS OF THE SECURITY TRUSTEE

The Security Trustee may, at any time and from time to time, delegate by power of attorney or in any other manner (including, without limitation, under the hand of any officer of the Security Trustee) to any person or persons or company or fluctuating body of persons all or any of the powers, authorities and discretions which are, for the time being, exercisable by the Security Trustee under this Trust Deed or under the Act in relation to the Charged Property or any part thereof and any such delegation may be made upon such terms and conditions (including power to sub-delegate) and subject to such regulations as the Security Trustee may think fit, and the Security Trustee shall not be in any way liable or responsible to any Company for any loss or damage arising from any act, default, omission, or misconduct on the part of any such delegate (or sub-delegate).

15. LIABILITY OF THE SECURITY TRUSTEE IN POSSESSION

- 15.1 If the Security Trustee or any Receiver appointed by the Security Trustee or in any such delegate (or sub-delegate) as aforesaid shall enter into possession of the Charged Property or any part thereof, the Security Trustee may, from time to time at pleasure, go out of such possession.
- 15.2 The Security Trustee shall not, in any circumstances either by reason of any entry by it into, or taking by it of possession of, the Charged Property or any part thereof or for any other reason whatsoever and whether as mortgagee in possession or on any other basis whatsoever, be liable to account to any Company for anything except the Security Trustee's own actual receipts or be liable to any Company for any loss or damage arising from any realisation by the Security Trustee of the Charged Property

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or any part (thereof or from) any act, default or omission of the Security Trustee in relation to the Charged Property or any part thereof or from any exercise or non-exercise by the Security Trustee of any power, authority or discretion conferred upon it in relation to the Charged Property or any part thereof by or pursuant to this Trust Debenture or by the Act unless such loss or damage shall be caused by the Security Trustee's own fraud or gross negligence.

- 15.3 All the provisions of Clause 15.2 shall apply in respect of the liability of any Receiver of the Charged Property or any part thereof and in respect of the liability of any such delegate (or sub delegate) as aforesaid in all respects as though every reference in Clause 15.2 to the Security Trustee were instead a reference to such Receiver or (as the case may be) to such delegate (or sub-delegate) save in respect of wilful default or gross negligence on the part of the Security Trustee.

16. APPLICATION OF MONIES

- 16.1 All monies arising from the exercise of the powers of enforcement of the security constituted by or pursuant to this Trust Debenture shall be applied, after the discharge of all sums, obligations and liabilities having priority thereto, in the following manner and order:

- (i) in or towards payment of all costs, charges and expenses of and incidental to the appointment of any Receiver hereunder and his remuneration;
- (ii) in payment and discharge of any liabilities incurred or payable by the Receiver whether on his own account or on behalf of any and/or all of the Companies in the exercise of any of the powers of the Receiver including the costs of realisation of that part of the Charged Property in respect of which he was appointed;
- (iii) in payment and discharge of any liabilities incurred or payable by the Security Trustee under Clause 10.3 and interest thereon;
- (iv) in or towards payment of all such costs, charges, losses expenses and other sums as are mentioned in Clause 27 and interest thereon;
- (v) in or towards payment or discharge of the Secured Obligations # in the manner provided for under Clause 34.27 of the Facilities Agreement # (save that the Security Trustee may credit the same to a suspense

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account for so long and in such manner as the Security Trustee may from time to time determine and the Receiver may retain the same for such period as he and the Security Trustee consider expedient); and

##(v) in payment of any surplus to the Companies or other persons entitled thereto.

16.2 All monies from time to time received by the Security Trustee from any Company or any person or persons or company liable to pay the same or from any Receiver or otherwise on the realisation or enforcement of the security created hereunder may be applied by the Security Trustee either as a whole or in such proportions as the Security Trustee shall think fit to any account or item of account or any transaction to which the same may be applicable.

16.3 The provisions of Clause 16.1 shall take effect as and by way of variation to the provisions of section 109(8) of the Act which provisions as so varied and extended shall be deemed incorporated herein as if they related to a receiver of the Charged Property and not merely a receiver of the income thereof.

17. PROTECTION OF PURCHASERS

No purchaser, mortgagor, mortgagee or other person or company dealing with a Receiver or the Security Trustee shall be concerned to enquire whether any Event of Default has occurred or whether any power exercised or purported to be exercised by him or it has become exercisable or whether any money is due on the security hereof or as to the propriety or regularity of any sale by or other dealing with such Receiver or the Security Trustee but any such sale or dealing shall be deemed to be within the powers hereby conferred and to be valid and effectual accordingly and all the protection to purchasers contained in sections 104 and 107 of the Act shall apply to any person purchasing or dealing with a Receiver or the Security Trustee.

18. POWER OF ATTORNEY

Each Company hereby by way of security for the performance of its obligations under this Trust Debenture irrevocably appoints the Security Trustee, each and every person to whom the Security Trustee may from time to time shall have delegated the exercise of the power of attorney conferred by this Clause 18 and any

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Receiver and each of them jointly and also severally to be its attorney (with full powers of substitution and delegation) and in its name or otherwise and on its behalf and as its act and deed to sign, seal, execute, deliver, perfect and do all deeds, instruments, acts and things which it may or ought to do under the covenants and provisions contained in this Trust Debenture and generally in its name and on its behalf to exercise all or any of the powers, authorities and discretions conferred by or pursuant to this Trust Debenture or by or any statute or common law on the Security Trustee or any Receiver or which may be required or which the Security Trustee or any Receiver shall deem fit for carrying any sale or lease, charge, mortgage or dealing by the Security Trustee or by any Receiver into effect or for giving to the Security Trustee or any Receiver the full benefit of these presents and generally to use its name in the exercise of all or any of the powers, authorities or discretions conferred on the Security Trustee or any Receiver and it hereby ratifies and confirms and agrees to ratify and confirm whatsoever any such attorney shall do or purport to do by virtue of this Clause 16 and all money expended by any such attorney shall be deemed to be expenses incurred by the Security Trustee hereunder.

19. CONTINUING SECURITY

The security constituted by or pursuant to this Trust Debenture shall be a continuing security for the Secured Obligations and shall not be considered as satisfied or discharged by any intermediate payment or settlement of the whole or any part of the Secured Obligations but shall constitute and be a continuing security for the Secured Obligations notwithstanding any settlement of account or other matter, whatsoever and is in addition to and shall not merge with or otherwise prejudice or affect any contractual or other right or remedy or any guarantee, lien, pledge, bill, note, mortgage or other security (whether created by the deposit of documents or otherwise) now or hereafter held by or available to the Security Trustee for or in respect of the Secured Obligations or any other obligations whatsoever and shall not be in any way prejudiced or affected thereby or by the invalidity thereof or by the Security Trustee now or hereafter dealing with, exchanging, releasing, varying or abstaining from perfecting or enforcing any of the same or any rights which it may now or hereafter have or giving time for payment or indulgence or compounding with any other person liable.

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20. **AVOIDANCE OF PAYMENTS**

No assurance, security or payment which may be avoided or adjusted under any applicable law, and no release, settlement or discharge given or made by the Security Trustee or any Receiver on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Security Trustee or any Receiver to recover from all or any the Companies (including any moneys which it may be compelled by due process of law to refund pursuant to the provisions of any law relating to liquidation, administration, bankruptcy, insolvency or creditors' rights generally and any costs payable by it to or otherwise incurred in connection with such process) or to enforce the security created by or pursuant to this Trust Debenture to the full extent of the Secured Obligations.

21. **SET-OFF**

Without prejudice to any right of set-off or any similar right to which each Beneficiary may be entitled at law or in equity or by agreement between the parties and, without prejudice to anything else herein contained, each Beneficiary may at any time following the occurrence of an Event of Default without notice to or further authorisation from any Company combine and consolidate all or any accounts of any and/or all of the Companies with such Beneficiary anywhere and/or set off any moneys whatsoever and whether on current, deposit or any other account and in whatever currency or currencies against any moneys or liabilities whatsoever in whatever currency which may be due, owing or incurred by any and/or all of the Companies to such Beneficiary whether actually or contingently and whether or not any period of any deposit or by reference to which interest therein is calculated has expired and any conversion from one currency to another for the purpose of any of the foregoing shall be made at the Beneficiary's then prevailing spot selling rate at its office by which such conversion is made.

22. **SUBSEQUENT CHARGES AND NEW ACCOUNTS**

If a Beneficiary shall at any time receive or be deemed to have received notice of any subsequent mortgage or charge affecting the Charged Property or any part thereof or any assignment or transfer thereof which is prohibited by the terms of this Trust Debenture:

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- (i) that Beneficiary may open a new account or accounts for the Company concerned in its books; and
- (ii) if that Beneficiary does not in fact open such new account, then unless it gives express written notice to the Company concerned to the contrary, such Beneficiary shall be treated as if it had in fact opened such account or accounts at the time when it received or was deemed to have received such notice,

and as from such time and when such express written notice shall be given to the Company concerned, all payments by or on behalf of the Company concerned to such Beneficiary shall be credited or treated as having been credited to such new account or accounts and not as having been applied in reduction of the Secured Obligations at such time.

23. SEVERABILITY

If at any time any one or more of the provisions hereof is or becomes invalid, illegal or unenforceable in any respect under any law or regulation, such illegality, invalidity or unenforceability shall not affect the legality, validity or enforceability of the remaining provisions or the effectiveness of any of the remaining security constituted by this Trust Debenture under such law.

24. ASSIGNMENT

- 24.1 This Trust Debenture shall be binding upon and inure to the benefit of each of the parties and their respective successors and permitted assigns and references in this Trust Debenture to any of them shall be construed accordingly.
- 24.2 Except with the prior written consent of the Security Trustee, the Company may not assign or transfer all or any of its rights, benefits or obligations under this Trust Debenture. The Security Trustee may not assign all or any part of its rights, benefits or obligations under this Trust Debenture other than to any of its subsidiaries or, with the prior written consent of Adare (such consent not to be unreasonably withheld), any bank licensed and/or authorised by the Central Bank of Ireland or by the Bank of England.

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24.3 The Security Trustee may assign or transfer all or any part of its rights, benefits or obligations under this Trust Debenture or any part thereof to any new or replacement trustee or trustees acting as Security Trustee properly substituted in accordance with the terms of the Facilities Agreement. Where the Security Trustee assigns or transfers its rights, benefits or obligations or any part thereof, each Company shall execute such documents as the Security Trustee may specify to release the Security Trustee to the extent of the assignment or transfer or with a view to perfecting such assignment or transfer, or where necessary, shall execute further security documentation in favour of the assignee or transferee in like form to this Trust Debenture.

24.4 The Security Trustee may disclose to a potential assignee or to any person who may otherwise enter into contractual relations with the Security Trustee in relation to this Trust Debenture such information about any and/or all of the Companies and this Trust Debenture as the Security Trustee considers appropriate.

25. **CERTIFICATE OF THE AGENT CONCLUSIVE**

A certificate signed by an officer of the Agent as to the amount at any time hereby secured or as to any applicable rate of interest shall, as against the Companies, be conclusive evidence as to the amount thereof.

26. **NO WAIVERS, REMEDIES CUMULATIVE**

Time shall be of the essence with respect to the obligations of the Companies under this Trust Debenture but no failure to exercise, nor any delay in exercising on the part of the Security Trustee, any right or remedy under this Trust Debenture or any other document will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies provided by this Trust Debenture are cumulative and not exclusive of any rights or remedies provided by law and may be exercised as often as the Security Trustee thinks appropriate.

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27. COSTS AND EXPENSES

27.1 All costs and expenses (including any tax liability and any legal costs and, in each case, value added tax or any similar tax charged or chargeable in respect thereof) incurred by the Security Trustee or, as the case may be, any Receiver:

- (i) in the negotiation, preparation and execution of this Trust Debenture and the completion of the transactions contemplated herein;
- (ii) in the exercise of any of the rights, remedies and powers conferred on the Security Trustee or, as the case may be, any Receiver, by this Trust Debenture or in the perfection or enforcement of any other security for or guarantee in respect of the Secured Obligations or in connection with any proceedings instituted by or against the Security Trustee in relation to the title to the whole or any part of the Charged Property; and
- (iii) as a consequence of or holding the security constituted by this Trust Debenture or any claims or proceedings in relation thereto or to any of the Charged Property,

shall be reimbursed by the Companies to the Security Trustee on demand on a full indemnity basis and shall carry interest from the date of such demand until so reimbursed at the date and otherwise as mentioned in Clause 2.2.

27.2 Each Company shall pay all stamp, registration and other taxes to which this Trust Debenture or any judgment in connection herewith is or at any time may be subject and shall indemnify the Security Trustee against any liabilities, costs, claims and expenses resulting from any failure to pay or delay in paying such tax.

27.3 The cost of each Company complying with any of its obligations under the Debenture (including, without limitation, its obligations under Clause 5) shall be borne by each Company.

28. PAYMENTS

The provisions of the Facilities Agreement relating to the payments to be made thereunder (including, without limitation, Clause 23 thereof which regulates what is to happen if a Borrower is required by law to make a deduction or withholding from

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any such payment) shall apply mutatis mutandis to payments to be made hereunder as if references therein to "Borrower" and "Borrowers" were to "Company" and "Companies".

29. NOTICES

29.1 Any notice or other communication to be given under or for the purposes of this Trust Debenture shall be in writing and shall be treated as properly served or given if hand delivered or sent by registered post or facsimile to the relevant person at the address or facsimile number identified below (or such other address or facsimile number as that person may have designated in writing from time to time to the person giving the notice):

Bank	Address:	Bankcentre Ballsbridge Dublin 4
	Facsimile No:	260-1783
	Attention:	# <u>AIB Corporate Banking</u> <u>Catherine Moroney</u> Donnchadh O # <u>Madagain</u> Bernard Carroll
Company	Address:	Hugenot House 35/38 St. Stephen's Green Dublin 2
	Facsimile No:	661-3968
	Attention:	B.N. Loane P.E. Lynch J. Coll

29.2 Any notice or other communication shall be deemed to have been received by the recipient:

- (i) in the case of a letter which is hand delivered, when actually delivered and, in the case of a letter which is sent by registered post, on the second day after posting (or on actual receipt, if earlier); or

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- (ii) in the case of transmission by facsimile, at the time of transmission provided that any communication or document to be made or delivered to the Security Trustee shall be effective only when received by the Security Trustee and then only if the same is expressly marked for the attention of the officer referred to above (or such other officer as the Security Trustee may from time to time specify for this purpose).

29.3 Each person making a communication under this Trust Debenture by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant hereto but the absence of such confirmation shall not affect the validity of any such communication.

30. CURRENCY JUDGMENT

30.1 If any sum due from any or all of the Companies under this Trust Debenture or any order or judgment given or made in relation thereto has to be converted from the currency (the "first currency") in which the same is payable thereunder or under such order or judgment into another currency (the "second currency") for the purpose of:

- (i) making or filing a claim or proof against any or all of the Companies; or
- (ii) obtaining an order of judgment in any court or other tribunal; or
- (iii) enforcing any such order or judgment,

the Companies agree to indemnify and hold harmless the Security Trustee from and against any loss suffered as a result of any discrepancy between:

- (a) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency; and
- (b) the rate or rates of exchange at which the Security Trustee is able to purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

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- 30.2 The rate or rates of exchange aforesaid shall be determined by the Security Trustee in accordance with applicable market practice and the Security Trustee's certificate as to the amount of any such rate shall be conclusive, save in the case of manifest error.

31. **COUNTERPARTS**

This Trust Debenture may be executed in any number of counterparts and by the different parties to this Trust Debenture on separate counterparts, each of which, when executed and delivered, shall constitute an original, but all the counterparts shall together constitute but one and the same instrument.

32. **GOVERNING LAW**

This Trust Debenture shall be governed by and construed in accordance with the laws of England.

The perpetuity period under the rule against perpetuities if applicable to this Trust Debenture shall be the period of 80 years from the date of this Trust Debenture.

IN WITNESS whereof this Trust Debenture has been signed as a deed and delivered the day and year first above written.

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THE FIRST SCHEDULE

(Details of Companies)

Name	Registration No.
Adare Printing Group (UK) Limited	2387953
Kenley Press Limited	778663
Darley Business Forms Limited	405648
Quorum Technical Services Limited	1720724
# WBF Limited	# 2814431
William Caple & Company Limited	501084
Label Converters Limited	1203292
Adare Properties (UK) Limited	2931068
Great Northern Envelope Company Limited	2212509
Alexander Pettigrew Limited	2917499
Park Mill Business Forms Limited	3014889
Pillings Printing Group Limited	120184

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THE SECOND SCHEDULE

(Details of Properties)

Part I Unregistered Land

	Estate Owner	Short Description
1.	<u>WBF Limited (formerly Park Mill Business Forms Limited)</u> <u>No. 2814431</u>	Leasehold property known as land and buildings at Wakefield Road, Clayton West, Huddersfield comprised in a Lease dated 23rd July 1993 made between (1) John Waddington Properties Limited and (2) Park Mill Business Forms Limited
2.	<u># Quorum Technical Services Limited No. 1720724</u>	Leasehold property known as Units 1, 4, 9 and 10 Sandford Park Trading Estate, Cheltenham comprised in a Lease dated 19th April 1985 made between (1) Stonehouse Investments (Cheltenham) Limited and (2) Quorum Technical Services Limited
# 3.	<u>WBF Limited (formerly Park Mill Business Forms Limited)</u> <u>No. 2814431</u>	Leasehold property known as 41-51 Blackburn Street, Radcliffe, Bury, Greater Manchester comprised in a Lease dated 25th March 1990 made between (1) Trustees of the London United District of the Ancient Order of Foresters Friendly Society and (2) Waddington Business Forms Limited
# 4.	<u>WBF Limited (formerly Park Mill Business Forms Limited)</u> <u>No. 2814431</u>	Leasehold property known as Unit 8, Willow Road, Poyle comprised in a Lease dated 14th June 1989 made between (1) R Hamoud, R H Bader and others and (2) Waddington Business Forms Limited#

Part II Registered Land

	Estate Owner	Short Description	Title No(s)
1.	<u>William Caple and Company Limited</u> <u>No. 501084</u>	Freehold land and buildings at Morledge Street, Leicester	LT9176, LT7772, LT11652, LT19436, LT32583, LT64969, LT88969 and LT26063
2.	<u>Alexander Pettigrew Limited</u> <u>No. 2917499</u>	Freehold property known as Main Street, Coatbridge, Glasgow	LAN45798 and LAN74818

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- | | | | |
|-----|---|--|------------------|
| 3. | Adare Properties
(UK) Limited
<u>No. 2921068</u> | Freehold land and buildings at Falconer
Road, Haverhill, Suffolk | SK141185 |
| 4. | Great Northern
Envelope Company
Limited
<u>No. 2212509</u> | Freehold property known as Maserati
House, Gelderd Road, Leeds | WYK523798 |
| 5. | Great Northern
Envelope Company
Limited
<u>No. 2212509</u> | Freehold property being land and
buildings on the north-west side of
Ingram Road, Holbeck | WYK556729 |
| 6. | Darley Business
Forms Limited
<u>No. 405648</u> | Leasehold land and buildings on the
north-west side of and fronting
Wellington Road, Burton-on-Trent | SF297544 |
| 7. | Konley Press
Limited <u>No. 778661</u> | Leasehold property known as Unit 5,
Walter Lawrence Trading Estate,
Brewers Hill Road, Dunstable | <u>BD83874</u> |
| 8.# | Pillings # Printing
Company Limited
<u>No. 2212509</u> | Freehold property being land and
buildings on the north side of Elland
Laid, Elland, West Yorkshire | <u>WYK417419</u> |

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THE THIRD SCHEDULE

(Dormant Companies)

	Registration Number
Great Northern Printing Company Limited	2532394
The Re-cycled Envelope Company Limited	2488269
Great Northern Direct Mail Company Limited	2470809
Great Northern Packaging Company Limited	2363934

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THE FOURTH SCHEDULE

Part 1

(Form of Notice of Assignment of the Hedging Agreement)

To: [Hedging Counterparty]
From: Adare Printing Group (UK) Limited

Date:

Dear Sirs,

We hereby give you notice that we have assigned by way of security pursuant to a trust debenture entered into by us in favour of Allied Irish Banks, p.l.c. as security trustee for itself and others (the "Security Trustee") dated [] 1996 (the "Trust Debenture") all our right, title and interest in and to the Hedging Agreement (the "Agreement") to the Security Trustee.

After your receipt of a notice from the Security Trustee that its rights as assignee under the Trust Debenture have become exercisable:

- (i) all payments under or arising from the Agreement should be made to the Security Trustee or to its order;
- (ii) all remedies provided for in the Agreement or available at law or in equity shall be exercisable by the Security Trustee;
- (iii) all rights to compel performance of the Agreement shall be exercisable by the Security Trustee;
- (iv) all rights, interest and benefits whatsoever accruing to or for the benefit of ourselves from the Agreement shall belong to the Security Trustee.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Trustee as Bankcentre, Ballsbridge, Dublin 4, marked for the attention of AIB Corporate Banking, Ms. Catherine Moroney/Mr. Donnchadh O'Madagain.

Yours faithfully,

for and on behalf of
ADARE PRINTING GROUP (UK) LIMITED

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PART II

(Acknowledgement)

To: Allied Irish Banks, p.l.c.

From: Hedging Counterparty

Adare Printing Group (UK) Limited

We acknowledge receipt of a Notice from Adare Printing Group (UK) Limited (the "Company") dated [] 1996 in respect of the Hedging Agreement (the "Agreement").

We confirm that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits referred to in the Notice.

In consideration of the payment to us of £1 receipt of which we hereby acknowledge, we hereby agree as follows:

1. If you issue to us a notice (a "Default Notice") that your rights under the Trust Debenture have become exercisable we shall thereafter:
 - (a) pay to you at such account as you may nominate all amounts from time to time payable by us under the Agreement;
 - (b) perform, observe and comply with all our other undertakings and obligations under the Agreement in your favour and for your behalf as if you were named as a party therein instead of the Company; and
 - (c) if you so request, enter into an agreement with you or your nominee, on the same terms (mutatis mutandis) as the Agreement.
2. If the Company is in breach of any of its obligations, express or implied, under this Agreement or if any event occurs which would permit us to terminate, cancel or surrender the Agreement we will:

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- (a) immediately upon becoming aware of it, give you notice of such breach or event;
 - (b) accept as adequate remedy of any such breach, performance of such obligation (by you within seven days written notice); and/or
 - (c) if you so request, enter into an agreement with you on terms identical to the Agreement subject to all necessary modifications.
3. We agree that after issue by you of a Default Notice, we shall not recognise the exercise by the Company of any of its rights and powers under the Agreement unless and until requested to do so by you.

Yours faithfully,

For and on behalf of

[]

By:

Dated:

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THE FIFTH SCHEDULE

(Details of Chattels)

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THE COMPANIES

SIGNED as a deed on behalf of)
ADARE PRINTING GROUP (UK))
LIMITED in the presence of.)

Director*

Director/Secretary

SIGNED as a deed on behalf of)
KENLEY PRESS LIMITED)
in the presence of:)

Director*

Director/Secretary

SIGNED as a deed on behalf of)
DARLEY BUSINESS FORMS)
LIMITED)
in the presence of:

Director*

Director/Secretary

SIGNED as a deed on behalf of)
QUORUM TECHNICAL SERVICES)
LIMITED in the presence of)

Director*

Director/Secretary

*(to be signed by either Mr Coll
Mr. L. Lane or Mr. Lynch in his
capacity as director of both
Adare Printing Group plc and
this Company

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SIGNED as a deed on behalf of)
PARK MILL BUSINESS FORMS)
LIMITED in the presence of:)

Director*

Director/Secretary

SIGNED as a deed on behalf of)
WILLIAM CAPLE & COMPANY)
LIMITED in the presence of:)

Director*

Director/Secretary

SIGNED as a deed on behalf of)
LABEL CONVERTERS LIMITED)
in the presence of:)

Director*

Director/Secretary

SIGNED as a deed on behalf of)
ADARE PROPERTIES (UK) LIMITED)
in the presence of:)

Director*

Director/Secretary

*(to be signed by either Mr Coll
(Mr. Loane or Mr. Lynch in his
capacity as director of both
Adare Printing Group plc and
this Company

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SIGNED as a deed on behalf of)
GREAT NORTHERN ENVELOPE)
COMPANY LIMITED)
in the presence of:)

Director*

Director/Secretary

SIGNED as a deed on behalf of)
ALEXANDER PETTIGREW)
LIMITED in the presence of:)

Director*

Director/Secretary

SIGNED as a deed on behalf of)
PILLINGS PRINTING COMPANY)
LIMITED in the presence of:)

Director*

Director/Secretary

SIGNED as a deed on behalf of)
WBF LIMITED in the presence of:)

Director*

Director/Secretary

*(to be signed by either Mr Coll
(Mr Leape or Mr Lynch in his
capacity as director of both
(Adare Printing Group plc and
this Company

MARRON DODDS
WILDE SAPTE UK

Fax:0116-289-3733
0171 246 7777

19 Apr '96 17:10 P.80/82
19-APR-96 13:27 FRN 050673.024 PAGE 56/53

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THE BANK

ALLIED IRISH BANKS, p.l.c.

By:

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----- COMPARISON OF HEADERS -----

-HEADER 1-
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----- COMPARISON OF FOOTERS -----

-FOOTER 1-

-FOOTER 2-

- # 1 -

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This redlined draft, generated by CompareRite - The Instant Redliner, shows the differences between -
original document : I:\DOCS\BF\PAM\0155460.04
and revised document: I:\DOCS\BF\PAM\0155460.05

CompareRite found 151 change(s) in the text
CompareRite found 3 change(s) in the notes

Deletions appear as a normal #

Additions appear as double underlined text

Dated 1996

ADARE PRINTING GROUP PLC

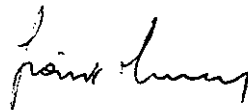
and

OTHERS

and

ALLIED IRISH BANKS, p.l.c.

CROSS GUARANTEE



McCann FitzGerald
2 Harbourmaster Place
Custom House Dock
Dublin 1

G:\NP\AIB1500.07A

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THIS GUARANTEE is made on 14th day of April 1996

BETWEEN:

- (1) **THE COMPANIES** each of whose name, jurisdiction of incorporation and registration number is set out in the Schedule (together the "**Original Guarantors**" and each an "**Guarantor**"); and
- (2) **ALLIED IRISH BANKS, p.l.c.** in its capacity as agent and trustee for itself and the Guaranteed Parties referred to below (hereinafter referred to as the "**Security Trustee**" which expression shall include its successors and assigns).

RECITAL:

The Guarantors have requested and the Banks have agreed to grant financial accommodation to the Borrowers on the terms and subject to the conditions of a Facilities Agreement (the "**Facilities Agreement**") dated today between the Borrowers, the Arranger, the Agent, the Security Trustee and the Banks subject (inter alia) to the Guarantors providing the Guaranteed Parties with a guarantee on the terms and subject to the conditions of this Guarantee.

NOW THIS DEED WITNESSES AND THE GUARANTORS HEREBY AGREE AND DECLARE as follows:

1. Interpretation

1.1 In this Guarantee:

"**Banks**" means each of the financial institutions named in the First Schedule to the Facilities Agreement (including, for the avoidance of doubt, the Issuing Bank and the Overdraft Bank) and each person to whom a Bank has transferred or assigned any right or obligation in accordance with Clause 36 of the Facilities Agreement and "**Bank**" means any of them;

"**Borrowers**" and "**Borrower**" have the meanings given to those terms in the Facilities Agreement;

"**Facilities Agreement**" has the meaning attributed to it in the Recital;

"**Guaranteed Obligations**" in relation to all or any of the Guarantors, means all obligations, indebtedness and liabilities covenanted and agreed to be paid, observed, performed and discharged by the Guarantor(s) concerned under Clause 2; and

"**Guaranteed Parties**" means at any time the Arranger, the Agent, the Security Trustee, the Hedging Counterparties and the Banks at such time and "**Guaranteed Party**" means any of them.

1.2 Words and expressions defined in the Facilities Agreement shall, unless otherwise defined herein, bear the same meaning in this Guarantee.

1.3 Any reference in this Guarantee to:

a **"Clause"** and **"Schedule"** shall, subject to any contrary indication, be construed as a reference to a clause and schedule hereof;

a **"person"** shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing; and

"tax" shall be construed so as to include any tax, levy, impost, duty or other charge of a similar nature (including, without limitation, any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

1.4 Save where the contrary is indicated or where the context otherwise requires, any reference in this Guarantee to:

(i) **"this Guarantee"** or any other agreement or document shall be construed as a reference to this Guarantee or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, replaced, novated, amended, varied or supplemented and expressions such as **"herein"**, **"hereby"** and **"hereunder"** and **"therein"**, **"thereby"** and **"thereunder"** shall, as the context requires, be construed accordingly;

(ii) the **"Borrowers"** shall include each Borrower and its successors;

(iii) the **"Guaranteed Parties"** shall include each of the Guaranteed Parties' successors and/or permitted assigns under the Facilities Agreement and this Guarantee shall be enforceable notwithstanding any change in the constitution of any of the Guaranteed Parties or the absorption of any of the Guaranteed Parties in or amalgamation with any other person or the acquisition of all or part of the undertaking of any of the Guaranteed Parties by any other person;

(iv) the **"Guarantors"** shall include each Guarantor and its successors;

(v) a statute shall be construed as a reference to such statute as the same may have been, or may from time to time be, amended or re-enacted;

(vi) any document, agreement or instrument are to be construed as references to the document, agreement or instrument as modified, amended, supplemented or substituted from time to time; and

(vii) words importing the singular number include the plural and vice versa.

1.5 Clause headings are for ease of reference only and shall have no legal effect.

2. Guarantee

In consideration of the Guaranteed Parties entering into the Facilities Agreement, each Guarantor hereby irrevocably and unconditionally jointly and severally with each other Guarantor:

- (i) guarantees to and undertakes with each Guaranteed Party the due and punctual, payment, observance, performance and discharge of all of the obligations, indebtedness and liabilities of all or any of the other Guarantors and the Borrowers to each Guaranteed Party whether actual or contingent now or hereafter due, owing or incurred, in whatever currency denominated, howsoever arising and whether alone or jointly with any other person and in whatever style, name or form and whether as principal or surety, including, without limitation, all principal, interest, fees, costs, charges, commissions, expenses, indebtedness and other liabilities due, owing or incurred now or hereafter to each Guaranteed Party under or in connection with the Finance Documents; and
- (ii) agrees as a primary obligation to indemnify each Guaranteed Party from time to time on demand from and against any loss incurred by such Guaranteed Party as a result of any of the obligations of any of the Guarantors or the Borrowers expressed to be guaranteed hereunder being or becoming void, voidable, unenforceable or ineffective as against such Guarantors or Borrowers for any reason whatsoever, whether or not known to any Guaranteed Party, the amount of such loss being the amount which the relevant Guaranteed Party would otherwise have been able to recover from such Guarantors or Borrowers.

