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COMPANIES FORM No. 395 Particulars of a mortgage or charge

395

Pursuant to section 395 of the Companies Act 1985

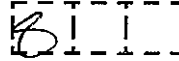
CHA 116

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

To the Registrar