2.2 Each of the Guarantors irrevocably and unconditionally covenants and agrees with each Guaranteed Party to pay to each Guaranteed Party on demand any and every sum or sums of money now or hereafter due to each Guaranteed Party arising out of, under or in connection with, all or any of the Guaranteed Obligations.

2.3 For the avoidance of doubt, nothing in the Facilities Agreement specifying or implying that the obligations of the parties thereto are several rather than joint shall affect the obligations of any party to this Guarantee as Guarantor.

3. Preservation of Rights

3.1 This Guarantee and the obligations of the Guarantors herein contained shall be in addition to and independent of every other guarantee or security which any of the Guaranteed Parties may at any time hold in respect of all or any

of the Guaranteed Obligations and may be enforced without any of the Guaranteed Parties first taking steps or proceedings against any particular Guarantor or Borrower.

- 3.2 Neither the obligations of any Guarantor herein contained nor the rights, powers and remedies conferred in respect of any Guarantor upon the Guaranteed Parties by this Guarantee or by law shall be discharged, impaired or otherwise affected by:
- (i) the winding-up, dissolution, administration, examination or re-organisation of any Borrower, Guarantor or any other person or any equivalent or analogous proceeding under the laws of the jurisdiction in which such Borrower, Guarantor or other person is incorporated or any change in the status, function, control or ownership of any such person;
 - (ii) any of the Guaranteed Obligations being or becoming illegal, invalid, unenforceable or ineffective in any respect;
 - (iii) any time, waiver or other indulgence whatsoever being granted or agreed to be granted to any Borrower or Guarantor or any other person in respect of all or any of the Guaranteed Obligations;
 - (iv) any increase or decrease in the amount of the Facilities (or any of them) or any amendment of any of the Finance Documents or any variation, waiver or release of all or any of the Guaranteed Obligations;
 - (v) the taking of any security from any Borrower or Guarantor or any other person or any failure to take, or fully to take, any security now or hereafter agreed to be taken in respect of any of the Guaranteed Obligations;
 - (vi) any failure to realise or fully to realise the value of, or any release, discharge, exchange or substitution of, any security taken in respect of any of the Guaranteed Obligations; or
 - (vii) any other act, event or omission whatsoever which, but for this Clause 3.2, might operate to discharge, impair or otherwise affect any of the obligations of any Guarantor herein contained or any of the rights, powers or remedies conferred upon the Guaranteed Parties by this Guarantee, any of the other Finance Documents or by law.
- 3.3 Any settlement or discharge between any Guarantor and any of the Guaranteed Parties shall be conditional upon no security or payment to any of the Guaranteed Parties by any Guarantor, any Borrower or any other person on behalf of any Guarantor or, as the case may be, any Borrower, being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency, examination, administration, liquidation or similar

laws of general application for the time being in force and, if any such security or payment is so avoided or reduced, the relevant Guaranteed Party or, as the case may be, Guaranteed Parties, shall be entitled to recover the value or amount of such security or payment from any Guarantor subsequently as if such settlement or discharge had not occurred.

3.4 None of the Guaranteed Parties shall be obliged before exercising any of the rights, powers or remedies conferred upon it in respect of any Guarantor by this Guarantee, by any other Finance Document or by law:

- (i) to make any demand of any of the Borrowers or any of the Guarantors or any other person;
- (ii) to take any action or obtain judgment in any court against any of the Borrowers or any of the Guarantors or any other person;
- (iii) to make or file any claim or proof in a winding-up or dissolution of any of the Borrowers or any of the Guarantors or any other person; or
- (iv) to enforce or seek to enforce any other security taken in respect of any of the Guaranteed Obligations.

3.5 Each Guarantor separately agrees and covenants that, so long as any of the Guaranteed Obligations are or may be owed, due or incurred by the Borrowers (or any of them) to the Guaranteed Parties (or any of them) or the Guaranteed Parties (or any of them) may be under any obligation to grant or continue any facility to the Borrowers (or any of them), the relevant Guarantor shall not exercise any rights, powers or remedies which that Guarantor may at any time have by reason of performance or satisfaction by it of its obligations and/or liabilities hereunder including, without limitation, the following rights:

- (i) to be indemnified by any of the Borrowers in respect of all or any of the Guaranteed Obligations; and/or
- (ii) to claim any contribution from any other guarantor or any other person in respect of all or any of the Guaranteed Obligations; and/or
- (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Guaranteed Parties (or any of them) in respect of all or any of the Guaranteed Obligations or of any other security or guarantee taken by the Guaranteed Parties (or any of them) pursuant to, or in connection with, this Guarantee,

any sums recovered by the relevant Guarantor in breach of this Clause 3.5 shall be held in trust for the Guaranteed Parties, be identified at all times as assets of the Guaranteed Parties and forthwith on receipt be paid to the Security Trustee (for the account of the Guaranteed Parties).

3.6 Each Guarantor agrees that, so long as any of the Guaranteed Obligations remain outstanding, if a demand has been made upon it hereunder which has been satisfied in full or otherwise (whether by payment or discharge made by any Borrower, any other Guarantor or any other person), it will not claim, demand or receive payment of or exercise any set off, or right of proof in a winding-up or assert any counterclaim in respect of, any monies due to it from any Borrower or otherwise exercise any other right or remedy in respect thereof.

3.7 In the event of this Guarantee ceasing from any cause whatsoever to be binding as a continuing security on all or any of the Guarantors:

- (a) all cheques, orders for payment, drafts, bills, notes and negotiable instruments or securities drawn, made, endorsed or accepted by or for the account of the Borrowers (or any of them) on the Guaranteed parties (or any of them) or their agents and purporting to be dated on or before the date when the guarantee from the relevant Guarantor hereunder ceases to be a continuing security (the "**discontinuance date**") although presented to or paid by the Guaranteed Parties (or any of them) or its agents after the discontinuance date; and
- (b) all indebtedness and other liabilities of the Borrowers (or any of them) to the Guaranteed Parties (or any of them) at the discontinuance date whether actual or contingent or whether payable forthwith or thereafter and also all credits then established by the Guaranteed Parties (or any of them) for the Borrowers or either of them,

shall remain payable by the Guarantors under this Guarantee notwithstanding that the guarantee from all or any of the Guarantors shall have ceased to be binding as a continuing security.

4. Costs, Expenses and Default Interest

4.1 The Guarantors shall, from time to time on demand, reimburse the Security Trustee and each of the Guaranteed Parties for all costs and expenses (including legal fees) together with any applicable Valued Added Tax incurred in relation to this Guarantee including all costs and expenses incurred in or in connection with the negotiation, execution and implementation of this Guarantee and all costs and expenses incurred in or in connection with the preservation and/or enforcement and/or any waiver of any of the rights of the Guaranteed Parties under, or any amendment to, this Guarantee.

4.2 The Guarantors shall pay all stamp, registration and other taxes to which this Guarantee and the Security Documents to which all or any of the Guarantors are or will be a party or any judgment given in connection herewith or therewith is or at any time may be subject and shall, from time to time on demand, indemnify the Guaranteed Parties against any liabilities, claims, costs and expenses resulting from any failure to pay or delay in

paying any such tax.

- 4.3 If any sum due and payable by any Guarantor hereunder to the Guaranteed Parties (or any of them) is not paid on the due date therefor in accordance with the provisions hereof or if any sum due and payable by any Guarantor under any judgment of any court in connection herewith is not paid on the due date in accordance with such judgment, during the period beginning on such due date or, as the case may be, the date of such judgment and ending on the date upon which the obligation of such Guarantor to pay such sum is discharged the Guarantor shall (as a separate and independent obligation) pay interest at the default rate determined in accordance with Clause 19.1 of the Facilities Agreement.

5. Representations and Warranties

- 5.1 Each Guarantor represents and warrants to the Guaranteed Parties that:

- (i) it has been duly incorporated as a company under the laws of the jurisdiction of its incorporation and is validly existing and has all necessary corporate power and authority to enter into and deliver this Guarantee and to perform its obligations hereunder, to enter into and deliver the Security Documents to which it is or will be a party, to create any security constituted or to be constituted thereby and to perform its obligations thereunder and to own its properties and assets and to carry on its business as currently conducted;
- (ii) all necessary corporate action has been taken (including without limitation the passing of any shareholders resolution(s) required by law or its constitutional documents) by it to authorise its execution, delivery and performance of this Guarantee and the Security Documents to which it is or will be a party, to create any security constituted or to be constituted by the Security Documents to which it is or will be a party and to observe and perform its obligations under this Guarantee and the Security Documents to which it is or will be a party;
- (iii) this Guarantee constitutes, and the Security Documents to which it is or will be a party constitute, or will when executed and delivered by it, constitute legal, valid and binding obligations of it;
- (iv) the execution and delivery by it of this Guarantee and the Security Documents to which it is or will be a party and the performance and observance by it of its obligations hereunder and thereunder and the creation by it of any security constituted or to be constituted by the Security Documents to which it is or will be a party do not and will not violate or result in a breach of, or exceed any power granted to it or any of its directors under:
 - (a) any law, rule or regulation to or by which it or any of its

business, property or assets is subject or bound;

- (b) any judgment, order, injunction, determination, award or ruling of any court or arbitrator or any judicial, administrative or governmental authority to or by which it is subject or bound;
 - (c) its constitutional documents; or
 - (d) any deed, agreement, franchise, concession, licence, treaty or other instrument to which it is a party or which may be binding upon it or which may materially affect its business or any of its properties or assets;
- (v) the execution and delivery by it of this Guarantee and the Security Documents to which it is or will be a party and the performance and observance by it of its obligations hereunder and thereunder will not result in the existence of nor oblige it to create any security over all or any of its present or future revenues or assets except as provided for or permitted herein or therein; and
- (vi) every consent, licence, approval or authorisation of, exemption from any registration, recording or filing with any person required in connection with the execution and delivery by it of this Guarantee and each of the Security Documents to which it is or will be a party or the creation of any security thereby contemplated or to make the same admissible in evidence has been (or will be within any prescribed period in the case of any registration, recording or filing) obtained or made and is in full force and effect and all necessary fees required in connection therewith have been (or, as the case may be, will be) paid.

5.2 The representations and warranties of each Guarantor set out in Clause 5.1 shall survive the execution of this Guarantee and shall be correct and complied with in all respects so long as any of the Guaranteed Obligations are or may be owed, due or incurred by the Borrowers (or any of them) to the Guaranteed Parties (or any of them) or the Guaranteed Parties (or any of them) may be under any obligation to continue any facility to the Borrowers (or any of them) as if repeated therein by reference to the then existing circumstances.

6. Covenants

6.1 Each Guarantor undertakes with the Guaranteed Parties that it will obtain, comply with the terms of, and do all that is necessary to maintain in full force and effect, all consents, licences, approvals and authorisations required to enable it lawfully to perform its obligations under this Guarantee and any Security Document to which it is or will be a party and to ensure the legality, validity, or admissibility in evidence of this Guarantee and each Security Document to which it is or will be a party and promptly provide the

Security Trustee with evidence thereof on request and shall ensure that its obligations hereunder do not cease to be binding as a continuing security so long as any of the Borrowers' obligations under the Finance Documents remain outstanding.

- 6.2 Each Guarantor shall at any time, at the request of the Security Trustee but at the cost of such Guarantor, promptly sign, seal, execute, deliver and do all such deeds, instruments, acts and things in such form as the Security Trustee may reasonably require for perfecting or protecting the guarantee provided hereunder.

7. Payments

The provisions of the Facilities Agreement relating to the payments to be made thereunder (including, without limitation, Clause 24 thereof which regulates what is to happen if any of the Borrowers is required by law to make a deduction or withholding from any such payment) shall apply mutatis mutandis to payments to be made hereunder as if references therein to "Borrower" and "Borrowers" were to "Guarantor" and "Guarantors".

8. Set-Off

Without prejudice to any right of set-off or any similar right to which the Guaranteed Parties (or any of them) may be entitled at law or in equity or by agreement between the parties and, without prejudice to anything else herein contained, each Guaranteed Party may at any time (insofar as it relates to payments of interest) and at any time following the occurrence of an Event of Default (insofar as it relates to payments of principal) without notice to or further authorisation from any Guarantor combine and consolidate all or any accounts of any and/or all of the Guarantors with such Guaranteed Party anywhere and/or set-off any moneys whatsoever and whether on current, deposit or any other account and in whatever currency or currencies against any moneys or liabilities whatsoever in whatever currency which may be due, owing or incurred by any and/or all of the Guarantors to such Guaranteed Party whether actually or contingently and whether or not any period of any deposit or by reference to which interest therein is calculated has expired and any conversion from one currency to another for the purpose of any of the foregoing shall be made at such Guaranteed Party's then prevailing spot selling rate at its office by which such conversion is made.

9. Continuing Security

The obligations of each Guarantor under this Guarantee shall be a continuing security notwithstanding any settlement of account or other matter or thing whatsoever, and in particular, but without limitation, shall not be considered discharged by any intermediate discharge or payment of or on account of all or any of the Guaranteed Obligations and shall continue in full force and effect until final payment in full of the Guaranteed Obligations. No demand

made by the Security Trustee or any of the Guaranteed Parties hereunder shall prejudice or restrict the right of the Security Trustee or any of the Guaranteed Parties to make further or other demands.

10. New Accounts

In the event of this Guarantee being determined in relation to, or otherwise ceasing to be binding on, any Guarantor as a continuing security for whatever reason, it shall be lawful for each Guaranteed Party at its discretion either to continue any then existing account(s) with any Borrower or to open one or more fresh accounts with such Borrower (which shall bear interest on any credit balances at the prevailing market rate), to which all moneys subsequently received for the credit of such Borrower shall be credited or be treated as having been credited and such moneys shall not operate to reduce the amount of the obligations of such Borrower hereby guaranteed by such Guarantor at the time of this Guarantee so ceasing to be binding as a continuing security.

11. Application of Certain Receipts

Each Guarantor agrees that:

- (i) any dividends or payments received by or on behalf of the Guaranteed Parties (or any of them) in respect of the Guaranteed Obligations in any insolvency, winding-up administration, voluntary arrangement or dissolution shall, for the purposes of this Guarantee be taken to discharge those obligations only to the extent of the actual amount so received; and
- (ii) the Guaranteed Parties (or any of them) may keep in one or more suspense or impersonal accounts for so long as the Guaranteed Parties (or any of them) shall think fit any moneys received, recovered or realised from any Guarantor hereunder or under any of the Security Documents to which such Guarantor is a party without being under any obligation to apply the same or any part thereof in or towards discharge of any amounts then due or owing by the Borrowers and the subject of this Guarantee.

12. Avoidance of Payments

No assurance, security or payment which may be avoided or adjusted under any applicable law, and no release, settlement or discharge given or made by the Guaranteed Parties (or any of them) on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Guaranteed Parties (or any of them) to recover from each Guarantor (including any moneys which it might be compelled by due process of law to refund under the provisions of any law relating to liquidation, bankruptcy, administration, insolvency or creditors' rights generally and any costs payable by it pursuant to or otherwise incurred in connection with such

process) to the full extent of this Guarantee as if such assurance, security, payment, release, settlement, discharge or arrangement (as the case may be) had never been granted given or made; and any such release, settlement, discharge or arrangement shall as between the Guaranteed Parties (or any of them) and any Guarantor and each of them be deemed to have been given or made upon the express condition that it shall become and be wholly void and of no effect if the assurance security or payment on the faith of which it was made or given shall be void or (as the case may be) shall at any time thereafter be avoided to the intent and so that each Guaranteed Party shall become and be entitled at any time after any such avoidance to exercise all or any of the rights in this Guarantee expressly conferred upon such Guaranteed Party and of all or any other rights which by virtue and as a consequence of this Guarantee such Guaranteed Party would have been entitled to exercise but for such release, settlement, discharge or arrangement.

13. Remedies and Waivers

No failure to exercise, nor any delay in exercising, on the part of the Guaranteed Parties (or any of them), any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

14. Joint and Several Liability

- 14.1 This Guarantee is made by the Guarantors and each of them jointly and severally and the Guarantors shall be jointly and severally liable hereunder and this Guarantee shall be construed accordingly.
- 14.2 Each Guarantor agrees to be bound by this Guarantee notwithstanding that any other Guarantor which was intended to execute or to be bound by this Guarantee does not do so or is not effectively so bound and notwithstanding that any of the obligations of any other Guarantor herein contained may be determined or become invalid or unenforceable against such other Guarantor and whether or not the same is known to the Guaranteed Parties (or any of them).
- 14.3 Without prejudice to anything else herein contained each Guarantor agrees that the Guaranteed Parties (or any of them) shall be at liberty to release or discharge any other Guarantor from liability hereunder or any other person who has guaranteed the Guaranteed Obligations without prejudicing or affecting the obligations of the first mentioned Guarantor hereunder.

15. Evidence of Debt

The certificate signed by an officer of the Agent as the amount payable at any time under this Guarantee shall, in the absence of manifest error, be

conclusive evidence as to the amount thereof against each of the Guarantors.

16. Partial Invalidity

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect in relation to any one or more of the Guarantors under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof in relation to such Guarantors or under the law of any other jurisdiction shall in any way be affected or impaired thereby.

17. Benefit of Guarantee and Indemnity

17.1 Each Guarantor hereby acknowledges and covenants that the obligations binding upon it contained herein are owed to, and shall be for the benefit of the Guaranteed Parties and that the Guaranteed Parties shall be entitled severally to enforce the said obligations against such Guarantor.

17.2 No Guarantor shall be entitled to assign or transfer all or any of its rights, benefits or obligations hereunder.

17.3 Each Guaranteed Party may at any time assign or transfer all or any of its rights and/or obligations under this Guarantee without the consent of any of the Guarantors.

17.4 In the event that pursuant to any arrangement, compromise, merger, amalgamation or analogous proceeding in any jurisdiction all or any of the Guaranteed Obligations are transferred to or assumed by any other person or persons, this Guarantee shall take effect as if all references to the Borrowers included such other person or persons.

18. Notices

18.1 Any notice or other communication to be given under or for the purposes of this Guarantee shall be in writing and shall be treated as properly served or given if hand delivered or sent by registered post or facsimile to the relevant person at the address or facsimile number identified below for such other address or facsimile number as that person has designated in writing from time to time to the person giving the notice:-

(a) the Security Trustee
as follows:

Address: AIB Corporate Banking
Bankcentre
Ballsbridge
Dublin 4

Facsimile No: 2601783

Attention: Catherine Moroney
Donnchadh Ó Madagáin

Bernard Carroll

(b) the Guarantors: Address: Huguenot House
35/38 St. Stephen's Green
Dublin 2

Facsimile No: 6613968
Attention: B.N. Loane
P.E. Lynch
J. Coll

18.2 Any such notice or other communication shall be deemed to have been received by the recipient:-

- (a) in the case of a letter which is hand delivered, when actually delivered and, in the case of a letter which is sent by registered post, on the second day after posting (or on actual receipt, if earlier); or
- (b) in the case of transmission by facsimile, at the time of transmission provided that any communication or document to be made or delivered to the Security Trustee shall be effective only when received by the Security Trustee and then only if the same is expressly marked for the attention of the department and officer referred to above (or such other department and officer as the Security Trustee may from time to time specify for this purpose).

18.3 Each person making a communication under this Guarantee by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant to this Guarantee but the absence of such confirmation shall not affect the validity of any such communication.

19. Indemnity

The Guarantors shall jointly and severally indemnify and keep the Guaranteed Parties indemnified against:

- (a) any loss or damage which may be incurred or suffered by the Guaranteed Parties (or any of them) as a result of the breach of any covenant, undertaking or agreement on the part of all or any of the Guarantors contained in this Guarantee or any representation or warranty by all or any of the Guarantors contained in this Guarantee being or proving at any time to be materially incorrect or untrue when made or deemed to be made; and
- (b) all actions, losses, claims, proceedings, costs, demands and liabilities which may be suffered by the Guaranteed Parties (or any of them) under or in connection with this Guarantee.

20. Currency Judgment

20.1 If any sum due from all or any of the Guarantors under this Guarantee or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable thereunder or under such order or judgment into another currency (the "**second currency**") for the purpose of:

- (i) making or filing a claim or proof; or
- (ii) obtaining an order or judgment in any court or other tribunal; or
- (iii) enforcing any such order or judgment

against all or any of the Guarantors, the Guarantors agree to jointly and severally indemnify and hold harmless each Guaranteed Party from and against any loss suffered as a result of any discrepancy between:

- (a) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency; and
- (b) the rate or rates of exchange at which such Guaranteed Party is able to purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

20.2 The rate or rates of exchange aforesaid shall be determined by the Guaranteed Parties in accordance with applicable market practice.

21. Counterparts

This Guarantee may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which when so executed and delivered shall be an original but all the counterparts shall together constitute but one and the same instrument.

22. Governing Law and Jurisdiction

22.1 This Guarantee shall be governed by and construed in accordance with the laws of Ireland.

22.2 For the benefit of the Guaranteed Parties, the parties hereto irrevocably agree that any legal action or proceedings in connection with this Guarantee may be brought in the Irish courts, which shall have jurisdiction to settle any disputes arising out of or in connection with this Guarantee. The submission to such jurisdiction shall not (and shall not be construed so as to) limit the right of any of the Guaranteed Parties (or any of them) in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or

more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

- 22.3 Each Guarantor incorporated in a jurisdiction other than Ireland hereby irrevocably appoints the Company to accept service of process on its behalf in Ireland in connection with any suit, action or proceeding arising out of or in connection with this Guarantee.

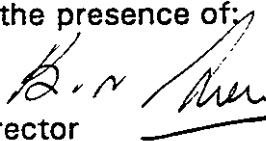
IN WITNESS whereof the parties hereto have executed this Guarantee the day and year first before written.

THE SCHEDULE

The Guarantors

Name	Jurisdiction	Registration No.
Adare Printing Group plc	Ireland	61078
Presswell Group Limited	Ireland	148456
Presswell Limited	Ireland	53945
Flexible Packagings Limited	Ireland	61079
Delameree Limited	Ireland	172248
Mount Salus Press Limited	Ireland	22554
Hermes Holdings Limited	Ireland	41758
CJ Fallon (Holdings) Limited	Ireland	115560
CJ Fallon	Ireland	63608
Perigord Limited	Ireland	7677
Kenley Press Limited	England	778663
Darley Business Forms Limited	England	405648
Adare Printing Group (UK) Limited	England	2387953
Quorum Technical Services Limited	England	1720724
Park Mill Business Forms Limited	England	3014889
William Caple & Company Limited	England	501084
Label Converters Limited	England	1203292
Alexander Pettigrew Limited	England	2917499
Adare Properties (UK) Limited	England	2931068
Great Northern Envelope Company Limited	England	2212509
WBF Limited	England	2814431
Pillings Print Company Limited	England	120184

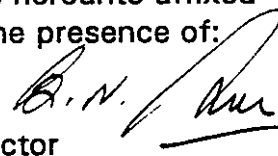
The Common Seal of
ADARE PRINTING GROUP Plc:
was hereunto affixed
in the presence of:



Director



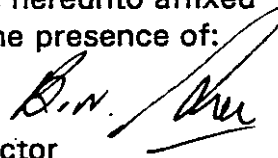

Director/Secretary


The Common Seal of
PRESSWELL GROUP LIMITED
was hereunto affixed
in the presence of:


Director

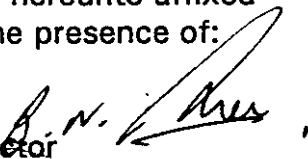

Director/Secretary

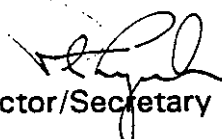
The Common Seal of
PRESSWELL LIMITED
was hereunto affixed
in the presence of:


Director

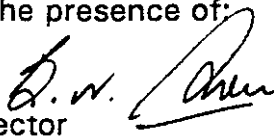

Director/Secretary

The Common Seal of
DELAMEREE LIMITED
was hereunto affixed
in the presence of:


Director

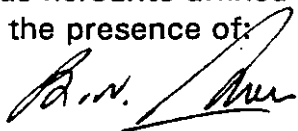

Director/Secretary

The Common Seal of
FLEXIBLE PACKAGINGS LIMITED
was hereunto affixed
in the presence of:


Director

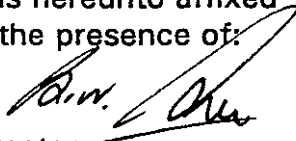

Director/Secretary

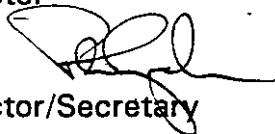
The Common Seal of
MOUNT SALUS PRESS LIMITED
was hereunto affixed
in the presence of:


Director

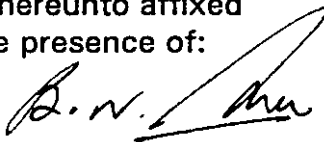

Director/Secretary

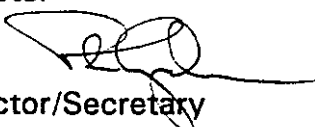
The Common Seal of
HERMES HOLDINGS LIMITED
was hereunto affixed
in the presence of:


Director


Director/Secretary

The Common Seal of
CJ FALLON (HOLDINGS) LIMITED
was hereunto affixed
in the presence of:


Director


Director/Secretary

The Common Seal of
CJ FALLON
was hereunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
PERIGORD LIMITED
was hereunto affixed
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
KENLEY PRESS LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
DARLEY BUSINESS FORMS LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
ADARE PRINTING GROUP (UK) LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
QUORUM TECHNICAL SERVICES LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
PARK MILL BUSINESS FORMS LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
WILLIAM CAPLE & COMPANY LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
LABEL CONVERTERS LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
ALEXANDER PETTIGREW LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
ADARE PROPERTIES (UK) LIMITED
in the presence of:

Director

Director/Secretary

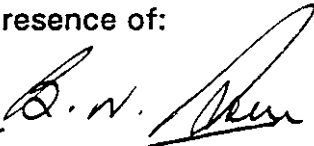
SIGNED as a deed on behalf of
GREAT NORTHERN ENVELOPE COMPANY LIMITED
in the presence of:

Director

Director/Secretary

The Common Seal of
WBF LIMITED
was hereunto affixed
in the presence of:

Director

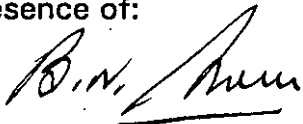


Director/Secretary



The Common Seal of
PILLINGS PRINT COMPANY LIMITED
was hereunto affixed
in the presence of:

Director



Director/Secretary



Signed by:

for and on behalf of
ALLIED IRISH BANKS, p.l.c.



G:\NP\AIB1500.07A


DATED 19th April 1996

ADARE PRINTING GROUP (UK) LIMITED
AND OTHERS

- and -

ALLIED IRISH BANKS, p.l.c.

COMPOSITE TRUST DEBENTURE



WILDE SAPTE

1 Fleet Place
London
EC4M 7WS

Tel: 0171-246 7000
Fax: 0171-246 7777

REF: PAM/RBJ/707546.05

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THIS COMPOSITE TRUST DEBENTURE dated 19th April 1996

BETWEEN:

- (1) THE COMPANIES listed in the First Schedule (the "Companies" and each a "Company"); and
- (2) ALLIED IRISH BANKS, p.l.c. having its registered office at Bankcentre, Ballsbridge, Dublin 4, Ireland in its capacity as Security Trustee for the Beneficiaries (as defined herein) of the security constituted by this Trust Debenture (the "Security Trustee").

RECITALS:

1. By a facilities agreement dated between (1) Adare Printing Group PLC, (2) and (3) Adare Printing Group (UK) Limited and Mount Salus Press Limited, (4) the Overdraft Borrowers, (5), (6), (7) and (8) Allied Irish Banks, p.l.c as Arranger, Agent, Security Trustee, Issuing Bank and Overdraft Bank and (9) the financial institutions defined as Banks in the Facilities Agreement and their successors and assigns (the "Banks"), (the "Facilities Agreement"), the Banks have agreed to make certain credit and other facilities available to the Borrowers upon the terms and subject to the conditions set out in the Facilities Agreement.
2. It is one of the conditions to the availability of the Facilities that each Company executes this Trust Debenture and provides to the Security Trustee the security created by this Trust Debenture.
3. The Security Trustee has agreed to act as trustee of the security constituted by this Trust Debenture and to hold the benefit thereof on trust under the terms and conditions of the Facilities Agreement.

THIS TRUST DEBENTURE WITNESSETH as follows:

1. **DEFINITIONS AND INTERPRETATION**
 - 1.1 Words and expressions defined in the Facilities Agreement and not otherwise defined herein shall, unless there is something in the subject or the context which is inconsistent therewith, bear the same meaning herein as in the Facilities Agreement.

1.2 In this Trust Debenture:

"Act" means the Law of Property Act 1925;

"Adare" means Adare Printing Group Plc;

"Bank Balances" means all existing and future debts represented by credit balances on accounts at, or deposits with, the Security Trustee or any other Beneficiary or any other bank or financial institution;

"Beneficiaries" means at any time the Arranger, the Agent, the Security Trustee, the Banks at such time and the Hedging Counterparties and their respective successors, transferees and assigns and **"Beneficiary"** means any of them;

"Borrowers" and **"Borrower"** have the meanings given to those terms in the Facilities Agreement;

"Charged Property" means the undertaking and assets of each Company both present and future charged in favour of, or assigned (whether at law or in equity) to, the Security Trustee by or pursuant to this Trust Debenture;

"Claims" means all things in action which may give rise to a debt, revenue or claim and all other rights and remedies of whatever nature in respect of the same including, without limitation, all negotiable and non-negotiable instruments, guarantees, indemnities, rights of tracing and security interests;

"Debts" means all the existing and future book and other debts due or owing to the Company (whether originally incurred to the Company or subsequently assigned to it) and the full benefit of all rights and remedies relating thereto, including, without limitation, all negotiable and non-negotiable instruments, guarantees, indemnities, rights of tracing and security interests;

"Environment" means:

- (i) land including the sea bed and any natural or man-made structures;

- (ii) water including rivers, lakes (man-made or natural), canals, the ocean (whether within or without territorial waters), ground waters and waters in drains and sewers; and
- (iii) air including air within buildings and other natural and man-made structures above or below ground;

"Environmental Laws" means all and any applicable laws, including common law, statute, bye-law and subordinate legislation, European Community Regulations and Directives and judgments and decisions, including notices, orders or circular, of any court or authority competent to make such judgment or decision compliance with which is mandatory for any Company in any jurisdiction with regard to:

- (i) the pollution or protection of the Environment;
- (ii) harm to the health of humans, animals or plants including laws relating to public and workers' health and safety;
- (iii) emissions, discharges or releases into the Environment of chemicals or any other pollutants or contaminants or industrial, radioactive, dangerous, toxic or hazardous substances or waste (whether in solid, semi-solid, liquid or gaseous form and including noises and genetically modified organisms); or
- (iv) the manufacture, processing, use, treatment, storage, distribution, disposal, transport or handling of the substances or wastes described in (iii) above;

"Environmental Permits" means all and any permits, licences, consents, approvals, certificates, qualifications, specifications, registrations and other authorisations including any conditions which attach to any of the foregoing and the filing of all notifications, reports and assessments required under Environmental Laws for the operation of any business from or using any of the Charged Property or the occupation or use of all or any of the freehold, leasehold or immovable property of any Company;

"Event of Default" means any event, howsoever described, specified in any of the Finance Documents as an event upon the occurrence of which the Security Trustee becomes entitled to call for early repayment of all or any of the Secured Obligations

or any failure by any Company to pay or repay on demand all or any of the Secured Obligations which are so payable;

"Fixed Charge Property" means the assets of each Company described in Clauses 3.1(a) to 3.1(l) inclusive;

"Floating Charge Property" means the assets of each Company described in Clause 3.1(m);

"Haverhill Premises" means the freehold property situate at Falconer Road, Haverhill, Suffolk described in Part II of the Second Schedule and owned by Adare Properties (UK) Limited,

"Planning Acts" means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Local Government Planning and Land Act 1980 and any other legislation of a similar nature,

"Properties (UK) First Charge" means the legal charge dated 17th May 1994 and made between Adare Properties (UK) Limited (1) and John Waddington Properties Limited (2) and registered on 25th May 1994 over the Haverhill Premises;

"Receiver" means any one or more receivers and/or managers appointed by the Security Trustee in respect of any Company or over all or any part of the Charged Property;

"Secured Obligations" means all monies, obligations and liabilities covenanted or guaranteed to be paid or discharged by the Companies under Clause 2 of this Trust Debenture; and

"Shares" means, in relation to a Company, all the shares of any class in the capital of any company which are now, or at any time hereafter, owned by that Company or in which that Company has an interest.

1.3 In this Trust Debenture:

- (a) the expressions **"Banks"**, **"Security Trustee"**, **"Beneficiary"**, **"Hedging Counterparties"** and **"Company"** where the context admits shall include their respective successors and assigns; and
- (b) a **"Clause"** or a **"Schedule"** shall, unless otherwise stated, be construed as a reference to a clause or a schedule hereof.

1.4 Save where the contrary is indicated, any reference in this Trust Debenture:

- (a) to any statute or provision of any statute shall be deemed also to refer to any statutory modification, substitution or re-enactment thereof or any statutory instrument, order, regulation, bye-law, permission or direction made thereunder or under such modification, substitution or re-enactment;
- (b) to this Trust Debenture or any other agreement or document shall be construed as a reference to this Trust Debenture or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated or supplemented (and so that any reference to this Trust Debenture shall include, unless the context otherwise requires, any agreement or document expressed to be supplemental hereto or expressed to be collateral herewith or which is otherwise entered into pursuant to or in accordance with the provisions hereof);
- (c) to a **"person"** or **"persons"** include, without limitation, individuals, firms, corporations, government agencies, authorities and other bodies, incorporated or unincorporated and whether having direct legal personality or not;
- (d) to a company being **"dormant"** is a reference to it being dormant within the meaning given to that expression by section 250(3) of the Companies Act 1985, and
- (e) to a **"subsidiary"** is a reference to a subsidiary as defined by section 736 of the Companies Act 1985 (as substituted by section 144 of the Companies Act 1989).

1.5 Clause and Schedule headings are for ease of reference only.

1.6 Words denoting the singular number shall include the plural number also and vice versa.

2. COVENANT TO PAY

2.1 The Companies hereby irrevocably jointly and severally covenant with the Security Trustee that they will on demand by the Security Trustee or as otherwise agreed with the Security Trustee discharge each and every liability which any Company may now or hereafter have to the Security Trustee and to the Beneficiaries (or any of them) (whether solely or jointly with one or more persons, whether under this Trust Debenture or otherwise, whether as principal or as surety or in some other capacity and whether originally incurred by any Company or by some other person) and pay to the Security Trustee every sum (of principal, interest or otherwise) now or hereafter owing, due or incurred by any Company to the Security Trustee and to the Beneficiaries (or any of them) in respect of any such liabilities.

2.2 If any such liability becomes due (whether upon the making of a demand or otherwise), the Companies shall pay interest on such sums (after as well as before any judgment) during the period beginning on the date the liability becomes due and ending on the date of payment at the rate or rates (as may be appropriate) specified in Clause 18 of the Facilities Agreement or such other rate or rates as may be agreed between the Company concerned and the relevant Beneficiary and in the absence of such agreement 2% above the relevant Beneficiary's base rate from time to time.

3. MORTGAGE, CHARGE AND ASSIGNMENT OF SECURITY

3.1 Each Company (and in relation to sub-clause (1), Adare Printing Group (UK) Limited only), with full title guarantee, as continuing security for the payment, performance and discharge of the Secured Obligations, hereby:

- (a) charges in favour of the Security Trustee by way of legal mortgage any freehold and leasehold land of the Company concerned referred to in the Second Schedule together in all cases with all buildings and (to the extent the same are not otherwise subject to a fixed charge hereunder) all fixtures (including trade fixtures) from time to time on every such

property and all fixed plant and machinery both present and future therein or thereon;

- (b) charges in favour of the Security Trustee all its estate, right, title and interests in any other land or buildings now belonging to the Company concerned and all future estates, interests and rights of the Company concerned in such lands, hereditaments and premises and in any other freehold or leasehold property vested in or held by or on behalf of the Company concerned from time to time together in all cases (to the extent the same are not otherwise subject to a fixed charge hereunder) all fixtures (including trade fixtures) and all fixed plant and machinery from time to time therein;
- (c) assigns to the Security Trustee all of its rights, title and interest in and to the equipment and chattels specified under its name in the fifth Schedule;
- (d) charges in favour of the Security Trustee all plant, machinery, equipment, goods and chattels (other than stock-in-trade) now or hereafter belonging to the Company concerned together with all and any machines, equipment, goods, components, parts or any other items whatsoever from time to time installed therein or used in replacement or by way of substitution for all or any part thereof, other than any assets for the time being effectively assigned to the Security Trustee by way of mortgage under Clause 3.1 (c) above;
- (e) assigns and agrees to assign in favour of the Security Trustee all rights and claims to which the Company concerned is now or may hereafter become entitled in relation to the freehold, leasehold or immovable property and the moveable property and other chattels mortgaged or charged hereunder including, without limitation, those against any manufacturer, supplier, or installer of such property, any builder, contractor or professional advisor engaged in relation to such property and any lessee, sub-lessee or licensee of any freehold, leasehold or immovable property mortgaged or charged hereunder and any guarantor or surety for the obligations of such person and, to the extent that any of the moveable property or other chattels mortgaged or charged hereunder is now or is at any time hereafter hired, leased or rented to any other person, the rights under the hiring, leasing or rental contract and any

guarantee, indemnity or security for the performance of the obligation of such person and any other rights and benefits relating thereto;

- (f) assigns and agrees to assign in favour of the Security Trustee all present and future rights, interest, title and benefit of the Company concerned to and in the proceeds of any of the insurances now or hereafter maintained or effected by the Company concerned to the extent the same are not otherwise subject to a fixed charge hereunder;
- (g) charges in favour of the Security Trustee (subject to the provisions of Clause 8.2) all the rights, title, interest and benefit of the Company concerned to and in (i) the uncollected and unrealised Debts of the Company concerned, (ii) the collected and realised Debts of the Company concerned, (iii) the Bank Balances, (iv) the uncollected and unrealised Claims of the Company concerned and (v) the collected and realised Claims of the Company concerned;
- (h) charges in favour of the Security Trustee the uncalled capital of the Company concerned;
- (i) charges in favour of the Security Trustee the Shares and all other stocks, shares, bonds and securities of any kind whatsoever whether marketable or otherwise and all other interests (including but not limited to loan capital) of the Company concerned both present and future in every company, firm, consortium or entity wheresoever situate, including all dividends, interest and other distributions paid or payable in respect thereof and all allotments, accretions, offers rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of and/or incidental to the same and all stocks, shares, rights, money and property accruing thereto and/or offered at any time by way of conversion, redemption, bonus, preference option or otherwise in respect thereof;
- (j) charges in favour of the Security Trustee all letters patent, trademarks, designs and utility models, copyrights, design rights, applications for registration of any of the foregoing and rights to apply for them in any part of the world, inventions, confidential information, know how and rights of like nature arising in relation to the foregoing, whether registered or unregistered, now or at any time hereafter belonging to the Company

concerned and the benefit of all licences and other rights to use any of the same;

- (k) charges in favour of the Security Trustee all goodwill (including all brand names not otherwise subject to a fixed charge or assignment by or pursuant to this Trust Debuture) now or at any time hereafter belonging to the Company concerned;
- (l) charges, assigns and agrees to assign to the Security Trustee all of its rights, title, interest and benefit under or in respect of the Hedging Agreement; and
- (m) charges in favour of the Security Trustee the whole of the Company concerned's undertaking, property, assets and rights whatsoever and wheresoever both present and future other than any assets for the time being effectively charged to the Security Trustee by way of fixed charge or effectively assigned (whether at law or in equity) to the Security Trustee or otherwise subject to an effective fixed security in favour of the Security Trustee including without limitation heritable property and all other property and assets in Scotland.

3.2 The mortgages and charges hereby created shall:

- (a) as regards the Fixed Charge Property, be first fixed mortgages and charges; and
- (b) as regards the Floating Charge Property, be a first floating charge;

save that in respect of the Haverhill Premises the security hereby created shall rank next after the security created by the Properties (UK) First Charge.

3.3 On final payment and discharge of the Secured Obligations the Security Trustee will at the request and cost of the Companies release, surrender, re-convey or re-assign (as the case may be) to the Companies the property and assets mortgaged, charged and assigned by or pursuant to Clause 3.1.

4. CRYSTALLISATION OF FLOATING CHARGE

4.1 The Security Trustee may at any time following the occurrence of an Event of Default by notice in writing to the company concerned convert the floating charge created by a company pursuant to Clause 3.1(m) with immediate effect into a fixed charge as regards any property or assets specified in the notice

4.2 Notwithstanding Clause 4.1 and without prejudice to any rule of law which may have a similar effect, the floating charge created by a Company pursuant to Clause 3.1(m) shall automatically be converted with immediate effect into a fixed charge as regards all the assets subject to the floating charge in question and without notice from the Security Trustee to the Company concerned on:

- (a) the presentation of a petition for the compulsory winding-up of the Company concerned;
- (b) the convening of a meeting for the passing of a resolution for the voluntary winding-up of the Company concerned;
- (c) on the presentation of a petition for the making of an administration order in relation to any Company; or
- (d) the creation or attempted creation by the Company concerned of any security over all or any part of the Floating Charge Property without the prior consent in writing of the Security Trustee or the levying or attempted levying by any person of any distress, execution, sequestration or other process against any of the Floating Charge Property.

5. PERFECTION OF SECURITY AND FURTHER ASSURANCES

5.1 Adare Printing Group (UK) Limited shall deliver a notice to each Hedging Counterparty in the form of Part I of the Fourth Schedule and shall procure that an acknowledgment in the form of Part II of the Fourth Schedule is forthwith delivered by each such Hedging Counterparty to the Security Trustee.

5.2 Each Company shall execute such notices as the Security Trustee shall require of the security created under Clause 3.1. Each such notice shall be in the form approved by the Security Trustee and shall be addressed to person or persons as the Security

Trustee shall determine (following the receipt by the Security Trustee of such information from the Companies as the Security Trustee may require in relation to the property and assets of the Companies subject to the security) and the Security Trustee may at any time deliver such notices to the addressees thereof.

- 5.3 Each Company shall promptly notify the Security Trustee of any proposal or contract for the acquisition by, or conveyance, grant, lease, transfer or other disposition to it or any nominee on its behalf of any freehold or leasehold or other immovable property and, on demand made to the Company concerned by the Security Trustee and at the cost of the Company concerned, execute and deliver to the Security Trustee a legal mortgage or legal charge supplemental to this Trust Debenture in favour of the Security Trustee of any freehold, leasehold or other immovable properties which become vested in it after the date hereof and all fixtures and fittings (including trade fixtures and fittings) therein to secure the payment or discharge of the Secured Obligations in such form as the Security Trustee may require provided that the Company concerned shall not be required when granting such additional security to enter into covenants and/or obligations more onerous than those contained herein unless the same are required for the effective creation or enforcement of such additional security or for the protection of the Security Trustee. In the case of any leasehold property in relation to which the consent of the landlord in whom the reversion of that lease is vested is required in order for a Company to perform any of the foregoing obligations, such Company shall not be required to perform that particular obligation unless and until it has obtained the landlord's consent (which it shall use its reasonable endeavours to do).
- 5.4 In the case of any freehold, leasehold or other immovable property acquired by any Company or any nominee after the execution of this Trust Debenture forming part of the Charged Property title to which (either before or after the acquisition thereof) is registered under the Land Registration Acts 1925 to 1988, the Company concerned shall promptly notify the Security Trustee of the title number(s) and contemporaneously with the making of an application to H.M. Land Registry for the registration of the Company concerned or its nominee (as the case may be) as the Registered Proprietor thereof apply to H.M. Chief Land Registrar substantively to register this Trust Debenture on the Charges Register of such property.
- 5.5 Each Company hereby applies to H.M. Chief Land Registrar to enter the following restrictions in the Proprietorship Register of the freehold, leasehold or other immovable property owned by such Company title to which is registered under the Land Registration Acts 1925 to 1988:

"Except under an Order of the Registrar no transfer, disposition, dealing, charge or mortgage by the proprietor of the land or any transfer made in the exercise of the power of sale possessed by the holder of any subsequent charge is to be registered or noted without the consent of the proprietor for the time being of Charge No []."

- 5.6 The Beneficiaries are under an obligation to make further advances and application is made to H.M. Chief Land Registrar for a note to be entered on the register of each freehold/leasehold property owned by any Company the title to which is registered under the Land Registration Acts 1925-88 to that effect.
- 5.7 Each Company shall, if so requested by the Security Trustee, deposit with the Security Trustee and permit the Security Trustee during the continuance of the security created hereby to hold and retain the following:
- (a) all deeds and documents of title relating to all freehold and leasehold property from time to time belonging to the Company concerned (and the insurance policies relating thereto);
 - (b) all certificates or other documents representing or evidencing ownership of the Shares together with duly executed and stamped stock transfer forms in blank; and
 - (c) all such documents relating to the Fixed Charged Property as the Security Trustee may from time to time require for the purpose of perfecting and protecting the security herein.
- 5.8 In addition to and without prejudice to anything else herein contained, each Company shall at any time, at the request of the Security Trustee but at the cost of the Companies, promptly sign, seal, execute, deliver and do all such deeds, instruments, acts and things in such form as the Security Trustee may require for perfecting or protecting the security intended to be constituted by or pursuant to this Trust Debenture or for facilitating the realisation thereof or the exercise of any and all powers, authorities and discretions intended to be vested in the Security Trustee, any Beneficiary or any Receiver by or pursuant to this Trust Debenture.
- 5.9 Without limiting the generality of Clause 5.8, the Companies jointly and severally agree to procure that:

(a) any plant, machinery, equipment, goods and chattels acquired by the Company and having a book or market value of £250,000 or more (the "New Chattels") shall be notified to the Security Trustee no later than 30 days after the date of such acquisition, such notification shall include full particulars of the New Chattels sufficient in the opinion of the Security Trustee to allow them to be readily identified and specify in relation to each New Chattel to which of the Companies the New Chattel belongs; and

(b) if required to do so by the Security Trustee, the Companies to which those New Chattels belong at their own cost execute and deliver to the Security Trustee a chattel mortgage on such New Chattel or New Chattels to secure payment or discharge of the Secured Obligations in such form as the Security Trustee may require, such chattel mortgage to be delivered to the Security Trustee no more than 30 days after the relevant Companies are required to execute and deliver the same.

5.10 The obligations of the Companies under this Clause 5 shall be in addition to and not in substitution for the covenants for further assurance deemed to be included in this Trust Debenture by virtue of Section 76(1)(c) of the Act.

6. **NEGATIVE PLEDGE**

6.1 Each Company hereby undertakes that at no time during the subsistence of the security created by this Trust Debenture shall it, otherwise than (a) as permitted by or pursuant to the Facilities Agreement, (b) with the Security Trustee's prior written consent or (c) in the Security Trustee's favour (as agent and trustee for the Beneficiaries):

(a) create or attempt to create or permit to arise or subsist any security on or over the Charged Property or any part thereof, or

(b) sell, transfer, lend, lease, license or otherwise dispose of the Charged Property or any part thereof or attempt or agree to do so whether by means of one or a number of transactions related or not and whether at one time or over a period of time save that the Floating Charge Property

may be sold on an arm's length basis at market value in the ordinary course of the Company's trading as now conducted.

- 6.2 None of the foregoing prohibitions in this Clause 6 shall be construed as limiting any powers exercisable by any Receiver appointed by the Security Trustee under or pursuant to this Trust Debenture.

7. EXERCISE OF RIGHTS IN RESPECT OF SHARES

- 7.1 Subject to Clause 7.2 and 7.3, all voting rights and rights of the Company concerned in respect of bonus or rights issues shall:

- (a) with respect to any Shares charged by or pursuant to this Trust Debenture and registered in the name of the Security Trustee or its nominee(s), be exercised as the Company concerned may from time to time in writing reasonably direct ; and
- (b) with respect to any Shares charged by or pursuant to this Trust Debenture and registered in the name of the Company concerned or its nominee(s), be exercised by the Company concerned.

Provided in each case that such direction or exercise by the Company concerned does not in the opinion of the Security Trustee adversely affect the Shares which are the subject of fixed security pursuant to Clause 3.1(i) and is not otherwise inconsistent with this Trust Debenture.

- 7.2 With respect to the Company concerned's rights and powers relating to any of the Shares:

- (a) the Company concerned shall not exercise such rights or powers in any manner which in the opinion of the Security Trustee is inconsistent with the security intended to be conferred on the Security Trustee by or pursuant to this Trust Debenture;
- (b) the Security Trustee and its nominee(s) shall be entitled at all times to exercise all such rights and powers for the purpose of preserving the value of the security intended to be conferred on the Security Trustee by or pursuant to this Trust Debenture or of realising such security; and

- (c) after the occurrence of an Event of Default (and without any consent or authority on the part of the Company concerned) the Security Trustee and its nominee(s) may at the Security Trustee's discretion (in the name of the Company concerned or otherwise) exercise or cause to be exercised in respect of any of the Shares any voting rights or rights to receive dividends, interest, principal or other payments of money, as the case may be, forming part of the Shares and all other powers and rights conferred or exercisable by the owner, bearer or holder thereof.

7.3 Each Company hereby covenants and agrees with the Security Trustee that:

- (a) it will at all times before the Security Trustee or any nominee of the Security Trustee becomes registered owner or acquires legal title to any of the Shares subject to a charge hereunder exercise all and any rights and powers with respect to such Shares in a manner which will not prejudice the security hereby constituted in respect thereof and as directed by the Security Trustee for the purpose of preserving the value of the security intended to be conferred on the Security Trustee by or pursuant to this Trust Debenture or of realising such security; and
- (b) it will not, without the prior written consent of the Security Trustee, make any changes to the Articles of Association of the company in which the Shares are held (save as requested by the Security Trustee pursuant to Clause 7.4) in respect of the registration of transfers of shares or pre-emption rights.

7.4 If requested by the Security Trustee, the Company shall procure that the Articles of Association of the Companies (or any of them) are altered in a manner satisfactory to the Security Trustee so as to permit the transfer of the Shares to the Security Trustee or its nominee pursuant to this Trust Debenture and by the Security Trustee or its nominee to any person following the exercise of its rights under this Trust Debenture without requiring the consent of the directors of the relevant Company or Companies or any other condition to be obtained or met.

8. COLLECTION OF DEBTS AND RELATED MATTERS

8.1 Each Company shall at all times during the subsistence of the security constituted by this Trust Debenture get in and realise its Debts and Claims in the ordinary course of

its business and trading activities and shall pay the proceeds of such Debts and Claims into its account with the Security Trustee or any other Beneficiary (or into such account as the Security Trustee may stipulate whether or not being an account with the Security Trustee or any other Beneficiary or in the name of the Company) (and so that for this purpose the realisation of Debts and Claims by means of block discounting, factoring or the like shall not be regarded as dealing in the ordinary course of the Company concerned's business) and the Company concerned shall not without the prior consent in writing of the Security Trustee sell, factor, discount or otherwise charge or assign the Debts or Claims in favour of any other person or purport to do so and the Company concerned shall if called upon to do so by the Security Trustee from time to time execute legal assignments of the Debts and Claims to the Security Trustee or any other Beneficiary in forms approved by the Security Trustee.

- 8.2 Prior to the security hereby created becoming enforceable, in the absence of any written directions to the contrary from the Security Trustee, any moneys in respect of the Debts and Claims received by the Company concerned and paid into any account in accordance with the requirements of Clause 8.1 hereof shall upon being paid into such account be released from the fixed charge created by Clause 3.1(g) hereof and shall become subject to the floating charge created by Clause 3.1(m). Such release from the fixed charge shall not affect and shall be entirely without prejudice to the continuance of the said fixed charge on all other Debts or Claims of the Company concerned outstanding from time to time and on all moneys which the Company concerned receives in respect thereof.

9. **REPRESENTATIONS**

- 9.1 Each Company hereby represents and warrants to the Security Trustee that:
- (a) it is, and will at all times during the subsistence of the security constituted by this Trust Debenture be, the sole, lawful and beneficial owner of all of the Charged Property charged or, as the case may be, assigned, by it hereunder free from any security (other than the security created by or pursuant to this Trust Debenture or the security permitted pursuant to Clause 6.1);
 - (b) except in accordance with the provisions of the Facilities Agreement and of this Trust Debenture or as otherwise agreed in writing by the Security

Trustee, it has not sold or granted any rights of pre-emption over or agreed to sell or grant any right of pre-emption over or granted or agreed to grant any lease or tenancy of or otherwise disposed of or agreed to dispose of the benefit of all or any of its right, title and interest in and to all or any part of the Charged Property;

- (c) it has obtained, and will at all times during the subsistence of the security constituted by this Trust Debenture obtain, all consents necessary to ensure that no other party to any agreement or arrangement entered into by it becomes entitled to terminate such agreement or arrangement as a consequence of the Company entering into this Trust Debenture;
- (d) nothing has been done on or in relation to any of the freehold, leasehold or other immovable property mortgaged or charged hereby which constitutes a "development" within the meaning of the Planning Acts, without any requisite permission having been obtained and no situation exists in relation to any of the freehold, leasehold or other immovable property secured hereby in respect of which a warning notice or an enforcement notice has been or may be made;
- (e) it is in compliance with all Environmental Laws and it has obtained, and will at all times during the subsistence of the security constituted by this Trust Debenture obtain, and is in compliance with, all Environmental Permits;
- (f) there are no circumstances relating to any of the Charged Property which have led, or could lead, to a competent authority or a third party taking any action or making a claim under any Environmental Laws including the requirement to clean up any contaminated land or the revocation, suspension, variation or non-renewal of any Environmental Permits or to it having to take action to avert the possibility of any such action or claim where such action or claim could have an adverse effect on the value of any of the Charged Property or on the ability of it to conduct any of its business or to perform its obligations under this Trust Debenture;
- (g) Screen Print Limited and each company listed in the Third Schedule to this Trust Debenture is dormant and shall remain so, does not trade and has no assets and shall not trade or acquire assets without the prior written consent of the Security Trustee; and

- (h) the properties listed in the Second Schedule and in the second schedule to the Irish Trust Debenture constitute all of the real property in which Adare and its subsidiaries have an interest.

10. COVENANTS

10.1 Each Company hereby covenants with the Security Trustee and the other Beneficiaries that during the continuance of the security created hereby it shall:

- (a) conduct and carry on its business in a proper and efficient manner and not make any substantial alteration in the nature of or mode of conduct of that business and keep or cause to be kept proper books of account relating to such business and shall keep the said books of account and all other documents relating to its affairs at its registered office or other place or places where the same ought to be kept and punctually pay, as the same become due, all debts and liabilities which by virtue of the provisions of any law relating to liquidation, bankruptcy, insolvency or creditors' rights generally would have priority to all or any part of the security created by or pursuant to this Trust Debenture;
- (b) without prejudice to the provisions of sub-clause 10.1(a) above, ensure that all liabilities which if unpaid would or might on a liquidation or receivership of the Companies or otherwise have priority over the security by way of floating charge hereby created shall be paid and discharged when the same must be paid;
- (c) perform and observe the covenants and conditions contained or comprised in any agreement from time to time made between any of its debtors and the Company itself;
- (d) at its own expense insure and keep insured in its name with the name of the Security Trustee noted thereon and is specified as loss payee, all its assets of an insurable nature with insurers previously approved of in writing by the Security Trustee against loss or damage by fire, civil commotion, explosion, aircraft, flood, storm, tempest, lightning, burst pipes, electrical faults and such other risks and contingencies as the Security Trustee shall from time to time request to the full replacement value thereof from time to time,

including, without limitation, architects', surveyors', engineers' and all other professional fees and charges; maintain such other insurance policies (with the interest of the Security Trustee and the other Beneficiaries noted therein) containing like provisions for the protection of the Security Trustee as are normally maintained by prudent companies carrying on similar businesses; duly and punctually pay all premia and other moneys necessary for effecting and keeping up such insurances and on demand produce to the Security Trustee the policies of such insurance and proof of such payments; all moneys to be received by virtue of any insurance maintained or effected by it (whether or not in pursuance of its obligations hereunder) shall (save as hereinafter otherwise provided) be paid to the Security Trustee (or if not paid by the insurers directly to the Security Trustee held in trust for the Security Trustee and shall, at the option of the Security Trustee, be applied in replacing, restoring or reinstating the property or assets destroyed, damaged or lost (any deficiency being made good by the Companies) or in reduction of the Secured Obligations; furnish promptly copies of all such insurance policies to the Security Trustee with the interest of the Security Trustee and the other Beneficiaries noted therein;

- (e) observe and perform all covenants and stipulations from time to time affecting its freehold or leasehold property or the mode of user or enjoyment of the same and not without the prior consent in writing of the Security Trustee enter into any onerous or restrictive obligations affecting any such property or create or permit to arise any overriding interest or any easement or right whatsoever in or on such property which might adversely affect the value thereof or do or suffer to be done on any such property anything which is a "development" as defined in the Planning Acts as from time to time amended otherwise than in accordance with the provisions of those Acts nor do or suffer or omit to be done any act, matter or thing whereby any provision of any Act of Parliament, order or regulation from time to time in force affecting any such property is infringed;
- (f) keep all buildings, structures, fixtures and fittings (including trade fixtures and fittings), plant, and, to the extent reasonably appropriate, machinery, in good and substantial repair and in good working order and condition (fair wear and tear excepted) and not pull down or remove or sell or otherwise dispose of any of the same without the prior consent in writing of the Security Trustee except in the ordinary course of use, repair, maintenance or improvement;

- (g) not make any structural alterations, or additions to any freehold, leasehold or other immovable property subject to the security constituted by this Trust Debenture without the prior written consent of the Security Trustee;
- (h) pay as and when the same must be paid all taxes, rates, duties, charges, assessments and outgoings whatsoever and of any description which shall be assessed, charged or imposed upon or payable in respect of any of the freehold or leasehold property hereby mortgaged or charged or any part thereof (save to the extent that payment of the same is being contested in good faith);
- (i) pay any rents reserved by the terms of any lease and (in any event) keep all of its freehold and leasehold and other immovable property in good and substantial repair and perform and observe all the covenants, agreements and stipulations on the part of it contained in any lease or leases comprised within any of the freehold or leasehold property hereby mortgaged or charged and not do or suffer to be done any act or thing whereby any such lease or leases is or are likely to become liable to forfeiture or otherwise be unilaterally determined by the landlord(s);
- (j) not (without the prior consent in writing of the Security Trustee) grant or agree to grant (whether in exercise or independently of any statutory power) any lease or tenancy of the freehold or leasehold property hereby mortgaged or charged or any material part thereof;
- (k) not (without the prior consent in writing of the Security Trustee) permit any person to become entitled to any proprietary right or interest which might affect the value to an extent which is in the opinion of the Security Trustee material of any land, fixtures or fixed plant and machinery hereby charged;
- (l) notify the Security Trustee of any notice received in relation to the freehold or leasehold property hereby mortgaged or charged which might reasonably be expected to affect the value of such property, or the Security Trustee's security therein, adversely and within thirty days after receipt by it of any application, requirement, order or notice served or given by any public or local or any other authority with respect to all the Charged Property (or any material part thereof), give written notice thereof to the Security Trustee

and also (within seven days after demand) produce the same or a copy thereof to the Security Trustee and inform the Security Trustee of the steps taken or proposed to be taken to comply with any such requirement thereby made or implicit therein;

- (m) duly and punctually perform and observe all its obligations in connection with the Charged Property under any present or future statute or any regulation, order or notice made or given thereunder;
- (n) otherwise than as permitted herein not do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice, to an extent which in the opinion of the Security Trustee is material, the value to the Security Trustee of the security hereby created;
- (o) not (without the prior consent in writing of the Security Trustee or as otherwise provided in the Facilities Agreement) redeem or purchase its own shares or form, or acquire, or dispose of any subsidiary;
- (p) furnish to the Security Trustee from time to time, and at such intervals as the Security Trustee shall from time to time require, such information regarding its and its subsidiaries' assets and liabilities as the Security Trustee may require including, without prejudice to the generality of the foregoing, details of all of its stock-in-trade from time to time, copies of all and any statements relating thereto and all of its debts from time to time together with details of the debtors and copies of all and any invoices rendered in respect of such debts and details of all debts which would, on its liquidation be paid in priority to all of its other unsecured debts;
- (q) use, operate, maintain and control each item of plant, machinery and equipment subject to a mortgage or fixed charge hereunder in a careful and proper manner and in accordance with all licences, agreements, manufacturers' recommendations (as originally drafted or as amended from time to time), statutes, laws, ordinances, and regulations relating to the use, operation, maintenance and control thereof and neither use nor knowingly permit any such items to be used for any unlawful purpose and ensure that any replacement or substitute parts are in good repair and working order and are free from any lien or other encumbrance whatsoever and are owned by it;

- (r) keep each item of plant, machinery and equipment subject to a mortgage or fixed charge hereunder at the location or locations (if any) from time to time approved in writing by the Security Trustee and not remove any such item or items from its location without the prior written consent of the Security Trustee, except for the purpose of maintenance or repair;
- (s) keep each item of plant, machinery and equipment subject to a mortgage or fixed charge hereunder in good repair and condition and working order and not do or omit to do anything which could reasonably be expected to result in any item of plant, machinery and equipment subject to a fixed charge hereunder or any part thereof being confiscated, seized, requisitioned, taken in execution, impounded or otherwise taken out of its control;
- (t) if it has not already done so, in the case of any plant, machinery and equipment subject to a mortgage or fixed charge hereunder located on leasehold premises, obtain evidence in writing from any lessor of any such premises that he waives absolutely all and any rights he may have now or at any time in the future over any of such plant, machinery and equipment;
- (u) punctually pay all calls, instalments and other payments that may become due in respect of the Shares or other stocks and securities subject to a fixed charge hereunder;
- (v) take all such steps and do all such acts as may be necessary for keeping on foot any letters patent or for maintaining the registration of any trademarks or other intellectual property subject to the security constituted by this Trust Debenture and for restoring the same if they have at any time become void and, in particular, pay all fees necessary for that purpose before the same become due and produce to the Security Trustee on demand the receipts for such fees;
- (w) use its best endeavours to protect and safeguard the letters patent, trademarks or other intellectual property subject to the security constituted by this Trust Debenture from and against theft, loss, destruction, unauthorised access, copying or use by third parties and to detect any infringement of the same and if it shall become aware of any such infringement at once give to the Security Trustee all information in its possession with regard thereto and, at the request of the Security Trustee but at its cost, commence and diligently prosecute or permit the Security

Trustee in the name of its cost to commence and prosecute all proceedings necessary to prevent such infringements or to recover damages in respect thereof and it hereby appoints the Security Trustee and the persons deriving title under it to be its attorney and attorneys in its name or otherwise and on its behalf to execute and do all deeds, acts, matters and things that may in its or their opinion be required for the purposes aforesaid or any of them;

- (x) comply with all Environmental Laws and Environmental Permits applicable from time to time to the Charged Property or any part thereof and not allow any circumstances to arise which could lead to a competent authority or a third party taking action or making a claim under any Environmental Laws including the requirement to clean up any contaminated land or the renovation, suspension, variation or non-renewal of any Environmental Permits or to it having to take action to avert the possibility of any such claim where such action or claim could have an adverse effect on the value of any of the Charged Property or on its ability to conduct any of its business or to perform its obligations under this Trust Debenture:
- (y) within seven days of the receipt of notice of the same, give full particulars (and if requested, a copy of any written particulars received by it) to the Security Trustee of any notice, order, direction, designation, resolution or proposal having application to all or any part of the Charged Property or to the area in which it is situate, given or made by any planning authority or other public body or authority whatsoever under or by virtue of planning legislation or Environmental Laws or any other statutory power whatsoever or in pursuance of the powers conferred by any other statute whatsoever, and if so required by the Security Trustee, without delay and at its cost, take all reasonable or necessary steps to comply with any such notice or order and at the request of the Security Trustee, without delay and at its cost make or join with the Security Trustee in making such objections or representations against or in respect of any proposal for such notice or order as the Security Trustee shall deem expedient; and
- (z) ensure that (unless the Security Trustee otherwise agrees in writing) any company which becomes its subsidiary and any of its dormant subsidiaries which ceases to be dormant delivers to the Security Trustee (in a form approved by the Security Trustee but in each case having provisions no more onerous than those contained in the comparable Security Documents for the time being) (a) a guarantee in respect of all of the Borrowers'

obligations to the Security Trustee and the other Beneficiaries under the Finance Documents and (b) a debenture in favour of the Security Trustee (as agent and trustee for the Beneficiaries) creating first, fixed and floating charges over its assets, each duly executed and delivered by the company or, as the case may be, the subsidiary concerned.

10.2 Adare Printing Group (UK) Limited hereby covenants with the Security Trustee and the other Beneficiaries that during the continuance of the security created hereby it shall:

- (a) not, without the prior written consent of the Security Trustee agree to or make any modification, amendment, waiver or release of any Hedging Agreement or permit any breach or default to exist in respect thereof or take or omit to take any action the taking or omission of which might result in the modification, amendment or release of any Hedging Agreement or which might in any way prejudice the rights, title and interest under any Hedging Agreement hereby assigned; and
- (b) remain liable to perform all obligations assumed by it under each Hedging Agreement and duly perform all such obligations and the Security Trustee shall be under no obligation by virtue of these presents in respect of any failure by Adare Printing Group (UK) Limited so to perform such obligations.

10.3 In the case of default by any Company in the performance of any of the foregoing covenants contained in either Clause 10.1 or 10.2 it shall be lawful for (but not obligatory upon) the Security Trustee to do whatever may in the Security Trustee's opinion be necessary to make good such default, and all sums expended by the Security Trustee in that behalf shall be added to the monies hereby secured and bear interest accordingly and the Security Trustee may effect insurances in such amounts and against such risks, as the Security Trustee shall, in its absolute discretion, decide.

11. **POWER OF SALE**

11.1 Section 103 of the Act shall not apply to this Trust Debenture. On or at any time after the occurrence of an Event of Default the Security Trustee may exercise without further notice to the Companies and without the restrictions contained in the Act and whether or not it shall have appointed a Receiver, all the powers conferred on mortgagees by the common law and the Act as varied or extended by this Trust

Debenture and all the powers and discretions hereby conferred either expressly or by reference on a Receiver.

11.2 Notwithstanding any provisions contained in this Trust Debenture, the Secured Obligations shall be deemed for the purposes of section 101 of the Act to have become due and payable within the meaning of section 101 of the Act and the power of sale and other powers conferred on mortgagees by the Act as varied or extended by this Trust Debenture shall arise immediately on execution of this Trust Debenture.

11.3 The restriction on the right of consolidating mortgage securities which is contained in section 93 of the Act shall not apply to this Trust Debenture.

12. **POWER OF LEASING**

The power of leasing conferred upon a mortgagor in possession by section 99 of the Act and the power of accepting the surrender of leases conferred upon a mortgagor in possession by section 100 of the Act and any other powers of leasing, surrendering or accepting surrenders of leases vested in any Company shall not be exercisable without the prior consent in writing of the Security Trustee nor shall any Company, without the prior consent in writing of the Security Trustee, confer on any person any contractual licence to occupy or any other right or interest in any freehold or leasehold or other immovable property hereby charged or grant any licence or consent to assign, undertake or part with possession or occupation thereof.

13 **ENTRY INTO POSSESSION AND APPOINTMENT AND POWERS OF RECEIVER**

13.1 On or at any time after the occurrence of an Event of Default, the Security Trustee may, without notice to the Companies, take possession of and hold all or any part of the Charged Property and the Security Trustee may, without first appointing a Receiver, exercise all or any of the powers conferred on mortgagees by the Act as varied or extended by this Trust Debenture and all the powers, authorities and discretions conferred by this Trust Debenture expressly or by implication on any Receiver or otherwise conferred by statute or common law on mortgagees or receivers.

- 13.2 On or at any time after the occurrence of an Event of Default or if requested by any or all of the Companies, the Security Trustee may, without notice to the Companies, in writing under its Common Seal or under the hand of any officer(s) or manager(s) or any other nominated person of the Security Trustee, appoint any person to be a Receiver or Receiver and manager of all or any part of the Charged Property and may, except as otherwise required by statute, remove any such Receiver and appoint another or others in his or their place or appoint another person or persons to act jointly with any such Receiver.
- 13.3 Such an appointment over part only of the Charged Property shall not preclude the Security Trustee from making any subsequent appointment of the same or another Receiver over any part of the Charged Property over which an appointment has not been previously made.
- 13.4 Where more than one Receiver is appointed they shall have power to act severally unless the Security Trustee shall in the appointment specify to the contrary.
- 13.5 A Receiver shall be deemed at all times and for all purposes to be the agent of the Companies in respect of which he is appointed and the Companies shall be solely responsible for his acts or defaults and for the payment of his remuneration and the Receiver shall at no time act as agent for the Security Trustee.
- 13.6 Neither the Security Trustee nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect or default of any nature whatsoever in connection with all or any part of the Charged Property to which a mortgagee in possession might as such be liable.
- 13.7 The restrictions contained in sections 109(1) and 109(6) of the Act shall not apply to this Trust Debenture.
- 13.8 A Receiver shall have all the powers conferred from time to time on receivers by statute (including, without limitation, all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (and whether or not the Receiver is an administrative receiver) and (in the event that the Receiver is an administrative receiver) all the other powers exercisable by an administrative receiver by virtue of the provisions of the Insolvency Act 1986) and in the case of the powers conferred by the Act without the restrictions contained in such Act (as amended) and, in

addition, power on behalf and at the cost of the Companies (notwithstanding liquidation of any Company) to do or omit to do anything which the Companies could do or omit to do in relation to the Charged Property or any part thereof and in particular (but without limitation) a Receiver shall have the power to do all or any of the following:

- (a) enter upon, take possession of, collect and get in all or any of the Charged Property, exercise in respect of any shares or stocks secured hereunder all voting or other powers or rights available to a registered holder thereof in such manner as he may think fit and bring, defend or discontinue any proceedings (including, without limitation, proceedings for the winding-up of any and/or all of the Companies) or submit to arbitration in the name of any and/or all of the Companies or otherwise as may seem expedient to him;
- (b) carry on, manage, develop, reconstruct, amalgamate or diversify the business of the Companies or any part thereof or concur in so doing, lease or otherwise acquire and develop or improve properties or other assets without being responsible for loss or damage;
- (c) raise or borrow any money from or incur any other liability to the Security Trustee and any other Beneficiary or others on such terms with or without security as he may think fit and so that any such security may be or include a charge on the whole or any part of the Charged Property ranking in priority to this security or otherwise;
- (d) sell by public auction or private contract, let, surrender or accept surrenders, grant licences or otherwise dispose of or deal with all or any of the Charged Property or concur in so doing in such manner for such consideration and generally on such terms and conditions as he may think fit (including, without limitation, conditions excluding or restricting the personal liability of the Receiver or the Security Trustee) with full power to convey, let, surrender, accept surrenders or otherwise transfer or deal with such Charged Property in the name and on behalf of any and/or all of the Companies or otherwise and so that the covenants and contractual obligations may be granted and assumed in the name of and so as to bind any and/or all of the Companies if he shall consider it necessary or expedient so to do; any such sale, lease or disposition may be for cash, debentures or other obligations, shares, stock, securities or other valuable

consideration and be payable immediately or by instalments spread over such period as he shall think fit and so that any consideration received or receivable shall ipso facto forthwith be and become charged with the payment of all Secured Obligations; plant, machinery and fixtures may be severed and sold separately from the premises containing them and the Receiver may apportion any rent and the performance of any obligations affecting the premises sold without the consent of the Companies;

- (e) promote, procure the formation or otherwise acquire the share capital of any body corporate with a view to such body corporate purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Charged Property or otherwise, arrange for companies to trade or cease to trade and to purchase, lease, license or otherwise acquire all or any of the Charged Property on such terms and conditions whether or not including payment by instalments secured or unsecured as he may think fit;
- (f) make any arrangement or compromise or enter into or cancel any contracts which he shall think expedient;
- (g) make and effect such repairs, renewals and improvements to the Charged Property or any part thereof as he may think fit and maintain, renew, take out or increase insurances including, without limitation, indemnity insurance;
- (h) appoint managers, agents, officers, and employees for any of such purposes or to guard or protect the Charged Property at such salaries and commissions and for such periods and on such terms as he may determine and dismiss the same,
- (i) make or require the directors of all or any of the Companies to make calls, conditionally or unconditionally, on the members of the Companies concerned in respect of uncalled capital and enforce payment of any call so made by action (in the name of the Companies concerned or the Receiver as may be thought fit) or otherwise;
- (j) without any consent by or notice to the Companies, exercise on behalf of any and/or all of the Companies all the powers and provisions conferred on a landlord or a tenant by any legislation from time to time in force

relating to rents or otherwise in respect of any part of the Charged Property but without any obligation to exercise any of such powers and without any liability in respect of powers so exercised or omitted to be exercised;

- (k) without any consent or notice by or to the Companies, exercise for and on behalf of any and/or all of the Companies and in the name of any or all of the Companies all powers and rights of the Companies relevant to and necessary to effect the registration in the Land Registry of the crystallisation of the first floating charge and/or the appointment of a Receiver hereunder;
- (l) settle, arrange, compromise and submit to arbitration any accounts, claims, questions or disputes whatsoever which may arise in connection with the business of any and/or all of the Companies or the Charged Property or any part thereof or in any way relating to the security constituted by this Trust Debenture, bring, take, defend, compromise, submit to and discontinue any actions, suits, arbitrations or proceedings whatsoever whether civil or criminal in relation to the matters aforesaid, enter into, complete, disclaim, abandon or disregard, determine or rectify all or any of the outstanding contracts or arrangements of any and/or all of the Companies in any way relating to or affecting the Charged Property or any part thereof and allow time for payment of any debts either with or without security as he shall think expedient;
- (m) redeem any prior encumbrance and settle and agree the accounts of the encumbrancer; any accounts so settled and agreed shall (subject to any manifest error) be conclusive and binding on the Company concerned and the money so paid shall be deemed an expense properly incurred by the Receiver;
- (n) generally, at his option, use the name of any and/or all of the Companies in the exercise of all or any of the powers hereby conferred;
- (o) exercise, or permit any and/or all of the Companies or any nominees of such Company or Companies to exercise, any powers or rights incidental to the ownership of the Charged Property or any part thereof in such manner as he may think fit; and

- (p) sign any document, execute any deed and do all such other acts and things as may be considered by him to be incidental or conducive to any of the matters or powers aforesaid or to the realisation of the Security Trustee's security and use the name of any and/or all of the Companies for all the above purposes.

- 13.9 A Receiver shall be entitled to remuneration at a rate to be fixed by agreement between him and the Security Trustee (or, failing such agreement, to be fixed by the Security Trustee).

14. **DELEGATION OF POWERS OF THE SECURITY TRUSTEE**

The Security Trustee may, at any time and from time to time, delegate by power of attorney or in any other manner (including, without limitation, under the hand of any officer of the Security Trustee) to any person or persons or company or fluctuating body of persons all or any of the powers, authorities and discretions which are, for the time being, exercisable by the Security Trustee under this Trust Debenture or under the Act in relation to the Charged Property or any part thereof and any such delegation may be made upon such terms and conditions (including power to sub-delegate) and subject to such regulations as the Security Trustee may think fit, and the Security Trustee shall not be in any way liable or responsible to any Company for any loss or damage arising from any act, default, omission, or misconduct on the part of any such delegate (or sub-delegate).

15. **LIABILITY OF THE SECURITY TRUSTEE IN POSSESSION**

- 15.1 If the Security Trustee or any Receiver appointed by the Security Trustee or in any such delegate (or sub-delegate) as aforesaid shall enter into possession of the Charged Property or any part thereof, the Security Trustee may, from time to time at pleasure, go out of such possession.
- 15.2 The Security Trustee shall not, in any circumstances either by reason of any entry by it into, or taking by it of possession of, the Charged Property or any part thereof or for any other reason whatsoever and whether as mortgagee in possession or on any other basis whatsoever, be liable to account to any Company for anything except the Security Trustee's own actual receipts or be liable to any Company for any loss or damage arising from any realisation by the Security Trustee of the Charged Property

or any part thereof or from any act, default or omission of the Security Trustee in relation to the Charged Property or any part thereof or from any exercise or non-exercise by the Security Trustee of any power, authority or discretion conferred upon it in relation to the Charged Property or any part thereof by or pursuant to this Trust Debenture or by the Act unless such loss or damage shall be caused by the Security Trustee's own fraud or gross negligence.

- 15.3 All the provisions of Clause 15.2 shall apply in respect of the liability of any Receiver of the Charged Property or any part thereof and in respect of the liability of any such delegate (or sub delegate) as aforesaid in all respects as though every reference in Clause 15.2 to the Security Trustee were instead a reference to such Receiver or (as the case may be) to such delegate (or sub-delegate) save in respect of wilful default or gross negligence on the part of the Security Trustee.

16. APPLICATION OF MONIES

- 16.1 All monies arising from the exercise of the powers of enforcement of the security constituted by or pursuant to this Trust Debenture shall be applied, after the discharge of all sums, obligations and liabilities having priority thereto, in the following manner and order:
- (i) in or towards payment of all costs, charges and expenses of and incidental to the appointment of any Receiver hereunder and his remuneration;
 - (ii) in payment and discharge of any liabilities incurred or payable by the Receiver whether on his own account or on behalf of any and/or all of the Companies in the exercise of any of the powers of the Receiver including the costs of realisation of that part of the Charged Property in respect of which he was appointed;
 - (iii) in payment and discharge of any liabilities incurred or payable by the Security Trustee under Clause 10.3 and interest thereon;
 - (iv) in or towards payment of all such costs, charges, losses expenses and other sums as are mentioned in Clause 27 and interest thereon;
 - (v) in or towards payment or discharge of the Secured Obligations in the manner provided for under Clause 34.27 of the Facilities Agreement (save that the Security Trustee may credit the same to a suspense account for so

long and in such manner as the Security Trustee may from time to time determine and the Receiver may retain the same for such period as he and the Security Trustee consider expedient); and

(vi) in payment of any surplus to the Companies or other persons entitled thereto.

16.2 All monies from time to time received by the Security Trustee from any Company or any person or persons or company liable to pay the same or from any Receiver or otherwise on the realisation or enforcement of the security created hereunder may be applied by the Security Trustee either as a whole or in such proportions as the Security Trustee shall think fit to any account or item of account or any transaction to which the same may be applicable.

16.3 The provisions of Clause 16.1 shall take effect as and by way of variation to the provisions of section 109(8) of the Act which provisions as so varied and extended shall be deemed incorporated herein as if they related to a receiver of the Charged Property and not merely a receiver of the income thereof.

17. **PROTECTION OF PURCHASERS**

No purchaser, mortgagor, mortgagee or other person or company dealing with a Receiver or the Security Trustee shall be concerned to enquire whether any Event of Default has occurred or whether any power exercised or purported to be exercised by him or it has become exercisable or whether any money is due on the security hereof or as to the propriety or regularity of any sale by or other dealing with such Receiver or the Security Trustee but any such sale or dealing shall be deemed to be within the powers hereby conferred and to be valid and effectual accordingly and all the protection to purchasers contained in sections 104 and 107 of the Act shall apply to any person purchasing or dealing with a Receiver or the Security Trustee.

18. **POWER OF ATTORNEY**

Each Company hereby by way of security for the performance of its obligations under this Trust Debenture irrevocably appoints the Security Trustee, each and every person to whom the Security Trustee may from time to time shall have delegated the exercise of the power of attorney conferred by this Clause 18 and any

Receiver and each of them jointly and also severally to be its attorney (with full powers of substitution and delegation) and in its name or otherwise and on its behalf and as its act and deed to sign, seal, execute, deliver, perfect and do all deeds, instruments, acts and things which it may or ought to do under the covenants and provisions contained in this Trust Debenture and generally in its name and on its behalf to exercise all or any of the powers, authorities and discretions conferred by or pursuant to this Trust Debenture or by or any statute or common law on the Security Trustee or any Receiver or which may be required or which the Security Trustee or any Receiver shall deem fit for carrying any sale or lease, charge, mortgage or dealing by the Security Trustee or by any Receiver into effect or for giving to the Security Trustee or any Receiver the full benefit of these presents and generally to use its name in the exercise of all or any of the powers, authorities or discretions conferred on the Security Trustee or any Receiver and it hereby ratifies and confirms and agrees to ratify and confirm whatsoever any such attorney shall do or purport to do by virtue of this Clause 16 and all money expended by any such attorney shall be deemed to be expenses incurred by the Security Trustee hereunder.

19. **CONTINUING SECURITY**

The security constituted by or pursuant to this Trust Debenture shall be a continuing security for the Secured Obligations and shall not be considered as satisfied or discharged by any intermediate payment or settlement of the whole or any part of the Secured Obligations but shall constitute and be a continuing security for the Secured Obligations notwithstanding any settlement of account or other matter whatsoever and is in addition to and shall not merge with or otherwise prejudice or affect any contractual or other right or remedy or any guarantee, lien, pledge, bill, note, mortgage or other security (whether created by the deposit of documents or otherwise) now or hereafter held by or available to the Security Trustee for or in respect of the Secured Obligations or any other obligations whatsoever and shall not be in any way prejudiced or affected thereby or by the invalidity thereof or by the Security Trustee now or hereafter dealing with, exchanging, releasing, varying or abstaining from perfecting or enforcing any of the same or any rights which it may now or hereafter have or giving time for payment or indulgence or compounding with any other person liable.

20. **AVOIDANCE OF PAYMENTS**

No assurance, security or payment which may be avoided or adjusted under any applicable law, and no release, settlement or discharge given or made by the Security Trustee or any Receiver on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Security Trustee or any Receiver to recover from all or any the Companies (including any moneys which it may be compelled by due process of law to refund pursuant to the provisions of any law relating to liquidation, administration, bankruptcy, insolvency or creditors' rights generally and any costs payable by it to or otherwise incurred in connection with such process) or to enforce the security created by or pursuant to this Trust Debenture to the full extent of the Secured Obligations.

21. **SET-OFF**

Without prejudice to any right of set-off or any similar right to which each Beneficiary may be entitled at law or in equity or by agreement between the parties and, without prejudice to anything else herein contained, each Beneficiary may at any time following the occurrence of an Event of Default without notice to or further authorisation from any Company combine and consolidate all or any accounts of any and/or all of the Companies with such Beneficiary anywhere and/or set off any moneys whatsoever and whether on current, deposit or any other account and in whatever currency or currencies against any moneys or liabilities whatsoever in whatever currency which may be due, owing or incurred by any and/or all of the Companies to such Beneficiary whether actually or contingently and whether or not any period of any deposit or by reference to which interest therein is calculated has expired and any conversion from one currency to another for the purpose of any of the foregoing shall be made at the Beneficiary's then prevailing spot selling rate at its office by which such conversion is made.

22. **SUBSEQUENT CHARGES AND NEW ACCOUNTS**

If a Beneficiary shall at any time receive or be deemed to have received notice of any subsequent mortgage or charge affecting the Charged Property or any part thereof or any assignment or transfer thereof which is prohibited by the terms of this Trust Debenture:

- (i) that Beneficiary may open a new account or accounts for the Company concerned in its books; and
- (ii) if that Beneficiary does not in fact open such new account, then unless it gives express written notice to the Company concerned to the contrary, such Beneficiary shall be treated as if it had in fact opened such account or accounts at the time when it received or was deemed to have received such notice,

and as from such time and when such express written notice shall be given to the Company concerned, all payments by or on behalf of the Company concerned to such Beneficiary shall be credited or treated as having been credited to such new account or accounts and not as having been applied in reduction of the Secured Obligations at such time.

23 SEVERABILITY

If at any time any one or more of the provisions hereof is or becomes invalid, illegal or unenforceable in any respect under any law or regulation, such illegality, invalidity or unenforceability shall not affect the legality, validity or enforceability of the remaining provisions or the effectiveness of any of the remaining security constituted by this Trust Debenture under such law.

24 ASSIGNMENT

- 24.1 This Trust Debenture shall be binding upon and inure to the benefit of each of the parties and their respective successors and permitted assigns and references in this Trust Debenture to any of them shall be construed accordingly.
- 24.2 Except with the prior written consent of the Security Trustee, the Company may not assign or transfer all or any of its rights, benefits or obligations under this Trust Debenture. The Security Trustee may not assign all or any part of its rights, benefits or obligations under this Trust Debenture other than to any of its subsidiaries or, with the prior written consent of Adare (such consent not to be unreasonably withheld), any bank licensed and/or authorised by the Central Bank of Ireland or by the Bank of England.

24.3 The Security Trustee may assign or transfer all or any part of its rights, benefits or obligations under this Trust Debenture or any part thereof to any new or replacement trustee or trustees acting as Security Trustee properly substituted in accordance with the terms of the Facilities Agreement. Where the Security Trustee assigns or transfers its rights, benefits or obligations or any part thereof, each Company shall execute such documents as the Security Trustee may specify to release the Security Trustee to the extent of the assignment or transfer or with a view to perfecting such assignment or transfer, or where necessary, shall execute further security documentation in favour of the assignee or transferee in like form to this Trust Debenture.

24.4 The Security Trustee may disclose to a potential assignee or to any person who may otherwise enter into contractual relations with the Security Trustee in relation to this Trust Debenture such information about any and/or all of the Companies and this Trust Debenture as the Security Trustee considers appropriate.

25. **CERTIFICATE OF THE AGENT CONCLUSIVE**

A certificate signed by an officer of the Agent as to the amount at any time hereby secured or as to any applicable rate of interest shall, as against the Companies, be conclusive evidence as to the amount thereof.

26. **NO WAIVERS, REMEDIES CUMULATIVE**

Time shall be of the essence with respect to the obligations of the Companies under this Trust Debenture but no failure to exercise, nor any delay in exercising on the part of the Security Trustee, any right or remedy under this Trust Debenture or any other document will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies provided by this Trust Debenture are cumulative and not exclusive of any rights or remedies provided by law and may be exercised as often as the Security Trustee thinks appropriate.

27 **COSTS AND EXPENSES**

27.1 All costs and expenses (including any tax liability and any legal costs and, in each case, value added tax or any similar tax charged or chargeable in respect thereof) incurred by the Security Trustee or, as the case may be, any Receiver:

- (i) in the negotiation, preparation and execution of this Trust Debenture and the completion of the transactions contemplated herein;
- (ii) in the exercise of any of the rights, remedies and powers conferred on the Security Trustee or, as the case may be, any Receiver, by this Trust Debenture or in the perfection or enforcement of any other security for or guarantee in respect of the Secured Obligations or in connection with any proceedings instituted by or against the Security Trustee in relation to the title to the whole or any part of the Charged Property, and
- (iii) as a consequence of or holding the security constituted by this Trust Debenture or any claims or proceedings in relation thereto or to any of the Charged Property,

shall be reimbursed by the Companies to the Security Trustee on demand on a full indemnity basis and shall carry interest from the date of such demand until so reimbursed at the date and otherwise as mentioned in Clause 2.2.

27.2 Each Company shall pay all stamp, registration and other taxes to which this Trust Debenture or any judgment in connection herewith is or at any time may be subject and shall indemnify the Security Trustee against any liabilities, costs, claims and expenses resulting from any failure to pay or delay in paying such tax

27.3 The cost of each Company complying with any of its obligations under the Debenture (including, without limitation, its obligations under Clause 5) shall be borne by each Company.

28. **PAYMENTS**

The provisions of the Facilities Agreement relating to the payments to be made thereunder (including, without limitation, Clause 23 thereof which regulates what is to happen if a Borrower is required by law to make a deduction or withholding from

any such payment) shall apply mutatis mutandis to payments to be made hereunder as if references therein to "Borrower" and "Borrowers" were to "Company" and "Companies".

29. **NOTICES**

- 29.1 Any notice or other communication to be given under or for the purposes of this Trust Debenture shall be in writing and shall be treated as properly served or given if hand delivered or sent by registered post or facsimile to the relevant person at the address or facsimile number identified below (or such other address or facsimile number as that person may have designated in writing from time to time to the person giving the notice):

Bank	Address:	Bankcentre Ballsbridge Dublin 4
	Facsimile No:	260-1783
	Attention:	AIB Corporate Banking Catherine Moroney Donnchadh O Madagáin Bernard Carroll
Company	Address:	Hugenot House 35/38 St. Stephen's Green Dublin 2
	Facsimile No:	661-3968
	Attention:	B.N. Loane P.E. Lynch J. Coll

- 29.2 Any notice or other communication shall be deemed to have been received by the recipient:

- (i) in the case of a letter which is hand delivered, when actually delivered and, in the case of a letter which is sent by registered post, on the second day after posting (or on actual receipt, if earlier); or

- (ii) in the case of transmission by facsimile, at the time of transmission provided that any communication or document to be made or delivered to the Security Trustee shall be effective only when received by the Security Trustee and then only if the same is expressly marked for the attention of the officer referred to above (or such other officer as the Security Trustee may from time to time specify for this purpose).

29.3 Each person making a communication under this Trust Debenture by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant hereto but the absence of such confirmation shall not affect the validity of any such communication.

30. CURRENCY JUDGMENT

30.1 If any sum due from any or all of the Companies under this Trust Debenture or any order or judgment given or made in relation thereto has to be converted from the currency (the "first currency") in which the same is payable thereunder or under such order or judgment into another currency (the "second currency") for the purpose of:

- (i) making or filing a claim or proof against any or all of the Companies; or
- (ii) obtaining an order of judgment in any court or other tribunal; or
- (iii) enforcing any such order or judgment,

the Companies agree to indemnify and hold harmless the Security Trustee from and against any loss suffered as a result of any discrepancy between:

- (a) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency; and
- (b) the rate or rates of exchange at which the Security Trustee is able to purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

- 30.2 The rate or rates of exchange aforesaid shall be determined by the Security Trustee in accordance with applicable market practice and the Security Trustee's certificate as to the amount of any such rate shall be conclusive, save in the case of manifest error.

31. **COUNTERPARTS**

This Trust Debenture may be executed in any number of counterparts and by the different parties to this Trust Debenture on separate counterparts, each of which, when executed and delivered, shall constitute an original, but all the counterparts shall together constitute but one and the same instrument.

32. **GOVERNING LAW**

This Trust Debenture shall be governed by and construed in accordance with the laws of England.

The perpetuity period under the rule against perpetuities if applicable to this Trust Debenture shall be the period of 80 years from the date of this Trust Debenture.

IN WITNESS whereof this Trust Debenture has been signed as a deed and delivered the day and year first above written.

THE FIRST SCHEDULE

(Details of Companies)

Name	Registration No.
Adare Printing Group (UK) Limited	2387953
Kenley Press Limited	778663
Darley Business Forms Limited	405648
Quorum Technical Services Limited	1720724
WBF Limited	2814431
William Caple & Company Limited	501084
Label Converters Limited	1203292
Adare Properties (UK) Limited	2931068
Great Northern Envelope Company Limited	2212509
Alexander Pettigrew Limited	2917499
Park Mill Business Forms Limited	3014889
Pillings Printing Group Limited	120184

THE SECOND SCHEDULE

(Details of Properties)

Part I

Unregistered Land

Estate Owner	Short Description
1. WBF Limited (formerly Park Mill Business Forms Limited) No. 2814431	Leasehold property known as land and buildings at Wakefield Road, Clayton West, Huddersfield comprised in a Lease dated 23rd July 1993 made between (1) John Waddington Properties Limited and (2) Park Mill Business Forms Limited
2. Quorum Technical Services Limited No. 1720724	Leasehold property known as Units 1, 4, 9 and 10 Sandford Park Trading Estate, Cheltenham comprised in a Lease dated 19th April 1985 made between (1) Stonehouse Investments (Cheltenham) Limited and (2) Quorum Technical Services Limited
3. WBF Limited (formerly Park Mill Business Forms Limited) No. 2814431	Leasehold property known as 41-51 Blackburn Street, Radcliffe, Bury, Greater Manchester comprised in a Lease dated 25th March 1990 made between (1) Trustees of the London United District of the Ancient Order of Foresters Friendly Society and (2) Waddington Business Forms Limited
4. WBF Limited (formerly Park Mill Business Forms Limited) No. 2814431	Leasehold property known as Unit 8, Willow Road, Poyle comprised in a Lease dated 14th June 1989 made between (1) B Hamoud, R H Bader and others and (2) Waddington Business Forms Limited

Part II

Registered Land

Estate Owner	Short Description	Title No(s)
1. William Caple and Company Limited No. 501084	Freehold land and buildings at Morledge Street, Leicester	LT9176, LT7772, LT11652, LT19436, LT32583, LT64969, LT88969 and LT26063
2. Alexander Pettigrew Limited No. 2917499	Freehold property known as Main Street, Coatbridge, Glasgow	LAN45798 and LAN74818

3.	Adare Properties (UK) Limited No. 2931068	Freehold land and buildings at Falconer Road, Haverhill, Suffolk	SK141185
4.	Great Northern Envelope Company Limited No. 2212509	Freehold property known as Maserati House, Gelderd Road, Leeds	WYK523798
5.	Great Northern Envelope Company Limited No. 2212509	Freehold property being land and buildings on the north-west side of Ingram Road, Holbeck	WYK556729
6.	Darley Business Forms Limited No. 405648	Leasehold land and buildings on the north-west side of and fronting Wellington Road, Burton-on-Trent	SF297544
7.	Kenley Press Limited No. 778663	Leasehold property known as Unit 5, Walter Lawrence Trading Estate, Brewers Hill Road, Dunstable	BD83874
8.	Pillings Printing Company Limited	Freehold property being land and buildings on the north side of Elland Land, Elland, West Yorkshire	WYK417419

THE THIRD SCHEDULE

(Dormant Companies)

	Registration Number
Great Northern Printing Company Limited	2532394
The Re-cycled Envelope Company Limited	2488269
Great Northern Direct Mail Company Limited	2470809
Great Northern Packaging Company Limited	2363934

THE FOURTH SCHEDULE

Part I

(Form of Notice of Assignment of the Hedging Agreement)

To: [Hedging Counterparty]

From Adare Printing Group (UK) Limited

Date:

Dear Sirs,

We hereby give you notice that we have assigned by way of security pursuant to a trust debenture entered into by us in favour of Allied Irish Banks, p.l.c. as security trustee for itself and others (the "Security Trustee") dated [] 1996 (the "Trust Debenture") all our right, title and interest in and to the Hedging Agreement (the "Agreement") to the Security Trustee.

After your receipt of a notice from the Security Trustee that its rights as assignee under the Trust Debenture have become exercisable:

- (i) all payments under or arising from the Agreement should be made to the Security Trustee or to its order;
- (ii) all remedies provided for in the Agreement or available at law or in equity shall be exercisable by the Security Trustee;
- (iii) all rights to compel performance of the Agreement shall be exercisable by the Security Trustee,
- (iv) all rights, interest and benefits whatsoever accruing to or for the benefit of ourselves from the Agreement shall belong to the Security Trustee.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Trustee as Bankcentre, Ballsbridge, Dublin 4, marked for the attention of AIB Corporate Banking, Ms. Catherine Moroney/Mr. Donnchadh O'Madagáin.

Yours faithfully,

for and on behalf of
ADARE PRINTING GROUP (UK) LIMITED

PART II

(Acknowledgement)

To: Allied Irish Banks, p.l.c.

From: Hedging Counterparty

Adare Printing Group (UK) Limited

We acknowledge receipt of a Notice from Adare Printing Group (UK) Limited (the "Company") dated [] 1996 in respect of the Hedging Agreement (the "Agreement").

We confirm that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits referred to in the Notice.

In consideration of the payment to us of £1 receipt of which we hereby acknowledge, we hereby agree as follows:

1. If you issue to us a notice (a "Default Notice") that your rights under the Trust Debenture have become exercisable we shall thereafter:
 - (a) pay to you at such account as you may nominate all amounts from time to time payable by us under the Agreement;
 - (b) perform, observe and comply with all our other undertakings and obligations under the Agreement in your favour and for your behalf as if you were named as a party therein instead of the Company; and
 - (c) if you so request, enter into an agreement with you or your nominee, on the same terms (*mutatis mutandis*) as the Agreement.
2. If the Company is in breach of any of its obligations, express or implied, under this Agreement or if any event occurs which would permit us to terminate, cancel or surrender the Agreement we will:

- (a) immediately upon becoming aware of it, give you notice of such breach or event;
- (b) accept as adequate remedy of any such breach, performance of such obligation (by you within seven days written notice); and/or
- (c) if you so request, enter into an agreement with you on terms identical to the Agreement subject to all necessary modifications.

3. We agree that after issue by you of a Default Notice, we shall not recognise the exercise by the Company of any of its rights and powers under the Agreement unless and until requested to do so by you.

Yours faithfully,

For and on behalf of

[]

By:

Dated:

THE FIFTH SCHEDULE

(Details of Chattels)

SEE ATTACHED LIST

FROM WBF PARKMILL

(TUE) 04. 16' 96 17:12/ST. 17:12/NO. 3580176864 P 2

W.B.F. LTD

Description	Title	N.B.V. 31.3.96	- Market Value 31.3.96	Serial Number
Strobbs Photocomposing M/C	Owned	122500	115000	625 Type 400
Flexi 3	"	-	70000	018 Series 8202
Morgan 1	"	-	55000	Disposed of April
Morgan 2	"	30000	55000	Disposed of April
Muller Martini 6 colour Graphia press	"	373400	360000	99.24902
Stevens Press	"	98259	80000	2494
Giebelor Rotaflex 627	"	-	60000	3095
NDX High Speed Printer	"	81261	80000	40109
8 Series folder inserter	"	155000	180000	3194
Hunkeler web finishing system	"	71546	120000	52569/2
Muller Martini Mail-a-Form Press 963	"	186951	160000	99.2459-D140
Drant 3 962	"	84760	120000	Missing
Bielomatik Jumbo Mailer Collator 974	"	186746	220000	P67 - 387
Elmjet Ink Jet printer	"	102054	50000	No number
Flexi	"	15000	70000	092 Series 92-11-86
Drant 960	"	42701	120000	112504900/358
Giebelor 628 (43795) Type R480	"	43795	60000	Type R480 3308
Muller 959	Leased *	10220	160000	Type 2024 938-11-OB234782

*Secondary Rental

16-APR-1996 14:52 FROM GREAT NORTHERN ENVELOPES TO ADARE

P.02

GNEC 1996

Charged Listing at 30 March 1996...

	Description	Title	Expiry	NBV £	M.V £	Chassis No.
1	Waste Extraction system	Leased	5/98	68000	20000	R1133/4
2	W&D 328GS	Leased	3/98	108000	155000	11127
3	W&D 3901	Leased	10/97	173000	200000	8624
4	Heideburg 102VP Speedmaster 4 col	Leased	5/98	222000	300000	526592
5	RA800	Leased	2/01	539000	530000	4816
6	Whitacre 2 col press	Owned		50000	20000	92162
7	W&D 38 GS	Owned		51000	65000	8690
8	W&D 38 CS	Owned		65000	86000	8862
9	Heideburg Speedmaster 5 col	Owned		231000	235000	521828
10	Ingram Road property	Owned		411000	250000	n/a
11	Maserati House property	Owned		487000	450000	n/a

Market Values provided by R.Croisdale/S.Dobinson

TOTAL P.02

Fax sent by : 01236 424591

ALEXANDER PETTIGREW 44-224 16/04/96 16:48 Pg: 1

MEMORANDUM

To : Peter E Lynch

From : Mike Sanderson

Date : 16 April 1996

ALEXANDER PETTIGREW LTD

CHATTEL LISTING

ASSET

ASSET	DATE PURC	EST LY	COST 31/03/96	TITLE	N.B.V. 31/03/96	MARKET VALUE	SERIAL / CHASSIS NUMBER
LAND & BUILDINGS (COATBRIDGE)	1994	50	250,000	OWNED	244,400	240,000	
MULLER GRAPHIA PRINTING PRESS (2 unit)	1982	10	138,792	OWNED		50,000	242605B461/63
MORGAN REEL TO REEL COLLATER	1984	10	78,712	OWNED		5,000	NONE FOUND
MULLER GRAPHIA PRINTING PRESS (3 unit)	1984	10	180,585	OWNED		75,000	835871A015/61
MIYAKOSHI PRINTING PRESS (2 unit)	1985	10	130,475	OWNED		40,000	NONE FOUND
PURUP ORIGINATION SYSTEM	1985	5	61,287	OWNED		2,000	0076
PURUP UPGRADE	1989	5	141,339	OWNED		2,000	
COLOR J PRINTING PRESS	1986	10	220,891	OWNED	4,830	20,000	5154-686
JUNIOR PRINT PRINTING PRESS	1988	10	72,943	OWNED	11,593	25,000	1172
MIYAKOSHI PRINTING PRESS (4 unit)	1988	10	262,274	OWNED	43,463	100,000	B70 MODER MBF
BAMA 3000 PACK TO PACK COLLATOR	1993	10	57,031	OWNED	39,075	25,000	M2829
TOTALS			1,594,339		88,961	584,000	

17/04/96

17:28

AIB CORPORATE BANKING

NO. 311

029

18/04 '98 15:27

FAX 0116 253 1807

WILLIAM CAPLE

--- ADARE

0002

WILLIAM CAPLE & CO LTD

CHATTTEL LISTING

14.4.98

ASSETS ABOVE #50000

DESCRIPTION	TITLE	COST	NBV 30.4.91	MV 30.4.91	SERIAL NUMBER
MULLER-MARTINI STITCHER	OWNED	125945	0	30000	99 08734 C148
HEIDELBERG CPC UNIT	OWNED	63157	8474	5000	318
HEIDELBERG 5 COLOUR	OWNED	518183	107855	300000	524715
HEIDELBERG 4 COLOUR	OWNED	483311	142424	240000	526394
HEIDELBERG 2 COLOUR	OWNED	305823	104404	160000	527178
HEIDELBERG 6 COLOUR	OWNED	680003	263542	400000	528133

THE LAND & BUILDINGS ARE VALUED AT 875000 WITH NBV 911708

DARLEY BUSINESS FORMS LIMITED

CHATTEL LISTING

(£50,000)

DESCRIPTION	TITLE	NBV @31/3/96	MV @31/3/96	CHASSIS NUMBER
DRENT GAZELLE	OWNED	30,000	100,000	11256053
DRENT 2	OWNED	93,000	100,000	11256300
6 COLOUR HEIDELBERG	HP AGREEMENT PAID FOR MAR 2000	412,000	445,000	520 193

10 APR '96 16:20 LABEL CONVERTERS LTD 0440 62505

P.2

Label Converters Limited**Chattels list at 30 March 1996**

Description	Title (Owned/Lessed)	Net Book Value 30 March 1996	Market Value 30 March 1996
Mark Andy 4120 12120 412476107-413 30840 6775	Owned	48,712	
Mark Andy 4120 12120 412476107-413 30840 6775	Owned	29,562	
Mark Andy 4120 12120 412476107-413 30840 6775	Owned	37,597	
Mark Andy 4120 12120 412476107-413 30840 6775	Owned	103,541	
Mark Andy 4120 12120 412476107-413 30840 6775	Owned	64,116	
Kopack 10 Colour 818 27076	Owned	90,761	Estimate £170k
Kopack 9 Colour 817 17025	Owned	87,759	Estimate £170k
Kopack 9 Colour 817 17025	Owned	134,650	Estimate £170k

FRAN R.R. DONNELLEY MARKETING SERVICES
FRAN DONNELLEY

04.10.1996 13:12

NO. 34 P. 1

Marketing Services / PM&F Limited

I **ALSHINE**

To: PETER LYNCH

Fax No: 00 353 1661 3968

Organization: ADARE

From: ROBERT

Fax No: 01274-370748 Campus Road
01274-463303 Mailing Services

Subject: SERIAL NO'S

Date: 16/4/96 Time: 4:10PM

Number of pages including cover sheet: 1

Additional information:

THE SERIAL NUMBER OF OUR

4135 BARK XEROX LASER PRINTER IS:

1105205003

REGARDS

ROBERT.

17/04/96

17:29

AIB CORPORATE BANKING

NO.311

D14

KENLEYPRESS

0502+605000

P.01

MEMORANDUM

KENLEY
PRESS LIMITED

To: Peter Lynch

Date: 16 April 1996

From: Helen Brooklasby

Re: Chassis Numbers

Heidelberg Speedmaster - 4 Colour

Machine No: HD 72 VP 516.127

**FORWARDED AND
RECEIVED**

Unit 5
Lawrence Way
Brewers Hill
Dunstable
Herts. LU6 1BN

PILLINGS

Plant & Machinery Asset Register

7.2

4.

D'preciation Rate	Date of Acquisition	Description	Cost	Aggregate D'preciation (As at 30 Sept. 1995)	NBV
-------------------	---------------------	-------------	------	--	-----

Complete for large kit items representing in total 80% of value
Description should include the asset chassis number or some means of identification

15%
2.3.

Aug. 1991	1-Humbler Mini Mailer Line comprising 330-1-30/4 M30 Folder No. 515600/134/1104/03 with 4 plate folds & guarding, continuous stream feeder, slitter, power operated delivery unit, Refra Glue applicator with control unit. Type M2M 800-1 Humbler Gluing unit 120, 527 15/3 in 2 sections each with 6 channel controller. 2 Refra 30 Hot Melt Glue Tanks on one portable stand with 2 Model IK11 Microprocessor hot melt distribution control units. Type F102, 81/8 M20 Folding Unit 120, 80100240/ 700612559 with 8 plate folds with guarding	£137330.00	£76395.95	£60934.05
June 1992	Preparing Folder for gluing & 2 Gully cut damper	£ 547.00	261.46	285.54
Sept. 1992	1-OM9 Multiple P850 Press Sticker Serial 120.923	£ 13850.00	6620.21	7229.79
Aug. 1993	1-AX202 Refra 49 Hot Melt Glue Tanks	£ 5083.35	1961.54	3121.81

15%
2.3.

Dec. 1989	1-Model CFF Omega binder Cutter, Slitter, Trimmer No. 53046 with 4 Roller Station 22 Knife unit, ET46 cross cutter	£ 70000.00	£43599.53	£26400.47
Dec. 1992	Holmer Stripping Heads for flat or loop stripping	£ 4240.00	1636.11	2603.89

15%
2.3.

Jan. 1991	1-M20-22 Knife Unit & Caten socket	£ 70000.00	3894.06	3105.94
-----------	---------------------------------------	------------	---------	---------

Sheet1

Pillings Printing Company Limited

Chattel Listing

Land & Buildings

Freehold land, warehouse, office, production Area at Elland Lane, Elland

Plant & Machinery

Komori Lithrone L52811 (ESA) 5 colour offset printing press s/n 223

Didde VIP Web 8 unit printing machine with extraction hoods etc. - s/n 471-0025

Didde VIP Web 10 unit printing machine with accessories etc. - s/n 471-0028

Hunkeler Mini Mailer c/w accessories *see attached*~~Omegabinder - Gatherer, Stitcher, trimmer c/w knife unit~~


Title	NBV	MKT Value
	30/03/96 STGE000	30/03/96 STGE000
Owned	560	850
HP	400	400
Owned	159	100
Lease	199	150
HP	56	60
Owned	24	28

15%
2.3.15%
2.3. 3.


THE COMPANIES


SIGNED as a deed on behalf of)
ADARE PRINTING GROUP (UK))
LIMITED in the presence of:)

Director* 

Director/Secretary 


SIGNED as a deed on behalf of)
KENLEY PRESS LIMITED)
in the presence of:)

Director* 

Director/Secretary 


SIGNED as a deed on behalf of)
DARLEY BUSINESS FORMS)
LIMITED)
in the presence of:)

Director* 

Director/Secretary 

SIGNED as a deed on behalf of)
QUORUM TECHNICAL SERVICES)
LIMITED in the presence of:)

Director* 

Director/Secretary 

*(to be signed by either
(Mr. Loane or Mr. Lynch in his
(capacity as director of both
(Adare Printing Group plc and
(this Company

SIGNED as a deed on behalf of)
PARK MILL BUSINESS FORMS)
LIMITED in the presence of:)

Director* 

Director/Secretary 

SIGNED as a deed on behalf of)
WILLIAM CAPLE & COMPANY)
LIMITED in the presence of:)

Director* 

Director/Secretary 

SIGNED as a deed on behalf of)
LABEL CONVERTERS LIMITED)
in the presence of:)

Director* 

Director/Secretary 

SIGNED as a deed on behalf of)
ADARE PROPERTIES (UK) LIMITED)
in the presence of:)

Director* 

Director/Secretary 

*(to be signed by either
(Mr. Loane or Mr. Lynch in his
(capacity as director of both
(Adare Printing Group plc and
(this Company

SIGNED as a deed on behalf of
**GREAT NORTHERN ENVELOPE
COMPANY LIMITED**
in the presence of:

Director*

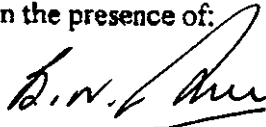


Director/Secretary



SIGNED as a deed on behalf of
**ALEXANDER PETTIGREW
LIMITED** in the presence of:

Director*

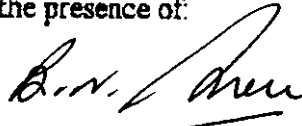


Director/Secretary

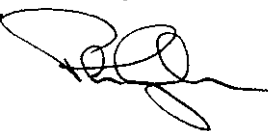


SIGNED as a deed on behalf of
**PILLINGS PRINTING COMPANY
LIMITED** in the presence of:

Director*

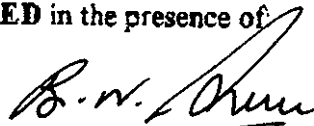


Director/Secretary

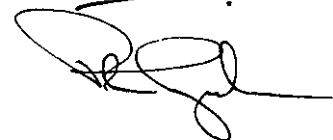


SIGNED as a deed on behalf of
WHF LIMITED in the presence of:

Director*



Director/Secretary



*(to be signed by either
(Mr. Loane or Mr. Lynch in his
(capacity as director of both
(Adare Printing Group plc and
(this Company


~~THE BANK~~

The Security Trustee

ALLIED IRISH BANKS, p.l.c.

By:




707546RBJ/PAM/BF0155460.05

Draft (4) : 18.04.96
707346/RBJ/PAM/BF0155460.05

THIS COMPOSITE TRUST DEBENTURE dated
1996

BETWEEN:

- (1) THE COMPANIES listed in the First Schedule (the "Companies" and each "Company"); and
- (2) ALLIED IRISH BANKS, p.l.c. having its registered office at Bankcentre, Ballsbridge, Dublin 4, Ireland in its capacity as Security Trustee for the Beneficiaries (as defined herein) of the security constituted by this Trust Debenture (the "Security Trustee").

RECITALS:

1. By a facilities agreement dated [] between (1) Adare Printing Group PLC, (2) and (3) Adare Printing Group (UK) Limited and Mount Salus Press Limited, #(4) the Overdraft Borrowers, #(5), (6) # (7) and (8) Allied Irish Banks, p.l.c. as Arranger, Agent, Security Trustee, Issuing Bank and Overdraft Bank and #(9) the financial institutions referred to in the first schedule thereof (the "Facilities Agreement"), the Banks have agreed to make certain credit and other facilities available to the Borrowers upon the terms and subject to the conditions set out in the Facilities Agreement.
2. It is one of the conditions to the availability of the Facilities that each Company executes this Trust Debenture and provides to the Security Trustee the security created by this Trust Debenture.
3. The Security Trustee has agreed to act as trustee of the security constituted by this Trust Debenture and to hold the benefit thereof on trust under the terms and conditions of the Facilities Agreement.

THIS TRUST DEBENTURE WITNESSETH as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 Words and expressions defined in the Facilities Agreement and not otherwise defined herein shall, unless there is something in the subject or the context which is inconsistent therewith, bear the same meaning herein as in the Facilities Agreement.

This is Appendix "B" referred to in the declaration of the directors of William Caple & Company Limited declared before on the 19th day of April 1996

Before me

J. M. WAITE

Solicitor empowered to administer Oaths
Leicester

[Signature]
David J. Griffin

Draft (4) : 18.04.96
707546/RBJ/PAM/BF0155460.05

1.2 In this Trust Debenture:

"Act" means the Law of Property Act 1925;

"Adare" means Adare Printing Group Plc;

"Bank Balances" means all existing and future debts represented by credit balances on accounts at, or deposits with, the Security Trustee or any other Beneficiary or any other bank or financial institution;

"Beneficiaries" means at any time the Arranger, the Agent, the Security Trustee, the Banks at such time and the Hedging Counterparties and their respective successors, transferees and assigns and "Beneficiary" means any of them;

"Borrowers" and "Borrower" have the meanings given to those terms in the Facilities Agreement;

"Charged Property" means the undertaking and assets of each Company both present and future charged in favour of, or assigned (whether at law or in equity) to, the Security Trustee by or pursuant to this Trust Debenture;

"Claims" means all things in action which may give rise to a debt, revenue or claim and all other rights and remedies of whatever nature in respect of the same including, without limitation, all negotiable and non-negotiable instruments, guarantees, indemnities, rights of tracing and security interests;

"Debts" means all the existing and future book and other debts due or owing to the Company (whether originally incurred to the Company or subsequently assigned to it) and the full benefit of all rights and remedies relating thereto, including, without limitation, all negotiable and non-negotiable instruments, guarantees, indemnities, rights of tracing and security interests;

"Environment" means:

- (i) land including the sea bed and any natural or man-made structures;

Draft (4) : 18.04.96
707546/RBJ/PAM/BF0155460.05

- (ii) water including rivers, lakes (man-made or natural), canals, the ocean (whether within or without territorial waters), ground waters and waters in drains and sewers; and
- (iii) air including air within buildings and other natural and man-made structures above or below ground;

"Environmental Laws" means all and any applicable laws, including common law, statute, bye-law and subordinate legislation, European Community Regulations and Directives and judgments and decisions, including notices, orders or circular, of any court or authority competent to make such judgment or decision compliance with which is mandatory for any Company in any jurisdiction with regard to:

- (i) the pollution or protection of the Environment;
- (ii) harm to the health of humans, animals or plants including laws relating to public and workers' health and safety;
- (iii) emissions, discharges or releases into the Environment of chemicals or any other pollutants or contaminants or industrial, radioactive, dangerous, toxic or hazardous substances or waste (whether in solid, semi-solid, liquid or gaseous form and including noises and genetically modified organisms); or
- (iv) the manufacture, processing, use, treatment, storage, distribution, disposal, transport or handling of the substances or wastes described in (iii) above;

"Environmental Permits" means all and any permits, licences, consents, approvals, certificates, qualifications, specifications, registrations and other authorisations including any conditions which attach to any of the foregoing and the filing of all notifications, reports and assessments required under Environmental Laws for the operation of any business from or using any of the Charged Property or the occupation or use of all or any of the freehold, leasehold or immovable property of any Company;

"Event of Default" means any event, howsoever described, specified in any of the Finance Documents as an event upon the occurrence of which the Security Trustee becomes entitled to call for early repayment of all or any of the Secured Obligations

Draft (4) : 18.04.96
707546/RBJ/PAM/BF0155460.05

or any failure by any Company to pay or repay on demand all or any of the Secured Obligations which are so payable;

"Fixed Charge Property" means the assets of each Company described in Clauses 3.1(a) to # 3.1(l) inclusive;

"Floating Charge Property" means the assets of each Company described in Clause # 3.1(m);

"Haverhill Premises" means the freehold property situate at Falconer Road, Haverhill, Suffolk described in Part II of the Second Schedule and owned by Adare Properties (UK) Limited;

"Planning Acts" means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Local Government Planning and Land Act 1980 and any other legislation of a similar nature;

"Properties (UK) First Charge" means the legal charge dated 17th May 1994 and made between Adare Properties (UK) Limited (1) and John Waddington Properties Limited (2) and registered on 25th May 1994 over the Haverhill Premises;

"Receiver" means any one or more receivers and/or managers appointed by the Security Trustee in respect of any Company or over all or any part of the Charged Property;

"Secured Obligations" means all monies, obligations and liabilities covenanted or guaranteed to be paid or discharged by the Companies under Clause 2 of this Trust Debenture; and

"Shares" means, in relation to a Company, all the shares of any class in the capital of any company which are now, or at any time hereafter, owned by that Company or in which that Company has an interest.

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1.3 In this Trust Debenture:

- (a) the expressions "**Banks**", "**Security Trustee**", "**Beneficiary**", "**Hedging Counterparties**" and "**Company**" where the context admits shall include their respective successors and assigns; and
- (b) a "**Clause**" or a "**Schedule**" shall, unless otherwise stated, be construed as a reference to a clause or a schedule hereof.

1.4 Save where the contrary is indicated, any reference in this Trust Debenture:

- (a) to any statute or provision of any statute shall be deemed also to refer to any statutory modification, substitution or re-enactment thereof or any statutory instrument, order, regulation, bye-law, permission or direction made thereunder or under such modification, substitution or re-enactment;
- (b) to this Trust Debenture or any other agreement or document shall be construed as a reference to this Trust Debenture or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated or supplemented (and so that any reference to this Trust Debenture shall include, unless the context otherwise requires, any agreement or document expressed to be supplemental hereto or expressed to be collateral herewith or which is otherwise entered into pursuant to or in accordance with the provisions hereof);
- (c) to a "**person**" or "**persons**" include, without limitation, individuals, firms, corporations, government agencies, authorities and other bodies, incorporated or unincorporated and whether having direct legal personality or not;
- (d) to a company being "**dormant**" is a reference to it being dormant within the meaning given to that expression by section 250(3) of the Companies Act 1985, and
- (e) to a "**subsidiary**" is a reference to a subsidiary as defined by section 736 of the Companies Act 1985 (as substituted by section 144 of the Companies Act 1989).

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- 1.5 Clause and Schedule headings are for ease of reference only.
- 1.6 Words denoting the singular number shall include the plural number also and vice versa.

2. COVENANT TO PAY

- 2.1 The Companies hereby irrevocably jointly and severally covenant with the Security Trustee that they will on demand by the Security Trustee or as otherwise agreed with the Security Trustee discharge each and every liability which any Company may now or hereafter have to the Security Trustee and to the Beneficiaries (or any of them) # (whether solely or jointly with one or more persons, whether under this Trust Debenture or otherwise, whether as principal or as surety or in some other capacity and whether originally incurred by any Company or by some other person) and pay to the Security Trustee every sum (of principal, interest or otherwise) now or hereafter owing, due or incurred by any Company to the Security Trustee and to the Beneficiaries (or any of them) in respect of any such liabilities.
- 2.2 If any such liability becomes due (whether upon the making of a demand or otherwise), the Companies shall pay interest on such sums (after as well as before any judgment) during the period beginning on the date the liability becomes due and ending on the date of payment at the rate or rates (as may be appropriate) specified in Clause 18 of the Facilities Agreement for such other rate or rates as may be agreed between the Company concerned and the relevant Beneficiary and in the absence of such agreement [2%] above the relevant Beneficiary's base rate from time to time.

3. MORTGAGE, CHARGE AND ASSIGNMENT OF SECURITY

- 3.1 Each Company (and in relation to sub-clause (1), Adare Printing Group (UK) Limited only), with full title guarantee, as continuing security for the payment, performance and discharge of the Secured Obligations, hereby:
- (a) charges in favour of the Security Trustee by way of legal mortgage any freehold and leasehold land of the Company concerned referred to in the Second Schedule together in all cases with all buildings and (to the extent the same are not otherwise subject to a fixed charge hereunder) all

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fixtures (including trade fixtures) from time to time on every such property and all fixed plant and machinery both present and future therein or thereon;

(b) charges in favour of the Security Trustee all its estate, right, title and interests in any other land or buildings now belonging to the Company concerned and all future estates, interests and rights of the Company concerned in such lands, hereditaments and premises and in any other freehold or leasehold property vested in or held by or on behalf of the Company concerned from time to time together in all cases (to the extent the same are not otherwise subject to a fixed charge hereunder) all fixtures (including trade fixtures) and all fixed plant and machinery from time to time therein;

(c) assigns to the Security Trustee all of its rights, title and interest in and to the equipment and chattels specified under its name in the fifth Schedule;

(d) charges in favour of the Security Trustee all plant, machinery, equipment, goods and chattels (other than stock-in-trade) now or hereafter belonging to the Company concerned # together with all and any machines, equipment, goods, components, parts or any other items whatsoever from time to time installed therein or used in replacement or by way of substitution for all or any part thereof, other than any assets for the time being effectively assigned to the Security Trustee by way of mortgage under Clause 3.1 (c) above;#

#(e) assigns and agrees to assign in favour of the Security Trustee all rights and claims to which the Company concerned is now or may hereafter become entitled in relation to the freehold, leasehold or immovable property and the moveable property and other chattels mortgaged or charged hereunder including, without limitation, those against any manufacturer, supplier, or installer of such property, any builder, contractor or professional advisor engaged in relation to such property and any lessee, sub-lessee or licensee of any freehold, leasehold or immovable property mortgaged or charged hereunder and any guarantor or surety for the obligations of such person and, to the extent that any of the moveable property or other chattels mortgaged or charged hereunder is now or is at any time hereafter hired, leased or rented to any other person, the rights under the hiring, leasing or rental contract and any

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guarantee, indemnity or security for the performance of the obligation of such person and any other rights and benefits relating thereto;

- #(f) assigns and agrees to assign in favour of the Security Trustee all present and future rights, interest, title and benefit of the Company concerned to and in the proceeds of any of the insurances now or hereafter maintained or effected by the Company concerned to the extent the same are not otherwise subject to a fixed charge hereunder;
- #(g) charges in favour of the Security Trustee (subject to the provisions of Clause 8.2) all the rights, title, interest and benefit of the Company concerned to and in (i) the uncollected and unrealised Debts of the Company concerned, (ii) the collected and realised Debts of the Company concerned, (iii) the Bank Balances, (iv) the uncollected and unrealised Claims of the Company concerned and (v) the collected and realised Claims of the Company concerned;
- #(h) charges in favour of the Security Trustee the uncalled capital of the Company concerned;
- #(i) charges in favour of the Security Trustee the Shares and all other stocks, shares, bonds and securities of any kind whatsoever whether marketable or otherwise and all other interests (including but not limited to loan capital) of the Company concerned both present and future in every company, firm, consortium or entity wheresoever situate, including all dividends, interest and other distributions paid or payable in respect thereof and all allotments, accretions, offers rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of and/or incidental to the same and all stocks, shares, rights, money and property accruing thereto and/or offered at any time by way of conversion, redemption, bonus, preference option or otherwise in respect thereof;
- #(j) charges in favour of the Security Trustee all letters patent, trademarks, designs and utility models, copyrights, design rights, applications for registration of any of the foregoing and rights to apply for them in any part of the world, inventions, confidential information, know how and rights of like nature arising in relation to the foregoing, whether registered or unregistered, now or at any time hereafter belonging to the Company

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concerned and the benefit of all licences and other rights to use any of the same;

#(k) charges in favour of the Security Trustee all goodwill (including all brand names not otherwise subject to a fixed charge or assignment by or pursuant to this Trust Debenture) now or at any time hereafter belonging to the Company concerned;

#(l) charges, assigns and agrees to assign to the Security Trustee all of its rights, title, interest and benefit under or in respect of the Hedging Agreement; and#

#(m) charges in favour of the Security Trustee the whole of the Company concerned's undertaking, property, assets and rights whatsoever and wheresoever both present and future other than any assets for the time being effectively charged to the Security Trustee by way of fixed charge or effectively assigned (whether at law or in equity) to the Security Trustee or otherwise subject to an effective fixed security in favour of the Security Trustee including without limitation heritable property and all other property and assets in Scotland.

3.2 The mortgages and charges hereby created shall:

- (a) as regards the Fixed Charge Property, be first fixed mortgages and charges; and
- (b) as regards the Floating Charge Property, be a first floating charge;

save that in respect of the Haverhill Premises the security hereby created shall rank next after the security created by the Properties (UK) First Charge.#

3.3 On final payment and discharge of the Secured Obligations the Security Trustee will at the request and cost of the Companies release, surrender, re-convey or re-assign (as the case may be) to the Companies the property and assets mortgaged, charged and assigned by or pursuant to Clause 3.1.

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4. CRYSTALLISATION OF FLOATING CHARGE

4.1 The Security Trustee may at any time following the occurrence of an Event of Default by notice in writing to the company concerned convert the floating charge created by a company pursuant to Clause # 3.1(m) with immediate effect into a fixed charge as regards any property or assets specified in the notice.

4.2 Notwithstanding Clause 4.1 and without prejudice to any rule of law which may have a similar effect, the floating charge created by a Company pursuant to Clause # 3.1(m) shall automatically be converted with immediate effect into a fixed charge as regards all the assets subject to the floating charge in question and without notice from the Security Trustee to the Company concerned on:

- (a) the presentation of a petition for the compulsory winding-up of the Company concerned;
- (b) the convening of a meeting for the passing of a resolution for the voluntary winding-up of the Company concerned;
- (c) on the presentation of a petition for the making of an administration order in relation to any Company; or
- (d) the creation or attempted creation by the Company concerned of any security over all or any part of the Floating Charge Property without the prior consent in writing of the Security Trustee or the levying or attempted levying by any person of any distress, execution, sequestration or other process against any of the Floating Charge Property.

5. PERFECTION OF SECURITY AND FURTHER ASSURANCES

5.1 Adare Printing Group (UK) Limited shall deliver a notice to each Hedging Counterparty in the form of Part I of the Fourth Schedule and shall procure that an acknowledgment in the form of Part II of the Fourth Schedule is forthwith delivered by each such Hedging Counterparty to the Security Trustee.

5.2 Each Company shall execute such notices as the Security Trustee shall require of the security created under Clause 3.1. Each such notice shall be in the form approved by the Security Trustee and shall be addressed to person or persons as the Security

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Trustee shall determine (following the receipt by the Security Trustee of such information from the Companies as the Security Trustee may require in relation to the property and assets of the Companies subject to the security) and the Security Trustee may at any time deliver such notices to the addressees thereof.

- 5.3 Each Company shall promptly notify the Security Trustee of any proposal or contract for the acquisition by, or conveyance, grant, lease, transfer or other disposition to it or any nominee on its behalf of any freehold or leasehold or other immovable property and, on demand made to the Company concerned by the Security Trustee and at the cost of the Company concerned, execute and deliver to the Security Trustee a legal mortgage or legal charge supplemental to this Trust Debenture in favour of the Security Trustee of any freehold, leasehold or other immovable properties which become vested in it after the date hereof and all fixtures and fittings (including trade fixtures and fittings) therein to secure the payment or discharge of the Secured Obligations in such form as the Security Trustee may require provided that the Company concerned shall not be required when granting such additional security to enter into covenants and/or obligations more onerous than those contained herein unless the same are required for the effective creation or enforcement of such additional security or for the protection of the Security Trustee. In the case of any leasehold property in relation to which the consent of the landlord in whom the reversion of that lease is vested is required in order for a Company to perform any of the foregoing obligations, such Company shall not be required to perform that particular obligation unless and until it has obtained the landlord's consent (which it shall use its reasonable endeavours to do).
- 5.4 In the case of any freehold, leasehold or other immovable property acquired by any Company or any nominee after the execution of this Trust Debenture forming part of the Charged Property title to which (either before or after the acquisition thereof) is registered under the Land Registration Acts 1925 to 1988, the Company concerned shall promptly notify the Security Trustee of the title number(s) and contemporaneously with the making of an application to H.M. Land Registry for the registration of the Company concerned or its nominee (as the case may be) as the Registered Proprietor thereof apply to H.M. Chief Land Registrar substantively to register this Trust Debenture on the Charges Register of such property.
- 5.5 Each Company hereby applies to H.M. Chief Land Registrar to enter the following restrictions in the Proprietorship Register of the freehold, leasehold or other immovable property owned by such Company title to which is registered under the Land Registration Acts 1925 to 1988:

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"Except under an Order of the Registrar no transfer, disposition, dealing, charge or mortgage by the proprietor of the land or any transfer made in the exercise of the power of sale possessed by the holder of any subsequent charge is to be registered or noted without the consent of the proprietor for the time being of Charge No []."

- 5.6 The Beneficiaries are under an obligation to make further advances and application is made to H.M. Chief Land Registrar for a note to be entered on the register of each freehold/leasehold property owned by any Company the title to which is registered under the Land Registration Acts 1925-88 to that effect.
- 5.7 Each Company shall, if so requested by the Security Trustee, deposit with the Security Trustee and permit the Security Trustee during the continuance of the security created hereby to hold and retain the following:
- (a) all deeds and documents of title relating to all freehold and leasehold property from time to time belonging to the Company concerned (and the insurance policies relating thereto);
 - (b) all certificates or other documents representing or evidencing ownership of the Shares together with duly executed and stamped stock transfer forms in blank; and
 - (c) all such documents relating to the Fixed Charged Property as the Security Trustee may from time to time require for the purpose of perfecting and protecting the security herein.
- 5.8 In addition to and without prejudice to anything else herein contained, each Company shall at any time, at the request of the Security Trustee but at the cost of the Companies, promptly sign, seal, execute, deliver and do all such deeds, instruments, acts and things in such form as the Security Trustee may require for perfecting or protecting the security intended to be constituted by or pursuant to this Trust Debenture or for facilitating the realisation thereof or the exercise of any and all powers, authorities and discretions intended to be vested in the Security Trustee, any Beneficiary or any Receiver by or pursuant to this Trust Debenture.
- 5.9 Without limiting the generality of Clause # 5.8, the Companies jointly and severally agree to procure that:

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- (a) # any plant, machinery, equipment, goods and chattels # acquired by the Company and having a book or market value of # £250,000 or more (the # "New Chattels") # shall be notified to the Security Trustee no later than 30 days after the date of # such acquisition, such notification shall include full particulars of the # New Chattels sufficient in the opinion of the Security Trustee to allow them to be readily identified and # specify in relation to each # New Chattel to which of the Companies the # New Chattel belongs; and
- (b) # if required to do so by the Security Trustee # the Companies to which those # New Chattels belong at their own cost execute and deliver to the Security Trustee a chattel mortgage on such # New Chattel or # New Chattels to secure payment or discharge of the Secured Obligations in such form as the Security Trustee may require, such chattel mortgage to be delivered to the Security Trustee no more than 30 days after the relevant Companies are required to execute and deliver the same.

5.10 The obligations of the Companies under this Clause 5 shall be in addition to and not in substitution for the covenants for further assurance deemed to be included in this Trust Debenture by virtue of Section 76(1)(c) of the Act.

6. **NEGATIVE PLEDGE**

6.1 Each Company hereby undertakes that at no time during the subsistence of the security created by this Trust Debenture shall it, otherwise than (a) as permitted by or pursuant to the Facilities Agreement, (b) with the Security Trustee's prior written consent or (c) in the Security Trustee's favour (as agent and trustee for the Beneficiaries):

- (a) create or attempt to create or permit to arise or subsist any security on or over the Charged Property or any part thereof; or
- (b) sell, transfer, lend, lease, license or otherwise dispose of the Charged Property or any part thereof or attempt or agree to do so whether by means of one or a number of transactions related or not and whether at one time or over a period of time save that the Floating Charge Property

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may be sold on an arm's length basis at market value in the ordinary course of the Company's trading as now conducted.

- 6.2 None of the foregoing prohibitions in this Clause 6 shall be construed as limiting any powers exercisable by any Receiver appointed by the Security Trustee under or pursuant to this Trust Debenture.

7. EXERCISE OF RIGHTS IN RESPECT OF SHARES

- 7.1 Subject to Clause 7.2# and 7.3, all voting rights and rights of the Company concerned in respect of bonus or rights issues shall:

- (a) with respect to any Shares charged by or pursuant to this Trust Debenture and registered in the name of the Security Trustee or its nominee(s), be exercised as the Company concerned may from time to time in writing reasonably direct ; and
- (b) with respect to any Shares charged by or pursuant to this Trust Debenture and registered in the name of the Company concerned or its nominee(s), be exercised by the Company concerned.

Provided in each case that such direction or exercise by the Company concerned does not in the opinion of the Security Trustee adversely affect the Shares which are the subject of fixed security pursuant to Clause 3.1(i) and is not otherwise inconsistent with this Trust Debenture.

- 7.2 With respect to the Company concerned's rights and powers relating to any of the Shares:

- (a) # the Company concerned shall not # exercise such rights or powers in any manner which in the opinion of the Security Trustee is inconsistent with the security intended to be conferred on the Security Trustee by or pursuant to this Trust Debenture;
- #(b) the Security Trustee and its nominee(s) shall be entitled at all times to exercise all such rights and powers for the purpose of preserving the value of the security intended to be conferred on the Security Trustee by or pursuant to this Trust Debenture or of realising such security; and

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- (c) after the occurrence of an Event of Default (and without any consent or authority on the part of the Company concerned) the Security Trustee and its nominee(s) may at the Security Trustee's discretion (in the name of the Company concerned or otherwise) exercise or cause to be exercised in respect of any of the Shares any voting rights or rights to receive dividends, interest, principal or other payments of money, as the case may be, forming part of the Shares and all other powers and rights conferred or exercisable by the owner, bearer or holder thereof.

7.3 Each Company hereby covenants and agrees with the Security Trustee that:

- (a) it will at all times before the Security Trustee or any nominee of the Security Trustee # becomes registered owner or acquires legal title to any of the Shares subject to a charge hereunder exercise all and any rights and powers with respect to such Shares in a manner which will not prejudice the security hereby constituted in respect thereof and as directed by the Security Trustee for the purpose of preserving the value of the security intended to be conferred on the Security Trustee by or pursuant to this Trust Debenture or of realising such security, and
- (b) it will not, without the prior written consent of the Security Trustee, make any changes to the Articles of Association of the company in which the Shares are held (save as requested by the Security Trustee pursuant to Clause 7.4) in respect of the registration of transfers of shares or pre-emption rights.

7.4 If requested by the Security Trustee, the Company shall procure that the Articles of Association of the Companies (or any of them) are altered in a manner satisfactory to the Security Trustee so as to permit the transfer of the Shares to the Security Trustee or its nominee pursuant to this Trust Debenture and by the Security Trustee or its nominee to any person following the exercise of its rights under this Trust Debenture without requiring the consent of the directors of the relevant Company or Companies or any other condition to be obtained or met.

8. COLLECTION OF DEBTS AND RELATED MATTERS

- 8.1 Each Company shall at all times during the subsistence of the security constituted by this Trust Debenture get in and realise its Debts and Claims in the ordinary course of

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its business and trading activities and shall pay the proceeds of such Debts and Claims into its account with the Security Trustee or any other Beneficiary (or into such account as the Security Trustee may stipulate whether or not being an account with the Security Trustee or any other Beneficiary or in the name of the Company) (and so that for this purpose the realisation of Debts and Claims by means of block discounting, factoring or the like shall not be regarded as dealing in the ordinary course of the Company concerned's business) and the Company concerned shall not without the prior consent in writing of the Security Trustee sell, factor, discount or otherwise charge or assign the Debts or Claims in favour of any other person or purport to do so and the Company concerned shall if called upon to do so by the Security Trustee from time to time execute legal assignments of the Debts and Claims to the Security Trustee or any other Beneficiary in forms approved by the Security Trustee.

8.2 Prior to the security hereby created becoming enforceable, in the absence of any written directions to the contrary from the Security Trustee, any moneys in respect of the Debts and Claims received by the Company concerned and paid into any account in accordance with the requirements of Clause 8.1 hereof shall upon being paid into such account be released from the fixed charge created by Clause 3.1(g) hereof and shall become subject to the floating charge created by Clause 3.1(m). Such release from the fixed charge shall not affect and shall be entirely without prejudice to the continuance of the said fixed charge on all other Debts or Claims of the Company concerned outstanding from time to time and on all moneys which the Company concerned receives in respect thereof.

9. REPRESENTATIONS

9.1 Each Company hereby represents and warrants to the Security Trustee that:

- (a) it is, and will at all times during the subsistence of the security constituted by this Trust Debenture be, the sole, lawful and beneficial owner of all of the Charged Property charged or, as the case may be, assigned, by it hereunder free from any security (other than the security created by or pursuant to this Trust Debenture or the security permitted pursuant to Clause 6.1);
- (b) except in accordance with the provisions of the Facilities Agreement and of this Trust Debenture or as otherwise agreed in writing by the Security

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Trustee, it has not sold or granted any rights of pre-emption over or agreed to sell or grant any right of pre-emption over or granted or agreed to grant any lease or tenancy of or otherwise disposed of or agreed to dispose of the benefit of all or any of its right, title and interest in and to all or any part of the Charged Property;

- (c) it has obtained, and will at all times during the subsistence of the security constituted by this Trust Debenture obtain, all consents necessary to ensure that no other party to any agreement or arrangement entered into by it becomes entitled to terminate such agreement or arrangement as a consequence of the Company entering into this Trust Debenture;
- (d) nothing has been done on or in relation to any of the freehold, leasehold or other immovable property mortgaged or charged hereby which constitutes a "development" within the meaning of the Planning Acts, without any requisite permission having been obtained and no situation exists in relation to any of the freehold, leasehold or other immovable property secured hereby in respect of which a warning notice or an enforcement notice has been or may be made;
- (e) it is in compliance with all Environmental Laws and it has obtained, and will at all times during the subsistence of the security constituted by this Trust Debenture obtain, and is in compliance with, all Environmental Permits;
- (f) there are no circumstances relating to any of the Charged Property which have led, or could lead, to a competent authority or a third party taking any action or making a claim under any Environmental Laws including the requirement to clean up any contaminated land or the revocation, suspension, variation or non-renewal of any Environmental Permits or to it having to take action to avert the possibility of any such action or claim where such action or claim could have an adverse effect on the value of any of the Charged Property or on the ability of it to conduct any of its business or to perform its obligations under this Trust Debenture;
- #(g) Screen Print Limited and each company listed in the Third Schedule to this Trust Debenture is dormant and shall remain so, does not trade and has no assets # and shall not trade or acquire assets without the prior written consent of the Security Trustee; and

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- (h) the properties listed in the Second Schedule and in the second schedule to the Irish Trust Debenture constitute all of the real property in which Adare and its subsidiaries have an interest.

10. COVENANTS

10.1 Each Company hereby covenants with the Security Trustee and the other Beneficiaries that during the continuance of the security created hereby it shall:

- (a) conduct and carry on its business in a proper and efficient manner and not make any substantial alteration in the nature of or mode of conduct of that business and keep or cause to be kept proper books of account relating to such business and shall keep the said books of account and all other documents relating to its affairs at its registered office or other place or places where the same ought to be kept and punctually pay, as the same become due, all debts and liabilities which by virtue of the provisions of any law relating to liquidation, bankruptcy, insolvency or creditors' rights generally would have priority to all or any part of the security created by or pursuant to this Trust Debenture;
- (b) without prejudice to the provisions of sub-clause 10.1(a) above, ensure that all liabilities which if unpaid would or might on a liquidation or receivership of the Companies or otherwise have priority over the security by way of floating charge hereby created shall be paid and discharged when the same must be paid;
- (c) perform and observe the covenants and conditions contained or comprised in any agreement from time to time made between any of its debtors and the Company itself;
- (d) at its own expense insure and keep insured in its name with the name of the Security Trustee noted thereon and is specified as loss payee, all its assets of an insurable nature with insurers previously approved of in writing by the Security Trustee against loss or damage by fire, civil commotion, explosion, aircraft, flood, storm, tempest, lightning, burst pipes, electrical faults and such other risks and contingencies as the Security Trustee shall from time to time request to the full replacement value thereof from time to time,

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including, without limitation, architects', surveyors', engineers' and all other professional fees and charges; maintain such other insurance policies (with the interest of the Security Trustee and the other Beneficiaries noted therein) containing like provisions for the protection of the Security Trustee as are normally maintained by prudent companies carrying on similar businesses; duly and punctually pay all premia and other moneys necessary for effecting and keeping up such insurances and on demand produce to the Security Trustee the policies of such insurance and proof of such payments; all moneys to be received by virtue of any insurance maintained or effected by it (whether or not in pursuance of its obligations hereunder) shall (save as hereinafter otherwise provided) be paid to the Security Trustee (or if not paid by the insurers directly to the Security Trustee held in trust for the Security Trustee and shall, at the option of the Security Trustee, be applied in replacing, restoring or reinstating the property or assets destroyed, damaged or lost (any deficiency being made good by the Companies) or in reduction of the Secured Obligations; furnish promptly copies of all such insurance policies to the Security Trustee with the interest of the Security Trustee and the other Beneficiaries noted therein;

- (e) observe and perform all covenants and stipulations from time to time affecting its freehold or leasehold property or the mode of user or enjoyment of the same and not without the prior consent in writing of the Security Trustee enter into any onerous or restrictive obligations affecting any such property or create or permit to arise any overriding interest or any easement or right whatsoever in or on such property which might adversely affect the value thereof or do or suffer to be done on any such property anything which is a "development" as defined in the Planning Acts as from time to time amended otherwise than in accordance with the provisions of those Acts nor do or suffer or omit to be done any act, matter or thing whereby any provision of any Act of Parliament, order or regulation from time to time in force affecting any such property is infringed;
- (f) keep all buildings, structures, fixtures and fittings (including trade fixtures and fittings), plant, and, to the extent reasonably appropriate, machinery, in good and substantial repair and in good working order and condition (fair wear and tear excepted) and not pull down or remove or sell or otherwise dispose of any of the same without the prior consent in writing of the Security Trustee except in the ordinary course of use, repair, maintenance or improvement;

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- (g) not make any structural alterations, or additions to any freehold, leasehold or other immovable property subject to the security constituted by this Trust Debenture without the prior written consent of the Security Trustee;
- (h) pay as and when the same must be paid all taxes, rates, duties, charges, assessments and outgoings whatsoever and of any description which shall be assessed, charged or imposed upon or payable in respect of any of the freehold or leasehold property hereby mortgaged or charged or any part thereof (save to the extent that payment of the same is being contested in good faith);
- (i) pay any rents reserved by the terms of any lease and (in any event) keep all of its freehold and leasehold and other immovable property in good and substantial repair and perform and observe all the covenants, agreements and stipulations on the part of it contained in any lease or leases comprised within any of the freehold or leasehold property hereby mortgaged or charged and not do or suffer to be done any act or thing whereby any such lease or leases is or are likely to become liable to forfeiture or otherwise be unilaterally determined by the landlord(s);
- (j) not (without the prior consent in writing of the Security Trustee) grant or agree to grant (whether in exercise or independently of any statutory power) any lease or tenancy of the freehold or leasehold property hereby mortgaged or charged or any material part thereof;
- (k) not (without the prior consent in writing of the Security Trustee) permit any person to become entitled to any proprietary right or interest which might affect the value to an extent which is in the opinion of the Security Trustee material of any land, fixtures or fixed plant and machinery hereby charged;
- (l) notify the Security Trustee of any notice received in relation to the freehold or leasehold property hereby mortgaged or charged which might reasonably be expected to affect the value of such property, or the Security Trustee's security therein, adversely and within thirty days after receipt by it of any application, requirement, order or notice served or given by any public or local or any other authority with respect to all the Charged Property (or any material part thereof), give written notice thereof to the Security Trustee

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and also (within seven days after demand) produce the same or a copy thereof to the Security Trustee and inform the Security Trustee of the steps taken or proposed to be taken to comply with any such requirement thereby made or implicit therein;

- (m) duly and punctually perform and observe all its obligations in connection with the Charged Property under any present or future statute or any regulation, order or notice made or given thereunder;
- (n) otherwise than as permitted herein not do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice, to an extent which in the opinion of the Security Trustee is material, the value to the Security Trustee of the security hereby created;
- (o) not (without the prior consent in writing of the Security Trustee or as otherwise provided in the Facilities Agreement) redeem or purchase its own shares or form, or acquire, or dispose of any subsidiary;
- (p) furnish to the Security Trustee from time to time, and at such intervals as the Security Trustee shall from time to time require, such information regarding its and its subsidiaries' assets and liabilities as the Security Trustee may require including, without prejudice to the generality of the foregoing, details of all of its stock-in-trade from time to time, copies of all and any statements relating thereto and all of its debts from time to time together with details of the debtors and copies of all and any invoices rendered in respect of such debts and details of all debts which would, on its liquidation be paid in priority to all of its other unsecured debts;
- (q) use, operate, maintain and control each item of plant, machinery and equipment subject to a mortgage or fixed charge hereunder in a careful and proper manner and in accordance with all licences, agreements, manufacturers' recommendations (as originally drafted or as amended from time to time), statutes, laws, ordinances, and regulations relating to the use, operation, maintenance and control thereof and neither use nor knowingly permit any such items to be used for any unlawful purpose and ensure that any replacement or substitute parts are in good repair and working order and are free from any lien or other encumbrance whatsoever and are owned by it;

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- (r) keep each item of plant, machinery and equipment subject to a mortgage or fixed charge hereunder at the location or locations (if any) from time to time approved in writing by the Security Trustee and not remove any such item or items from its location without the prior written consent of the Security Trustee, except for the purpose of maintenance or repair;
- (s) keep each item of plant, machinery and equipment subject to a mortgage or fixed charge hereunder in good repair and condition and working order and not do or omit to do anything which could reasonably be expected to result in any item of plant, machinery and equipment subject to a fixed charge hereunder or any part thereof being confiscated, seized, requisitioned, taken in execution, impounded or otherwise taken out of its control;
- (t) if it has not already done so, in the case of any plant, machinery and equipment subject to a mortgage or fixed charge hereunder located on leasehold premises, obtain evidence in writing from any lessor of any such premises that he waives absolutely all and any rights he may have now or at any time in the future over any of such plant, machinery and equipment;
- (u) punctually pay all calls, instalments and other payments that may become due in respect of the Shares or other stocks and securities subject to a fixed charge hereunder;
- (v) take all such steps and do all such acts as may be necessary for keeping on foot any letters patent or for maintaining the registration of any trademarks or other intellectual property subject to the security constituted by this Trust Debenture and for restoring the same if they have at any time become void and, in particular, pay all fees necessary for that purpose before the same become due and produce to the Security Trustee on demand the receipts for such fees;
- (w) use its best endeavours to protect and safeguard the letters patent, trademarks or other intellectual property subject to the security constituted by this Trust Debenture from and against theft, loss, destruction, unauthorised access, copying or use by third parties and to detect any infringement of the same and if it shall become aware of any such infringement at once give to the Security Trustee all information in its possession with regard thereto and, at the request of the Security Trustee but at its cost, commence and diligently prosecute or permit the Security

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Trustee in the name of its cost to commence and prosecute all proceedings necessary to prevent such infringements or to recover damages in respect thereof and it hereby appoints the Security Trustee and the persons deriving title under it to be its attorney and attorneys in its name or otherwise and on its behalf to execute and do all deeds, acts, matters and things that may in its or their opinion be required for the purposes aforesaid or any of them;

- (x) comply with all Environmental Laws and Environmental Permits applicable from time to time to the Charged Property or any part thereof and not allow any circumstances to arise which could lead to a competent authority or a third party taking action or making a claim under any Environmental Laws including the requirement to clean up any contaminated land or the renovation, suspension, variation or non-renewal of any Environmental Permits or to it having to take action to avert the possibility of any such claim where such action or claim could have an adverse effect on the value of any of the Charged Property or on its ability to conduct any of its business or to perform its obligations under this Trust Debenture;
- (y) within seven days of the receipt of notice of the same, give full particulars (and if requested, a copy of any written particulars received by it) to the Security Trustee of any notice, order, direction, designation, resolution or proposal having application to all or any part of the Charged Property or to the area in which it is situate, given or made by any planning authority or other public body or authority whatsoever under or by virtue of planning legislation or Environmental Laws or any other statutory power whatsoever or in pursuance of the powers conferred by any other statute whatsoever; and if so required by the Security Trustee, without delay and at its cost, take all reasonable or necessary steps to comply with any such notice or order and at the request of the Security Trustee, without delay and at its cost make or join with the Security Trustee in making such objections or representations against or in respect of any proposal for such notice or order as the Security Trustee shall deem expedient; and
- (z) ensure that (unless the Security Trustee otherwise agrees in writing) any company which becomes its subsidiary and any of its dormant subsidiaries which ceases to be dormant delivers to the Security Trustee (in a form approved by the Security Trustee but in each case having provisions no more onerous than those contained in the comparable Security Documents for the time being) (a) a guarantee in respect of all of the Borrowers'

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obligations to the Security Trustee and the other Beneficiaries under the Finance Documents and (b) a debenture in favour of the Security Trustee (as agent and trustee for the Beneficiaries) creating first, fixed and floating charges over its assets, each duly executed and delivered by the company or, as the case may be, the subsidiary concerned.

10.2 Adare Printing Group (UK) Limited hereby covenants with the Security Trustee and the other Beneficiaries that during the continuance of the security created hereby it shall:

- (a) not, without the prior written consent of the Security Trustee agree to or make any modification, amendment, waiver or release of any Hedging Agreement or permit any breach or default to exist in respect thereof or take or omit to take any action the taking or omission of which might result in the modification, amendment or release of any Hedging Agreement or which might in any way prejudice the rights, title and interest under any Hedging Agreement hereby assigned; and
- (b) remain liable to perform all obligations assumed by it under each Hedging Agreement and duly perform all such obligations and the Security Trustee shall be under no obligation by virtue of these presents in respect of any failure by Adare Printing Group (UK) Limited so to perform such obligations#.

10.3 In the case of default by any Company in the performance of any of the foregoing covenants contained in either Clause 10.1 or 10.2 it shall be lawful for (but not obligatory upon) the Security Trustee to do whatever may in the Security Trustee's opinion be necessary to make good such default, and all sums expended by the Security Trustee in that behalf shall be added to the monies hereby secured and bear interest accordingly and the Security Trustee may effect insurances in such amounts and against such risks, as the Security Trustee shall, in its absolute discretion, decide.

11. POWER OF SALE

11.1 Section 103 of the Act shall not apply to this Trust Debenture. On or at any time after the occurrence of an Event of Default the Security Trustee may exercise without further notice to the Companies and without the restrictions contained in the Act and whether or not it shall have appointed a Receiver, all the powers conferred on mortgagees by the common law and the Act as varied or extended by this Trust

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Debenture and all the powers and discretions hereby conferred either expressly or by reference on a Receiver.

11.2 Notwithstanding any provisions contained in this Trust Debenture, the Secured Obligations shall be deemed for the purposes of section 101 of the Act to have become due and payable within the meaning of section 101 of the Act and the power of sale and other powers conferred on mortgagees by the Act as varied or extended by this Trust Debenture shall arise immediately on execution of this Trust Debenture.

11.3 The restriction on the right of consolidating mortgage securities which is contained in section 93 of the Act shall not apply to this Trust Debenture.

12. **POWER OF LEASING**

The power of leasing conferred upon a mortgagor in possession by section 99 of the Act and the power of accepting the surrender of leases conferred upon a mortgagor in possession by section 100 of the Act and any other powers of leasing, surrendering or accepting surrenders of leases vested in any Company shall not be exercisable without the prior consent in writing of the Security Trustee nor shall any Company, without the prior consent in writing of the Security Trustee, confer on any person any contractual licence to occupy or any other right or interest in any freehold or leasehold or other immovable property hereby charged or grant any licence or consent to assign, undertake or part with possession or occupation thereof.

13. **ENTRY INTO POSSESSION AND APPOINTMENT AND POWERS OF RECEIVER**

13.1 On or at any time after the occurrence of an Event of Default, the Security Trustee may, without notice to the Companies, take possession of and hold all or any part of the Charged Property and the Security Trustee may, without first appointing a Receiver, exercise all or any of the powers conferred on mortgagees by the Act as varied or extended by this Trust Debenture and all the powers, authorities and discretions conferred by this Trust Debenture expressly or by implication on any Receiver or otherwise conferred by statute or common law on mortgagees or receivers.

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- 13.2 On or at any time after the occurrence of an Event of Default or if requested by any or all of the Companies, the Security Trustee may, without notice to the Companies, in writing under its Common Seal or under the hand of any officer(s) or manager(s) or any other nominated person of the Security Trustee, appoint any person to be a Receiver or Receiver and manager of all or any part of the Charged Property and may, except as otherwise required by statute, remove any such Receiver and appoint another or others in his or their place or appoint another person or persons to act jointly with any such Receiver.
- 13.3 Such an appointment over part only of the Charged Property shall not preclude the Security Trustee from making any subsequent appointment of the same or another Receiver over any part of the Charged Property over which an appointment has not been previously made.
- 13.4 Where more than one Receiver is appointed they shall have power to act severally unless the Security Trustee shall in the appointment specify to the contrary.
- 13.5 A Receiver shall be deemed at all times and for all purposes to be the agent of the Companies in respect of which he is appointed and the Companies shall be solely responsible for his acts or defaults and for the payment of his remuneration and the Receiver shall at no time act as agent for the Security Trustee.
- 13.6 Neither the Security Trustee nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect or default of any nature whatsoever in connection with all or any part of the Charged Property to which a mortgagee in possession might as such be liable.
- 13.7 The restrictions contained in sections 109(1) and 109(6) of the Act shall not apply to this Trust Debenture.
- 13.8 A Receiver shall have all the powers conferred from time to time on receivers by statute (including, without limitation, all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (and whether or not the Receiver is an administrative receiver) and (in the event that the Receiver is an administrative receiver) all the other powers exercisable by an administrative receiver by virtue of the provisions of the Insolvency Act 1986) and in the case of the powers conferred by the Act without the restrictions contained in such Act (as amended) and, in

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addition, power on behalf and at the cost of the Companies (notwithstanding liquidation of any Company) to do or omit to do anything which the Companies could do or omit to do in relation to the Charged Property or any part thereof and in particular (but without limitation) a Receiver shall have the power to do all or any of the following:

- (a) enter upon, take possession of, collect and get in all or any of the Charged Property, exercise in respect of any shares or stocks secured hereunder all voting or other powers or rights available to a registered holder thereof in such manner as he may think fit and bring, defend or discontinue any proceedings (including, without limitation, proceedings for the winding-up of any and/or all of the Companies) or submit to arbitration in the name of any and/or all of the Companies or otherwise as may seem expedient to him;
- (b) carry on, manage, develop, reconstruct, amalgamate or diversify the business of the Companies or any part thereof or concur in so doing, lease or otherwise acquire and develop or improve properties or other assets without being responsible for loss or damage;
- (c) raise or borrow any money from or incur any other liability to the Security Trustee and any other Beneficiary or others on such terms with or without security as he may think fit and so that any such security may be or include a charge on the whole or any part of the Charged Property ranking in priority to this security or otherwise;
- (d) sell by public auction or private contract, let, surrender or accept surrenders, grant licences or otherwise dispose of or deal with all or any of the Charged Property or concur in so doing in such manner for such consideration and generally on such terms and conditions as he may think fit (including, without limitation, conditions excluding or restricting the personal liability of the Receiver or the Security Trustee) with full power to convey, let, surrender, accept surrenders or otherwise transfer or deal with such Charged Property in the name and on behalf of any and/or all of the Companies or otherwise and so that the covenants and contractual obligations may be granted and assumed in the name of and so as to bind any and/or all of the Companies if he shall consider it necessary or expedient so to do; any such sale, lease or disposition may be for cash, debentures or other obligations, shares, stock, securities or other valuable

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- consideration and be payable immediately or by instalments spread over such period as he shall think fit and so that any consideration received or receivable shall ipso facto forthwith be and become charged with the payment of all Secured Obligations; plant, machinery and fixtures may be severed and sold separately from the premises containing them and the Receiver may apportion any rent and the performance of any obligations affecting the premises sold without the consent of the Companies;
- (e) promote, procure the formation or otherwise acquire the share capital of any body corporate with a view to such body corporate purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Charged Property or otherwise, arrange for companies to trade or cease to trade and to purchase, lease, license or otherwise acquire all or any of the Charged Property on such terms and conditions whether or not including payment by instalments secured or unsecured as he may think fit;
 - (f) make any arrangement or compromise or enter into or cancel any contracts which he shall think expedient;
 - (g) make and effect such repairs, renewals and improvements to the Charged Property or any part thereof as he may think fit and maintain, renew, take out or increase insurances including, without limitation, indemnity insurance;
 - (h) appoint managers, agents, officers, and employees for any of such purposes or to guard or protect the Charged Property at such salaries and commissions and for such periods and on such terms as he may determine and dismiss the same;
 - (i) make or require the directors of all or any of the Companies to make calls, conditionally or unconditionally, on the members of the Companies concerned in respect of uncalled capital and enforce payment of any call so made by action (in the name of the Companies concerned or the Receiver as may be thought fit) or otherwise;
 - (j) without any consent by or notice to the Companies, exercise on behalf of any and/or all of the Companies all the powers and provisions conferred on a landlord or a tenant by any legislation from time to time in force

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- relating to rents or otherwise in respect of any part of the Charged Property but without any obligation to exercise any of such powers and without any liability in respect of powers so exercised or omitted to be exercised;
- (k) without any consent or notice by or to the Companies, exercise for and on behalf of any and/or all of the Companies and in the name of any or all of the Companies all powers and rights of the Companies relevant to and necessary to effect the registration in the Land Registry of the crystallisation of the first floating charge and/or the appointment of a Receiver hereunder;
- (l) settle, arrange, compromise and submit to arbitration any accounts, claims, questions or disputes whatsoever which may arise in connection with the business of any and/or all of the Companies or the Charged Property or any part thereof or in any way relating to the security constituted by this Trust Debenture, bring, take, defend, compromise, submit to and discontinue any actions, suits, arbitrations or proceedings whatsoever whether civil or criminal in relation to the matters aforesaid, enter into, complete, disclaim, abandon or disregard, determine or rectify all or any of the outstanding contracts or arrangements of any and/or all of the Companies in any way relating to or affecting the Charged Property or any part thereof and allow time for payment of any debts either with or without security as he shall think expedient;
- (m) redeem any prior encumbrance and settle and agree the accounts of the encumbrancer; any accounts so settled and agreed shall (subject to any manifest error) be conclusive and binding on the Company concerned and the money so paid shall be deemed an expense properly incurred by the Receiver;
- (n) generally, at his option, use the name of any and/or all of the Companies in the exercise of all or any of the powers hereby conferred;
- (o) exercise, or permit any and/or all of the Companies or any nominees of such Company or Companies to exercise, any powers or rights incidental to the ownership of the Charged Property or any part thereof in such manner as he may think fit; and

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- (p) sign any document, execute any deed and do all such other acts and things as may be considered by him to be incidental or conducive to any of the matters or powers aforesaid or to the realisation of the Security Trustee's security and use the name of any and/or all of the Companies for all the above purposes.

- 13.9 A Receiver shall be entitled to remuneration at a rate to be fixed by agreement between him and the Security Trustee (or, failing such agreement, to be fixed by the Security Trustee).

14. DELEGATION OF POWERS OF THE SECURITY TRUSTEE

The Security Trustee may, at any time and from time to time, delegate by power of attorney or in any other manner (including, without limitation, under the hand of any officer of the Security Trustee) to any person or persons or company or fluctuating body of persons all or any of the powers, authorities and discretions which are, for the time being, exercisable by the Security Trustee under this Trust Debenture or under the Act in relation to the Charged Property or any part thereof and any such delegation may be made upon such terms and conditions (including power to sub-delegate) and subject to such regulations as the Security Trustee may think fit, and the Security Trustee shall not be in any way liable or responsible to any Company for any loss or damage arising from any act, default, omission, or misconduct on the part of any such delegate (or sub-delegate).

15. LIABILITY OF THE SECURITY TRUSTEE IN POSSESSION

- 15.1 If the Security Trustee or any Receiver appointed by the Security Trustee or in any such delegate (or sub-delegate) as aforesaid shall enter into possession of the Charged Property or any part thereof, the Security Trustee may, from time to time at pleasure, go out of such possession.
- 15.2 The Security Trustee shall not, in any circumstances either by reason of any entry by it into, or taking by it of possession of, the Charged Property or any part thereof or for any other reason whatsoever and whether as mortgagee in possession or on any other basis whatsoever, be liable to account to any Company for anything except the Security Trustee's own actual receipts or be liable to any Company for any loss or damage arising from any realisation by the Security Trustee of the Charged Property

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or any part thereof or from any act, default or omission of the Security Trustee in relation to the Charged Property or any part thereof or from any exercise or non-exercise by the Security Trustee of any power, authority or discretion conferred upon it in relation to the Charged Property or any part thereof by or pursuant to this Trust Debenture or by the Act unless such loss or damage shall be caused by the Security Trustee's own fraud or gross negligence.

- 15.3 All the provisions of Clause 15.2 shall apply in respect of the liability of any Receiver of the Charged Property or any part thereof and in respect of the liability of any such delegate (or sub delegate) as aforesaid in all respects as though every reference in Clause 15.2 to the Security Trustee were instead a reference to such Receiver or (as the case may be) to such delegate (or sub-delegate) save in respect of wilful default or gross negligence on the part of the Security Trustee.

16. **APPLICATION OF MONIES**

- 16.1 All monies arising from the exercise of the powers of enforcement of the security constituted by or pursuant to this Trust Debenture shall be applied, after the discharge of all sums, obligations and liabilities having priority thereto, in the following manner and order:
- (i) in or towards payment of all costs, charges and expenses of and incidental to the appointment of any Receiver hereunder and his remuneration;
 - (ii) in payment and discharge of any liabilities incurred or payable by the Receiver whether on his own account or on behalf of any and/or all of the Companies in the exercise of any of the powers of the Receiver including the costs of realisation of that part of the Charged Property in respect of which he was appointed;
 - (iii) in payment and discharge of any liabilities incurred or payable by the Security Trustee under Clause 10.3 and interest thereon;
 - (iv) in or towards payment of all such costs, charges, losses expenses and other sums as are mentioned in Clause 27 and interest thereon;
 - ~~##(v)~~ in or towards payment or discharge of the Secured Obligations # in the manner provided for under Clause 34.27 of the Facilities Agreement
#(save that the Security Trustee may credit the same to a suspense

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account for so long and in such manner as the Security Trustee may from time to time determine and the Receiver may retain the same for such period as he and the Security Trustee consider expedient); and

#(vi) in payment of any surplus to the Companies or other persons entitled thereto.

16.2 All monies from time to time received by the Security Trustee from any Company or any person or persons or company liable to pay the same or from any Receiver or otherwise on the realisation or enforcement of the security created hereunder may be applied by the Security Trustee either as a whole or in such proportions as the Security Trustee shall think fit to any account or item of account or any transaction to which the same may be applicable.

16.3 The provisions of Clause 16.1 shall take effect as and by way of variation to the provisions of section 109(8) of the Act which provisions as so varied and extended shall be deemed incorporated herein as if they related to a receiver of the Charged Property and not merely a receiver of the income thereof.

17. PROTECTION OF PURCHASERS

No purchaser, mortgagor, mortgagee or other person or company dealing with a Receiver or the Security Trustee shall be concerned to enquire whether any Event of Default has occurred or whether any power exercised or purported to be exercised by him or it has become exercisable or whether any money is due on the security hereof or as to the propriety or regularity of any sale by or other dealing with such Receiver or the Security Trustee but any such sale or dealing shall be deemed to be within the powers hereby conferred and to be valid and effectual accordingly and all the protection to purchasers contained in sections 104 and 107 of the Act shall apply to any person purchasing or dealing with a Receiver or the Security Trustee.

18. POWER OF ATTORNEY

Each Company hereby by way of security for the performance of its obligations under this Trust Debenture irrevocably appoints the Security Trustee, each and every person to whom the Security Trustee may from time to time shall have delegated the exercise of the power of attorney conferred by this Clause 18 and any

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Receiver and each of them jointly and also severally to be its attorney (with full powers of substitution and delegation) and in its name or otherwise and on its behalf and as its act and deed to sign, seal, execute, deliver, perfect and do all deeds, instruments, acts and things which it may or ought to do under the covenants and provisions contained in this Trust Debenture and generally in its name and on its behalf to exercise all or any of the powers, authorities and discretions conferred by or pursuant to this Trust Debenture or by or any statute or common law on the Security Trustee or any Receiver or which may be required or which the Security Trustee or any Receiver shall deem fit for carrying any sale or lease, charge, mortgage or dealing by the Security Trustee or by any Receiver into effect or for giving to the Security Trustee or any Receiver the full benefit of these presents and generally to use its name in the exercise of all or any of the powers, authorities or discretions conferred on the Security Trustee or any Receiver and it hereby ratifies and confirms and agrees to ratify and confirm whatsoever any such attorney shall do or purport to do by virtue of this Clause 16 and all money expended by any such attorney shall be deemed to be expenses incurred by the Security Trustee hereunder.

19. CONTINUING SECURITY

The security constituted by or pursuant to this Trust Debenture shall be a continuing security for the Secured Obligations and shall not be considered as satisfied or discharged by any intermediate payment or settlement of the whole or any part of the Secured Obligations but shall constitute and be a continuing security for the Secured Obligations notwithstanding any settlement of account or other matter whatsoever and is in addition to and shall not merge with or otherwise prejudice or affect any contractual or other right or remedy or any guarantee, lien, pledge, bill, note, mortgage or other security (whether created by the deposit of documents or otherwise) now or hereafter held by or available to the Security Trustee for or in respect of the Secured Obligations or any other obligations whatsoever and shall not be in any way prejudiced or affected thereby or by the invalidity thereof or by the Security Trustee now or hereafter dealing with, exchanging, releasing, varying or abstaining from perfecting or enforcing any of the same or any rights which it may now or hereafter have or giving time for payment or indulgence or compounding with any other person liable.

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20. AVOIDANCE OF PAYMENTS

No assurance, security or payment which may be avoided or adjusted under any applicable law, and no release, settlement or discharge given or made by the Security Trustee or any Receiver on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Security Trustee or any Receiver to recover from all or any the Companies (including any moneys which it may be compelled by due process of law to refund pursuant to the provisions of any law relating to liquidation, administration, bankruptcy, insolvency or creditors' rights generally and any costs payable by it to or otherwise incurred in connection with such process) or to enforce the security created by or pursuant to this Trust Debenture to the full extent of the Secured Obligations.

21. SET-OFF

Without prejudice to any right of set-off or any similar right to which each Beneficiary may be entitled at law or in equity or by agreement between the parties and, without prejudice to anything else herein contained, each Beneficiary may at any time following the occurrence of an Event of Default without notice to or further authorisation from any Company combine and consolidate all or any accounts of any and/or all of the Companies with such Beneficiary anywhere and/or set off any moneys whatsoever and whether on current, deposit or any other account and in whatever currency or currencies against any moneys or liabilities whatsoever in whatever currency which may be due, owing or incurred by any and/or all of the Companies to such Beneficiary whether actually or contingently and whether or not any period of any deposit or by reference to which interest therein is calculated has expired and any conversion from one currency to another for the purpose of any of the foregoing shall be made at the Beneficiary's then prevailing spot selling rate at its office by which such conversion is made.

22. SUBSEQUENT CHARGES AND NEW ACCOUNTS

If a Beneficiary shall at any time receive or be deemed to have received notice of any subsequent mortgage or charge affecting the Charged Property or any part thereof or any assignment or transfer thereof which is prohibited by the terms of this Trust Debenture:

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- (i) that Beneficiary may open a new account or accounts for the Company concerned in its books; and
- (ii) if that Beneficiary does not in fact open such new account, then unless it gives express written notice to the Company concerned to the contrary, such Beneficiary shall be treated as if it had in fact opened such account or accounts at the time when it received or was deemed to have received such notice,

and as from such time and when such express written notice shall be given to the Company concerned, all payments by or on behalf of the Company concerned to such Beneficiary shall be credited or treated as having been credited to such new account or accounts and not as having been applied in reduction of the Secured Obligations at such time.

23. SEVERABILITY

If at any time any one or more of the provisions hereof is or becomes invalid, illegal or unenforceable in any respect under any law or regulation, such illegality, invalidity or unenforceability shall not affect the legality, validity or enforceability of the remaining provisions or the effectiveness of any of the remaining security constituted by this Trust Debenture under such law.

24. ASSIGNMENT

- 24.1 This Trust Debenture shall be binding upon and inure to the benefit of each of the parties and their respective successors and permitted assigns and references in this Trust Debenture to any of them shall be construed accordingly.
- 24.2 Except with the prior written consent of the Security Trustee, the Company may not assign or transfer all or any of its rights, benefits or obligations under this Trust Debenture. The Security Trustee may not assign all or any part of its rights, benefits or obligations under this Trust Debenture other than to any of its subsidiaries or, with the prior written consent of Adare (such consent not to be unreasonably withheld), any bank licensed and/or authorised by the Central Bank of Ireland or by the Bank of England.

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- 24.3 The Security Trustee may assign or transfer all or any part of its rights, benefits or obligations under this Trust Debenture or any part thereof to any new or replacement trustee or trustees acting as Security Trustee properly substituted in accordance with the terms of the Facilities Agreement. Where the Security Trustee assigns or transfers its rights, benefits or obligations or any part thereof, each Company shall execute such documents as the Security Trustee may specify to release the Security Trustee to the extent of the assignment or transfer or with a view to perfecting such assignment or transfer, or where necessary, shall execute further security documentation in favour of the assignee or transferee in like form to this Trust Debenture.
- 24.4 The Security Trustee may disclose to a potential assignee or to any person who may otherwise enter into contractual relations with the Security Trustee in relation to this Trust Debenture such information about any and/or all of the Companies and this Trust Debenture as the Security Trustee considers appropriate.

25. **CERTIFICATE OF THE AGENT CONCLUSIVE**

A certificate signed by an officer of the Agent as to the amount at any time hereby secured or as to any applicable rate of interest shall, as against the Companies, be conclusive evidence as to the amount thereof.

26. **NO WAIVERS, REMEDIES CUMULATIVE**

Time shall be of the essence with respect to the obligations of the Companies under this Trust Debenture but no failure to exercise, nor any delay in exercising on the part of the Security Trustee, any right or remedy under this Trust Debenture or any other document will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies provided by this Trust Debenture are cumulative and not exclusive of any rights or remedies provided by law and may be exercised as often as the Security Trustee thinks appropriate.

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27. COSTS AND EXPENSES

- 27.1 All costs and expenses (including any tax liability and any legal costs and, in each case, value added tax or any similar tax charged or chargeable in respect thereof) incurred by the Security Trustee or, as the case may be, any Receiver:
- (i) in the negotiation, preparation and execution of this Trust Debenture and the completion of the transactions contemplated herein;
 - (ii) in the exercise of any of the rights, remedies and powers conferred on the Security Trustee or, as the case may be, any Receiver, by this Trust Debenture or in the perfection or enforcement of any other security for or guarantee in respect of the Secured Obligations or in connection with any proceedings instituted by or against the Security Trustee in relation to the title to the whole or any part of the Charged Property; and
 - (iii) as a consequence of or holding the security constituted by this Trust Debenture or any claims or proceedings in relation thereto or to any of the Charged Property,

shall be reimbursed by the Companies to the Security Trustee on demand on a full indemnity basis and shall carry interest from the date of such demand until so reimbursed at the date and otherwise as mentioned in Clause 2.2.

- 27.2 Each Company shall pay all stamp, registration and other taxes to which this Trust Debenture or any judgment in connection herewith is or at any time may be subject and shall indemnify the Security Trustee against any liabilities, costs, claims and expenses resulting from any failure to pay or delay in paying such tax.
- 27.3 The cost of each Company complying with any of its obligations under the Debenture (including, without limitation, its obligations under Clause 5) shall be borne by each Company.

28. PAYMENTS

The provisions of the Facilities Agreement relating to the payments to be made thereunder (including, without limitation, Clause 23 thereof which regulates what is to happen if a Borrower is required by law to make a deduction or withholding from

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any such payment) shall apply mutatis mutandis to payments to be made hereunder as if references therein to "Borrower" and "Borrowers" were to "Company" and "Companies".

29. NOTICES

29.1 Any notice or other communication to be given under or for the purposes of this Trust Debenture shall be in writing and shall be treated as properly served or given if hand delivered or sent by registered post or facsimile to the relevant person at the address or facsimile number identified below (or such other address or facsimile number as that person may have designated in writing from time to time to the person giving the notice):

Bank	Address:	Bankcentre Ballsbridge Dublin 4
	Facsimile No:	260-1783
	Attention:	# <u>AIB Corporate Banking</u> <u>Catherine Moroney</u> Donnchadh O # <u>Madagáin</u> Bernard Carroll
Company	Address:	Hugenot House 35/38 St. Stephen's Green Dublin 2
	Facsimile No:	661-3968
	Attention:	B.N. Loane P.E. Lynch J. Coll

29.2 Any notice or other communication shall be deemed to have been received by the recipient:

- (i) in the case of a letter which is hand delivered, when actually delivered and, in the case of a letter which is sent by registered post, on the second day after posting (or on actual receipt, if earlier); or

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- (ii) in the case of transmission by facsimile, at the time of transmission provided that any communication or document to be made or delivered to the Security Trustee shall be effective only when received by the Security Trustee and then only if the same is expressly marked for the attention of the officer referred to above (or such other officer as the Security Trustee may from time to time specify for this purpose).

29.3 Each person making a communication under this Trust Debenture by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant hereto but the absence of such confirmation shall not affect the validity of any such communication.

30. CURRENCY JUDGMENT

30.1 If any sum due from any or all of the Companies under this Trust Debenture or any order or judgment given or made in relation thereto has to be converted from the currency (the "first currency") in which the same is payable thereunder or under such order or judgment into another currency (the "second currency") for the purpose of:

- (i) making or filing a claim or proof against any or all of the Companies; or
- (ii) obtaining an order of judgment in any court or other tribunal; or
- (iii) enforcing any such order or judgment,

the Companies agree to indemnify and hold harmless the Security Trustee from and against any loss suffered as a result of any discrepancy between:

- (a) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency; and
- (b) the rate or rates of exchange at which the Security Trustee is able to purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

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- 30.2 The rate or rates of exchange aforesaid shall be determined by the Security Trustee in accordance with applicable market practice and the Security Trustee's certificate as to the amount of any such rate shall be conclusive, save in the case of manifest error.

31. **COUNTERPARTS**

This Trust Debenture may be executed in any number of counterparts and by the different parties to this Trust Debenture on separate counterparts, each of which, when executed and delivered, shall constitute an original, but all the counterparts shall together constitute but one and the same instrument.

32. **GOVERNING LAW**

This Trust Debenture shall be governed by and construed in accordance with the laws of England.

The perpetuity period under the rule against perpetuities if applicable to this Trust Debenture shall be the period of 80 years from the date of this Trust Debenture.

IN WITNESS whereof this Trust Debenture has been signed as a deed and delivered the day and year first above written.

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THE FIRST SCHEDULE

(Details of Companies)

Name	Registration No.
Adare Printing Group (UK) Limited	2387953
Kenley Press Limited	778663
Darley Business Forms Limited	405648
Quorum Technical Services Limited	1720724
# WBF Limited	# 2814431
William Caple & Company Limited	501084
Label Converters Limited	1203292
Adare Properties (UK) Limited	2931068
Great Northern Envelope Company Limited	2212509
Alexander Pettigrew Limited	2917499
Park Mill Business Forms Limited	3014889
Pillings Printing Group Limited	120184

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THE SECOND SCHEDULE

(Details of Properties)

Part I

Unregistered Land

Estate Owner	Short Description
1. <u>WBF Limited (formerly Park Mill Business Forms Limited)</u> <u>No. 2814431</u>	Leasehold property known as land and buildings at Wakefield Road, Clayton West, Huddersfield comprised in a Lease dated 23rd July 1993 made between (1) John Waddington Properties Limited and (2) Park Mill Business Forms Limited
2. # Quorum Technical Services Limited <u>No. 1720724</u>	Leasehold property known as Units 1, 4, 9 and 10 Sandford Park Trading Estate, Cheltenham comprised in a Lease dated 19th April 1985 made between (1) Stonehouse Investments (Cheltenham) Limited and (2) Quorum Technical Services Limited
# 3. <u>WBF Limited (formerly Park Mill Business Forms Limited)</u> <u>No. 2814431</u>	Leasehold property known as 41-51 Blackburn Street, Radcliffe, Bury, Greater Manchester comprised in a Lease dated 25th March 1990 made between (1) Trustees of the London United District of the Ancient Order of Foresters Friendly Society and (2) Waddington Business Forms Limited
# 4. <u>WBF Limited (formerly Park Mill Business Forms Limited)</u> <u>No. 2814431</u>	Leasehold property known as Unit 8, Willow Road, Poyle comprised in a Lease dated 14th June 1989 made between (1) B Hamoud, R H Bader and others and (2) Waddington Business Forms Limited#

Part II

Registered Land

Estate Owner	Short Description	Title No(s)
1. William Caple and Company Limited <u>No. 501084</u>	Freehold land and buildings at Morledge Street, Leicester	LT9176, LT7772, LT11652, LT19436, LT32583, LT64969, LT88969 and LT26063
2. Alexander Pettigrew Limited <u>No. 2917499</u>	Freehold property known as Main Street, Coatbridge, Glasgow	LAN45798 and LAN74818

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- | | | | |
|------------|---|--|------------------|
| 3. | Adare Properties
(UK) Limited
<u>No. 2931068</u> | Freehold land and buildings at Falconer
Road, Haverhill, Suffolk | SK141185 |
| 4. | Great Northern
Envelope Company
Limited
<u>No. 2212509</u> | Freehold property known as Maserati
House, Gelderd Road, Leeds | WYK523798 |
| 5. | Great Northern
Envelope Company
Limited
<u>No. 2212509</u> | Freehold property being land and
buildings on the north-west side of
Ingram Road, Holbeck | WYK556729 |
| 6. | Darley Business
Forms Limited
<u>No. 405648</u> | Leasehold land and buildings on the
north-west side of and fronting
Wellington Road, Burton-on-Trent | SF297544 |
| 7. | Kenley Press
Limited <u>No. 778663</u> | Leasehold property known as Unit 5,
Walter Lawrence Trading Estate,
Brewers Hill Road, Dunstable | <u>BD83874</u> |
| <u>8.#</u> | <u>Pillings # Printing
Company Limited</u> | <u>Freehold property being land and
buildings on the north side of Elland
Land, Elland, West Yorkshire</u> | <u>WYK417419</u> |

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THE THIRD SCHEDULE

(Dormant Companies)

	Registration Number
Great Northern Printing Company Limited	2532394
The Re-cycled Envelope Company Limited	2488269
Great Northern Direct Mail Company Limited	2470809
Great Northern Packaging Company Limited	2363934

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THE FOURTH SCHEDULE

Part 1

(Form of Notice of Assignment of the Hedging Agreement)

To: [Hedging Counterparty]
From: Adare Printing Group (UK) Limited

Date:

Dear Sirs,

We hereby give you notice that we have assigned by way of security pursuant to a trust debenture entered into by us in favour of Allied Irish Banks, p.l.c. as security trustee for itself and others (the "Security Trustee") dated [] 1996 (the "Trust Debenture") all our right, title and interest in and to the Hedging Agreement (the "Agreement") to the Security Trustee.

After your receipt of a notice from the Security Trustee that its rights as assignee under the Trust Debenture have become exercisable:

- (i) all payments under or arising from the Agreement should be made to the Security Trustee or to its order;
- (ii) all remedies provided for in the Agreement or available at law or in equity shall be exercisable by the Security Trustee;
- (iii) all rights to compel performance of the Agreement shall be exercisable by the Security Trustee;
- (iv) all rights, interest and benefits whatsoever accruing to or for the benefit of ourselves from the Agreement shall belong to the Security Trustee.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning the same to the Security Trustee as Bankcentre, Ballsbridge, Dublin 4, marked for the attention of AIB Corporate Banking, Ms. Catherine Moroney/Mr. Donnchadh O'Madagáin.

Yours faithfully,

for and on behalf of
ADARE PRINTING GROUP (UK) LIMITED

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PART II

(Acknowledgement)

To: Allied Irish Banks, p.l.c.

From: Hedging Counterparty

Adare Printing Group (UK) Limited

We acknowledge receipt of a Notice from Adare Printing Group (UK) Limited (the "Company") dated [] 1996 in respect of the Hedging Agreement (the "Agreement").

We confirm that we have not received notice of any previous assignments or charges of or over any of the rights, interests and benefits referred to in the Notice.

In consideration of the payment to us of £1 receipt of which we hereby acknowledge, we hereby agree as follows:

1. If you issue to us a notice (a "Default Notice") that your rights under the Trust Debenture have become exercisable we shall thereafter:
 - (a) pay to you at such account as you may nominate all amounts from time to time payable by us under the Agreement;
 - (b) perform, observe and comply with all our other undertakings and obligations under the Agreement in your favour and for your behalf as if you were named as a party therein instead of the Company; and
 - (c) if you so request, enter into an agreement with you or your nominee, on the same terms (mutatis mutandis) as the Agreement.
2. If the Company is in breach of any of its obligations, express or implied, under this Agreement or if any event occurs which would permit us to terminate, cancel or surrender the Agreement we will:

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- (a) immediately upon becoming aware of it, give you notice of such breach or event;
 - (b) accept as adequate remedy of any such breach, performance of such obligation (by you within seven days written notice); and/or
 - (c) if you so request, enter into an agreement with you on terms identical to the Agreement subject to all necessary modifications.
3. We agree that after issue by you of a Default Notice, we shall not recognise the exercise by the Company of any of its rights and powers under the Agreement unless and until requested to do so by you.

Yours faithfully,

For and on behalf of

[]

By:

Dated:

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THE FIFTH SCHEDULE

(Details of Chattels)

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THE COMPANIES

SIGNED as a deed on behalf of)
ADARE PRINTING GROUP (UK))
LIMITED in the presence of:)

Director*

Director/Secretary

SIGNED as a deed on behalf of)
KENLEY PRESS LIMITED)
in the presence of:)

Director*

Director/Secretary

SIGNED as a deed on behalf of)
DARLEY BUSINESS FORMS)
LIMITED)
in the presence of:

Director*

Director/Secretary

SIGNED as a deed on behalf of)
QUORUM TECHNICAL SERVICES)
LIMITED in the presence of:)

Director*

Director/Secretary

*(to be signed by either Mr Coll
Mr. Loane or Mr. Lynch in his
capacity as director of both
Adare Printing Group plc and
this Company

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SIGNED as a deed on behalf of)
PARK MILL BUSINESS FORMS)
LIMITED in the presence of:)

Director*
=

Director/Secretary

SIGNED as a deed on behalf of)
WILLIAM CAPLE & COMPANY)
LIMITED in the presence of:)

Director*
=

Director/Secretary

SIGNED as a deed on behalf of)
LABEL CONVERTERS LIMITED)
in the presence of:)

Director*
=

Director/Secretary

SIGNED as a deed on behalf of)
ADARE PROPERTIES (UK) LIMITED)
in the presence of:)

Director*
=

Director/Secretary

*(to be signed by either Mr Coll
(Mr. Loane or Mr. Lynch in his
capacity as director of both
Adare Printing Group plc and
this Company

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SIGNED as a deed on behalf of)
GREAT NORTHERN ENVELOPE)
COMPANY LIMITED)
in the presence of:)

Director*

Director/Secretary

SIGNED as a deed on behalf of)
ALEXANDER PETTIGREW)
LIMITED in the presence of:)

Director*

Director/Secretary

SIGNED as a deed on behalf of)
PILLINGS PRINTING COMPANY)
LIMITED in the presence of:)

Director*

Director/Secretary

SIGNED as a deed on behalf of)
WBF LIMITED in the presence of:)

Director*

Director/Secretary

*(to be signed by either Mr Coll
(Mr. Loane or Mr. Lynch in his
capacity as director of both
(Adare Printing Group plc and
this Company

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THE BANK

ALLIED IRISH BANKS, p.l.c.

By:

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----- COMPARISON OF HEADERS -----

-HEADER 1-

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----- COMPARISON OF FOOTERS -----

-FOOTER 1-

-FOOTER 2-

- # 1 -

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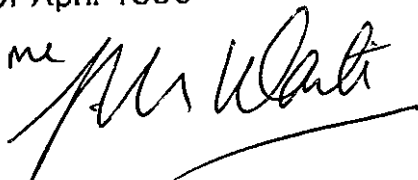
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original document : I:\DOCS\BF\PAM\0155460.04
and revised document: I:\DOCS\BF\PAM\0155460.05

CompareRite found 151 change(s) in the text
CompareRite found 3 change(s) in the notes

Deletions appear as a normal #

Additions appear as double underlined text

This is Appendix "A"
referred to in the declaration
of the directors of
William Caple & Company,
Limited declared before on
the 19th day of April 1996

Before me 

Dated 1996

J. M. WAITE
Solicitor empowered
to administer Oaths
Leicester

ADARE PRINTING GROUP PLC

and

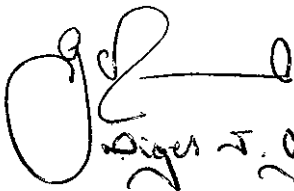
OTHERS

and

ALLIED IRISH BANKS, p.l.c.

CROSS GUARANTEE

McCann FitzGerald
2 Harbourmaster Place
Custom House Dock
Dublin 1
G:\NP\AIB1500.07A


David J. Griffin

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THIS GUARANTEE is made on day of 1996

BETWEEN:

- (1) **THE COMPANIES** each of whose name, jurisdiction of incorporation and registration number is set out in the Schedule (together the "**Original Guarantors**" and each an "**Guarantor**"); and
- (2) **ALLIED IRISH BANKS, p.l.c.** in its capacity as agent and trustee for itself and the Guaranteed Parties referred to below (hereinafter referred to as the "**Security Trustee**" which expression shall include its successors and assigns).

RECITAL:

The Guarantors have requested and the Banks have agreed to grant financial accommodation to the Borrowers on the terms and subject to the conditions of a Facilities Agreement (the "**Facilities Agreement**") dated today between the Borrowers, the Arranger, the Agent, the Security Trustee and the Banks subject (inter alia) to the Guarantors providing the Guaranteed Parties with a guarantee on the terms and subject to the conditions of this Guarantee.

NOW THIS DEED, WITNESSES AND THE GUARANTORS HEREBY AGREE AND DECLARE as follows:

1. Interpretation

1.1 In this Guarantee:

"**Banks**" means each of the financial institutions named in the First Schedule to the Facilities Agreement (including, for the avoidance of doubt, the Issuing Bank and the Overdraft Bank) and each person to whom a Bank has transferred or assigned any right or obligation in accordance with Clause 36 of the Facilities Agreement and "**Bank**" means any of them;

"**Borrowers**" and "**Borrower**" have the meanings given to those terms in the Facilities Agreement;

"**Facilities Agreement**" has the meaning attributed to it in the Recital;

"**Guaranteed Obligations**" in relation to all or any of the Guarantors, means all obligations, indebtedness and liabilities covenanted and agreed to be paid, observed, performed and discharged by the Guarantor(s) concerned under Clause 2; and

"**Guaranteed Parties**" means at any time the Arranger, the Agent, the Security Trustee, the Hedging Counterparties and the Banks at such time and "**Guaranteed Party**" means any of them.

1.2 Words and expressions defined in the Facilities Agreement shall, unless otherwise defined herein, bear the same meaning in this Guarantee.

1.3 Any reference in this Guarantee to:

a "Clause" and "Schedule" shall, subject to any contrary indication, be construed as a reference to a clause and schedule hereof;

a "person" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing; and

"tax" shall be construed so as to include any tax, levy, impost, duty or other charge of a similar nature (including, without limitation, any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

1.4 Save where the contrary is indicated or where the context otherwise requires, any reference in this Guarantee to:

- (i) "this Guarantee" or any other agreement or document shall be construed as a reference to this Guarantee or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, replaced, novated, amended, varied or supplemented and expressions such as "herein", "hereby" and "hereunder" and "therein", "thereby" and "thereunder" shall, as the context requires, be construed accordingly;
- (ii) the "Borrowers" shall include each Borrower and its successors;
- (iii) the "Guaranteed Parties" shall include each of the Guaranteed Parties' successors and/or permitted assigns under the Facilities Agreement and this Guarantee shall be enforceable notwithstanding any change in the constitution of any of the Guaranteed Parties or the absorption of any of the Guaranteed Parties in or amalgamation with any other person or the acquisition of all or part of the undertaking of any of the Guaranteed Parties by any other person;
- (iv) the "Guarantors" shall include each Guarantor and its successors;
- (v) a statute shall be construed as a reference to such statute as the same may have been, or may from time to time be, amended or re-enacted;
- (vi) any document, agreement or instrument are to be construed as references to the document, agreement or instrument as modified, amended, supplemented or substituted from time to time; and

(vii) words importing the singular number include the plural and vice versa.

1.5 Clause headings are for ease of reference only and shall have no legal effect.

2. Guarantee

In consideration of the Guaranteed Parties entering into the Facilities Agreement, each Guarantor hereby irrevocably and unconditionally jointly and severally with each other Guarantor:

- (i) guarantees to and undertakes with each Guaranteed Party the due and punctual, payment, observance, performance and discharge of all of the obligations, indebtedness and liabilities of all or any of the other Guarantors and the Borrowers to each Guaranteed Party whether actual or contingent now or hereafter due, owing or incurred, in whatever currency denominated, howsoever arising and whether alone or jointly with any other person and in whatever style, name or form and whether as principal or surety, including, without limitation, all principal, interest, fees, costs, charges, commissions, expenses, indebtedness and other liabilities due, owing or incurred now or hereafter to each Guaranteed Party under or in connection with the Finance Documents; and
- (ii) agrees as a primary obligation to indemnify each Guaranteed Party from time to time on demand from and against any loss incurred by such Guaranteed Party as a result of any of the obligations of any of the Guarantors or the Borrowers expressed to be guaranteed hereunder being or becoming void, voidable, unenforceable or ineffective as against such Guarantors or Borrowers for any reason whatsoever, whether or not known to any Guaranteed Party, the amount of such loss being the amount which the relevant Guaranteed Party would otherwise have been able to recover from such Guarantors or Borrowers.

2.2 Each of the Guarantors irrevocably and unconditionally covenants and agrees with each Guaranteed Party to pay to each Guaranteed Party on demand any and every sum or sums of money now or hereafter due to each Guaranteed Party arising out of, under or in connection with, all or any of the Guaranteed Obligations.

2.3 For the avoidance of doubt, nothing in the Facilities Agreement specifying or implying that the obligations of the parties thereto are several rather than joint shall affect the obligations of any party to this Guarantee as Guarantor.

3. Preservation of Rights

3.1 This Guarantee and the obligations of the Guarantors herein contained shall be in addition to and independent of every other guarantee or security which any of the Guaranteed Parties may at any time hold in respect of all or any

of the Guaranteed Obligations and may be enforced without any of the Guaranteed Parties first taking steps or proceedings against any particular Guarantor or Borrower.

3.2 Neither the obligations of any Guarantor herein contained nor the rights, powers and remedies conferred in respect of any Guarantor upon the Guaranteed Parties by this Guarantee or by law shall be discharged, impaired or otherwise affected by:

- (i) the winding-up, dissolution, administration, examination or re-organisation of any Borrower, Guarantor or any other person or any equivalent or analogous proceeding under the laws of the jurisdiction in which such Borrower, Guarantor or other person is incorporated or any change in the status, function, control or ownership of any such person;
- (ii) any of the Guaranteed Obligations being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- (iii) any time, waiver or other indulgence whatsoever being granted or agreed to be granted to any Borrower or Guarantor or any other person in respect of all or any of the Guaranteed Obligations;
- (iv) any increase or decrease in the amount of the Facilities (or any of them) or any amendment of any of the Finance Documents or any variation, waiver or release of all or any of the Guaranteed Obligations;
- (v) the taking of any security from any Borrower or Guarantor or any other person or any failure to take, or fully to take, any security now or hereafter agreed to be taken in respect of any of the Guaranteed Obligations;
- (vi) any failure to realise or fully to realise the value of, or any release, discharge, exchange or substitution of, any security taken in respect of any of the Guaranteed Obligations; or
- (vii) any other act, event or omission whatsoever which, but for this Clause 3.2, might operate to discharge, impair or otherwise affect any of the obligations of any Guarantor herein contained or any of the rights, powers or remedies conferred upon the Guaranteed Parties by this Guarantee, any of the other Finance Documents or by law.

3.3 Any settlement or discharge between any Guarantor and any of the Guaranteed Parties shall be conditional upon no security or payment to any of the Guaranteed Parties by any Guarantor, any Borrower or any other person on behalf of any Guarantor or, as the case may be, any Borrower, being avoided or reduced by virtue of any provisions or enactments relating to bankruptcy, insolvency, examination, administration, liquidation or similar

laws of general application for the time being in force and, if any such security or payment is so avoided or reduced, the relevant Guaranteed Party or, as the case may be, Guaranteed Parties, shall be entitled to recover the value or amount of such security or payment from any Guarantor subsequently as if such settlement or discharge had not occurred.

3.4 None of the Guaranteed Parties shall be obliged before exercising any of the rights, powers or remedies conferred upon it in respect of any Guarantor by this Guarantee, by any other Finance Document or by law:

- (i) to make any demand of any of the Borrowers or any of the Guarantors or any other person;
- (ii) to take any action or obtain judgment in any court against any of the Borrowers or any of the Guarantors or any other person;
- (iii) to make or file any claim or proof in a winding-up or dissolution of any of the Borrowers or any of the Guarantors or any other person; or
- (iv) to enforce or seek to enforce any other security taken in respect of any of the Guaranteed Obligations.

3.5 Each Guarantor separately agrees and covenants that, so long as any of the Guaranteed Obligations are or may be owed, due or incurred by the Borrowers (or any of them) to the Guaranteed Parties (or any of them) or the Guarantors (or any of them) may be under any obligation to grant or continue any facility to the Borrowers (or any of them), the relevant Guarantor shall not exercise any rights, powers or remedies which that Guarantor may at any time have by reason of performance or satisfaction by it of its obligations and/or liabilities hereunder including, without limitation, the following rights:

- (i) to be indemnified by any of the Borrowers in respect of all or any of the Guaranteed Obligations; and/or
- (ii) to claim any contribution from any other guarantor or any other person in respect of all or any of the Guaranteed Obligations; and/or
- (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Guaranteed Parties (or any of them) in respect of all or any of the Guaranteed Obligations or of any other security or guarantee taken by the Guaranteed Parties (or any of them) pursuant to, or in connection with, this Guarantee,

any sums recovered by the relevant Guarantor in breach of this Clause 3.5 shall be held in trust for the Guaranteed Parties, be identified at all times as assets of the Guaranteed Parties and forthwith on receipt be paid to the Security Trustee (for the account of the Guaranteed Parties).

3.6 Each Guarantor agrees that, so long as any of the Guaranteed Obligations remain outstanding, if a demand has been made upon it hereunder which has been satisfied in full or otherwise (whether by payment or discharge made by any Borrower, any other Guarantor or any other person), it will not claim, demand or receive payment of or exercise any set off, or right of proof in a winding-up or assert any counterclaim in respect of, any monies due to it from any Borrower or otherwise exercise any other right or remedy in respect thereof.

3.7 In the event of this Guarantee ceasing from any cause whatsoever to be binding as a continuing security on all or any of the Guarantors:

- (a) all cheques, orders for payment, drafts, bills, notes and negotiable instruments or securities drawn, made, endorsed or accepted by or for the account of the Borrowers (or any of them) on the Guaranteed parties (or any of them) or their agents and purporting to be dated on or before the date when the guarantee from the relevant Guarantor hereunder ceases to be a continuing security (the "discontinuance date") although presented to or paid by the Guaranteed Parties (or any of them) or its agents after the discontinuance date; and
- (b) all indebtedness and other liabilities of the Borrowers (or any of them) to the Guaranteed Parties (or any of them) at the discontinuance date whether actual or contingent or whether payable forthwith or thereafter and also all credits then established by the Guaranteed Parties (or any of them) for the Borrowers or either of them,

shall remain payable by the Guarantors under this Guarantee notwithstanding that the guarantee from all or any of the Guarantors shall have ceased to be binding as a continuing security.

4. Costs, Expenses and Default Interest

4.1 The Guarantors shall, from time to time on demand, reimburse the Security Trustee and each of the Guaranteed Parties for all costs and expenses (including legal fees) together with any applicable Valued Added Tax incurred in relation to this Guarantee including all costs and expenses incurred in or in connection with the negotiation, execution and implementation of this Guarantee and all costs and expenses incurred in or in connection with the preservation and/or enforcement and/or any waiver of any of the rights of the Guaranteed Parties under, or any amendment to, this Guarantee.

4.2 The Guarantors shall pay all stamp, registration and other taxes to which this Guarantee and the Security Documents to which all or any of the Guarantors are or will be a party or any judgment given in connection herewith or therewith is or at any time may be subject and shall, from time to time on demand, indemnify the Guaranteed Parties against any liabilities, claims, costs and expenses resulting from any failure to pay or delay in

paying any such tax.

- 4.3 If any sum due and payable by any Guarantor hereunder to the Guaranteed Parties (or any of them) is not paid on the due date therefor in accordance with the provisions hereof or if any sum due and payable by any Guarantor under any judgment of any court in connection herewith is not paid on the due date in accordance with such judgment, during the period beginning on such due date or, as the case may be, the date of such judgment and ending on the date upon which the obligation of such Guarantor to pay such sum is discharged the Guarantor shall (as a separate and independent obligation) pay interest at the default rate determined in accordance with Clause 19.1 of the Facilities Agreement.

5. Representations and Warranties

- 5.1 Each Guarantor represents and warrants to the Guaranteed Parties that:

- (i) it has been duly incorporated as a company under the laws of the jurisdiction of its incorporation and is validly existing and has all necessary corporate power and authority to enter into and deliver this Guarantee and to perform its obligations hereunder, to enter into and deliver the Security Documents to which it is or will be a party, to create any security constituted or to be constituted thereby and to perform its obligations thereunder and to own its properties and assets and to carry on its business as currently conducted;
- (ii) all necessary corporate action has been taken (including without limitation the passing of any shareholders resolution(s) required by law or its constitutional documents) by it to authorise its execution, delivery and performance of this Guarantee and the Security Documents to which it is or will be a party, to create any security constituted or to be constituted by the Security Documents to which it is or will be a party and to observe and perform its obligations under this Guarantee and the Security Documents to which it is or will be a party;
- (iii) this Guarantee constitutes, and the Security Documents to which it is or will be a party constitute, or will when executed and delivered by it, constitute legal, valid and binding obligations of it;
- (iv) the execution and delivery by it of this Guarantee and the Security Documents to which it is or will be a party and the performance and observance by it of its obligations hereunder and thereunder and the creation by it of any security constituted or to be constituted by the Security Documents to which it is or will be a party do not and will not violate or result in a breach of, or exceed any power granted to it or any of its directors under:
 - (a) any law, rule or regulation to or by which it or any of its

business, property or assets is subject or bound;

- (b) any judgment, order, injunction, determination, award or ruling of any court or arbitrator or any judicial, administrative or governmental authority to or by which it is subject or bound;
 - (c) its constitutional documents; or
 - (d) any deed, agreement, franchise, concession, licence, treaty or other instrument to which it is a party or which may be binding upon it or which may materially affect its business or any of its properties or assets;
 - (v) the execution and delivery by it of this Guarantee and the Security Documents to which it is or will be a party and the performance and observance by it of its obligations hereunder and thereunder will not result in the existence of nor oblige it to create any security over all or any of its present or future revenues or assets except as provided for or permitted herein or therein; and
 - (vi) every consent, licence, approval or authorisation of, exemption from any registration, recording or filing with any person required in connection with the execution and delivery by it of this Guarantee and each of the Security Documents to which it is or will be a party or the creation of any security thereby contemplated or to make the same admissible in evidence has been (or will be within any prescribed period in the case of any registration, recording or filing) obtained or made and is in full force and effect and all necessary fees required in connection therewith have been (or, as the case may be, will be) paid.
- 5.2 The representations and warranties of each Guarantor set out in Clause 5.1 shall survive the execution of this Guarantee and shall be correct and complied with in all respects so long as any of the Guaranteed Obligations are or may be owed, due or incurred by the Borrowers (or any of them) to the Guaranteed Parties (or any of them) or the Guaranteed Parties (or any of them) may be under any obligation to continue any facility to the Borrowers (or any of them) as if repeated therein by reference to the then existing circumstances.

6. Covenants

- 6.1 Each Guarantor undertakes with the Guaranteed Parties that it will obtain, comply with the terms of, and do all that is necessary to maintain in full force and effect, all consents, licences, approvals and authorisations required to enable it lawfully to perform its obligations under this Guarantee and any Security Document to which it is or will be a party and to ensure the legality, validity, or admissibility in evidence of this Guarantee and each Security Document to which it is or will be a party and promptly provide the

Security Trustee with evidence thereof on request and shall ensure that its obligations hereunder do not cease to be binding as a continuing security so long as any of the Borrowers' obligations under the Finance Documents remain outstanding.

- 6.2 Each Guarantor shall at any time, at the request of the Security Trustee but at the cost of such Guarantor, promptly sign, seal, execute, deliver and do all such deeds, instruments, acts and things in such form as the Security Trustee may reasonably require for perfecting or protecting the guarantee provided hereunder.

7. Payments

The provisions of the Facilities Agreement relating to the payments to be made thereunder (including, without limitation, Clause 24 thereof which regulates what is to happen if any of the Borrowers is required by law to make a deduction or withholding from any such payment) shall apply mutatis mutandis to payments to be made hereunder as if references therein to "Borrower" and "Borrowers" were to "Guarantor" and "Guarantors".

8. Set-Off

Without prejudice to any right of set-off or any similar right to which the Guaranteed Parties (or any of them) may be entitled at law or in equity or by agreement between the parties and, without prejudice to anything else herein contained, each Guaranteed Party may at any time (insofar as it relates to payments of interest) and at any time following the occurrence of an Event of Default (insofar as it relates to payments of principal) without notice to or further authorisation from any Guarantor combine and consolidate all or any accounts of any and/or all of the Guarantors with such Guaranteed Party anywhere and/or set-off any moneys whatsoever and whether on current, deposit or any other account and in whatever currency or currencies against any moneys or liabilities whatsoever in whatever currency which may be due, owing or incurred by any and/or all of the Guarantors to such Guaranteed Party whether actually or contingently and whether or not any period of any deposit or by reference to which interest therein is calculated has expired and any conversion from one currency to another for the purpose of any of the foregoing shall be made at such Guaranteed Party's then prevailing spot selling rate at its office by which such conversion is made.

9. Continuing Security

The obligations of each Guarantor under this Guarantee shall be a continuing security notwithstanding any settlement of account or other matter or thing whatsoever, and in particular, but without limitation, shall not be considered discharged by any intermediate discharge or payment of or on account of all or any of the Guaranteed Obligations and shall continue in full force and effect until final payment in full of the Guaranteed Obligations. No demand

made by the Security Trustee or any of the Guaranteed Parties hereunder shall prejudice or restrict the right of the Security Trustee or any of the Guaranteed Parties to make further or other demands.

10. New Accounts

In the event of this Guarantee being determined in relation to, or otherwise ceasing to be binding on, any Guarantor as a continuing security for whatever reason, it shall be lawful for each Guaranteed Party at its discretion either to continue any then existing account(s) with any Borrower or to open one or more fresh accounts with such Borrower (which shall bear interest on any credit balances at the prevailing market rate), to which all moneys subsequently received for the credit of such Borrower shall be credited or be treated as having been credited and such moneys shall not operate to reduce the amount of the obligations of such Borrower hereby guaranteed by such Guarantor at the time of this Guarantee so ceasing to be binding as a continuing security.

11. Application of Certain Receipts

Each Guarantor agrees that:

- (i) any dividends or payments received by or on behalf of the Guaranteed Parties (or any of them) in respect of the Guaranteed Obligations in any insolvency, winding-up administration, voluntary arrangement or dissolution shall, for the purposes of this Guarantee be taken to discharge those obligations only to the extent of the actual amount so received; and
- (ii) the Guaranteed Parties (or any of them) may keep in one or more suspense or impersonal accounts for so long as the Guaranteed Parties (or any of them) shall think fit any moneys received, recovered or realised from any Guarantor hereunder or under any of the Security Documents to which such Guarantor is a party without being under any obligation to apply the same or any part thereof in or towards discharge of any amounts then due or owing by the Borrowers and the subject of this Guarantee.

12. Avoidance of Payments

No assurance, security or payment which may be avoided or adjusted under any applicable law, and no release, settlement or discharge given or made by the Guaranteed Parties (or any of them) on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Guaranteed Parties (or any of them) to recover from each Guarantor (including any moneys which it might be compelled by due process of law to refund under the provisions of any law relating to liquidation, bankruptcy, administration, insolvency or creditors' rights generally and any costs payable by it pursuant to or otherwise incurred in connection with such

process) to the full extent of this Guarantee as if such assurance, security, payment, release, settlement, discharge or arrangement (as the case may be) had never been granted given or made; and any such release, settlement, discharge or arrangement shall as between the Guaranteed Parties (or any of them) and any Guarantor and each of them be deemed to have been given or made upon the express condition that it shall become and be wholly void and of no effect if the assurance security or payment on the faith of which it was made or given shall be void or (as the case may be) shall at any time thereafter be avoided to the intent and so that each Guaranteed Party shall become and be entitled at any time after any such avoidance to exercise all or any of the rights in this Guarantee expressly conferred upon such Guaranteed Party and of all or any other rights which by virtue and as a consequence of this Guarantee such Guaranteed Party would have been entitled to exercise but for such release, settlement, discharge or arrangement.

13. Remedies and Waivers

No failure to exercise, nor any delay in exercising, on the part of the Guaranteed Parties (or any of them), any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

14. Joint and Several Liability

14.1 This Guarantee is made by the Guarantors and each of them jointly and severally and the Guarantors shall be jointly and severally liable hereunder and this Guarantee shall be construed accordingly.

14.2 Each Guarantor agrees to be bound by this Guarantee notwithstanding that any other Guarantor which was intended to execute or to be bound by this Guarantee does not do so or is not effectively so bound and notwithstanding that any of the obligations of any other Guarantor herein contained may be determined or become invalid or unenforceable against such other Guarantor and whether or not the same is known to the Guaranteed Parties (or any of them).

14.3 Without prejudice to anything else herein contained each Guarantor agrees that the Guaranteed Parties (or any of them) shall be at liberty to release or discharge any other Guarantor from liability hereunder or any other person who has guaranteed the Guaranteed Obligations without prejudicing or affecting the obligations of the first mentioned Guarantor hereunder.

15. Evidence of Debt

The certificate signed by an officer of the Agent as the amount payable at any time under this Guarantee shall, in the absence of manifest error, be

conclusive evidence as to the amount thereof against each of the Guarantors.

16. Partial Invalidity

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect in relation to any one or more of the Guarantors under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof in relation to such Guarantors or under the law of any other jurisdiction shall in any way be affected or impaired thereby.

17. Benefit of Guarantee and Indemnity

- 17.1 Each Guarantor hereby acknowledges and covenants that the obligations binding upon it contained herein are owed to, and shall be for the benefit of the Guaranteed Parties and that the Guaranteed Parties shall be entitled severally to enforce the said obligations against such Guarantor.
- 17.2 No Guarantor shall be entitled to assign or transfer all or any of its rights, benefits or obligations hereunder.
- 17.3 Each Guaranteed Party may at any time assign or transfer all or any of its rights and/or obligations under this Guarantee without the consent of any of the Guarantors.
- 17.4 In the event that pursuant to any arrangement, compromise, merger, amalgamation or analogous proceeding in any jurisdiction all or any of the Guaranteed Obligations are transferred to or assumed by any other person or persons, this Guarantee shall take effect as if all references to the Borrowers included such other person or persons.

18. Notices

- 18.1 Any notice or other communication to be given under or for the purposes of this Guarantee shall be in writing and shall be treated as properly served or given if hand delivered or sent by registered post or facsimile to the relevant person at the address or facsimile number identified below for such other address or facsimile number as that person has designated in writing from time to time to the person giving the notice:-

(a) the Security Trustee
as follows:

Address: AIB Corporate Banking
Bankcentre
Ballsbridge
Dublin 4

Facsimile No: 2601783
Attention: Catherine Moroney
Donnchadh Ó Madagáin

Bernard Carroll

(b) the Guarantors: Address: Huguenot House
35/38 St. Stephen's Green
Dublin 2

Facsimile No: 6613968
Attention: B.N. Loane
P.E. Lynch
J. Coll

18.2 Any such notice or other communication shall be deemed to have been received by the recipient:-

- (a) in the case of a letter which is hand delivered, when actually delivered and, in the case of a letter which is sent by registered post, on the second day after posting (or on actual receipt, if earlier); or
- (b) in the case of transmission by facsimile, at the time of transmission provided that any communication or document to be made or delivered to the Security Trustee shall be effective only when received by the Security Trustee and then only if the same is expressly marked for the attention of the department and officer referred to above (or such other department and officer as the Security Trustee may from time to time specify for this purpose).

18.3 Each person making a communication under this Guarantee by facsimile shall promptly confirm by telephone to the person to whom such communication was addressed each communication made by it by facsimile pursuant to this Guarantee but the absence of such confirmation shall not affect the validity of any such communication.

19. Indemnity

The Guarantors shall jointly and severally indemnify and keep the Guaranteed Parties indemnified against:

- (a) any loss or damage which may be incurred or suffered by the Guaranteed Parties (or any of them) as a result of the breach of any covenant, undertaking or agreement on the part of all or any of the Guarantors contained in this Guarantee or any representation or warranty by all or any of the Guarantors contained in this Guarantee being or proving at any time to be materially incorrect or untrue when made or deemed to be made; and
- (b) all actions, losses, claims, proceedings, costs, demands and liabilities which may be suffered by the Guaranteed Parties (or any of them) under or in connection with this Guarantee.

20. Currency Judgment

20.1 If any sum due from all or any of the Guarantors under this Guarantee or any order or judgment given or made in relation thereto has to be converted from the currency (the "first currency") in which the same is payable thereunder or under such order or judgment into another currency (the "second currency") for the purpose of:

- (i) making or filing a claim or proof; or
- (ii) obtaining an order or judgment in any court or other tribunal; or
- (iii) enforcing any such order or judgment

against all or any of the Guarantors, the Guarantors agree to jointly and severally indemnify and hold harmless each Guaranteed Party from and against any loss suffered as a result of any discrepancy between:

- (a) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency; and
- (b) the rate or rates of exchange at which such Guaranteed Party is able to purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

20.2 The rate or rates of exchange aforesaid shall be determined by the Guaranteed Parties in accordance with applicable market practice.

21. Counterparts

This Guarantee may be executed in any number of counterparts and by the different parties hereto on separate counterparts each of which when so executed and delivered shall be an original but all the counterparts shall together constitute but one and the same instrument.

22. Governing Law and Jurisdiction

22.1 This Guarantee shall be governed by and construed in accordance with the laws of Ireland.

22.2 For the benefit of the Guaranteed Parties, the parties hereto irrevocably agree that any legal action or proceedings in connection with this Guarantee may be brought in the Irish courts, which shall have jurisdiction to settle any disputes arising out of or in connection with this Guarantee. The submission to such jurisdiction shall not (and shall not be construed so as to) limit the right of any of the Guaranteed Parties (or any of them) in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or

more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

- 22.3 Each Guarantor incorporated in a jurisdiction other than Ireland hereby irrevocably appoints the Company to accept service of process on its behalf in Ireland in connection with any suit, action or proceeding arising out of or in connection with this Guarantee.

IN WITNESS whereof the parties hereto have executed this Guarantee the day and year first before written.

THE SCHEDULE**The Guarantors**

Name	Jurisdiction	Registration No.
Adare Printing Group plc	Ireland	61078
Presswell Group Limited	Ireland	148456
Presswell Limited	Ireland	53945
Flexible Packagings Limited	Ireland	61079
Delameree Limited	Ireland	172248
Mount Salus Press Limited	Ireland	22554
Hermes Holdings Limited	Ireland	41758 •
CJ Fallon (Holdings) Limited	Ireland	115560
CJ Fallon	Ireland	63608
Perigord Limited	Ireland	7677
Kenley Press Limited	England	778663
Darley Business Forms Limited	England	405648
Adare Printing Group (UK) Limited	England	2387953
Quorum Technical Services Limited	England	1720724
Park Mill Business Forms Limited	England	3014889
William Caple & Company Limited	England	501084
Label Converters Limited	England	1203292
Alexander Pettigrew Limited	England	2917499
Adare Properties (UK) Limited	England	2931068
Great Northern Envelope Company Limited	England	2212509
WBF Limited	England	2814431
Pillings Print Company Limited	England	120184

The Common Seal of
ADARE PRINTING GROUP Plc:
was hereunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
PRESSWELL GROUP LIMITED
was hereunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
PRESSWELL LIMITED
was hereunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
DELAMEREE LIMITED
was hereunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
FLEXIBLE PACKAGINGS LIMITED
was hereunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
MOUNT SALUS PRESS LIMITED
was hereunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
HERMES HOLDINGS LIMITED
was hereunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
CJ FALLON (HOLDINGS) LIMITED
was hereunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
CJ FALLON
was hereunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
PERIGORD LIMITED
was hereunto affixed
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
KENLEY PRESS LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
DARLEY BUSINESS FORMS LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
ADARE PRINTING GROUP (UK) LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
QUORUM TECHNICAL SERVICES LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
PARK MILL BUSINESS FORMS LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
WILLIAM CAPLE & COMPANY LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
LABEL CONVERTERS LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
ALEXANDER PETTIGREW LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
ADARE PROPERTIES (UK) LIMITED
in the presence of:

Director

Director/Secretary

SIGNED as a deed on behalf of
GREAT NORTHERN ENVELOPE COMPANY LIMITED
in the presence of:

Director

Director/Secretary

L A I D

The Common Seal of
WBF LIMITED
was hereunto affixed
in the presence of:

Director

Director/Secretary

The Common Seal of
PILLINGS PRINT COMPANY LIMITED
was hereunto affixed
in the presence of:

Director

Director/Secretary

Signed by:

for and on behalf of
ALLIED IRISH BANKS, p.l.c.

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Draft (4) : 18.04.96

707546/RBI/PAM/BF0155460.05

DATED _____ **1996**

**ADARE PRINTING GROUP (UK) LIMITED
AND OTHERS**

- and -

ALLIED IRISH BANKS, p.l.c.

COMPOSITE TRUST DEBENTURE

WILDE SAPTE

1 Fleet Place
London
EC4M 7WS

Tel: 0171-246 7000

Fax: 0171-246 7777

REF: # PAM/RBJ/707546.05

Draft (4) : 18.04.96
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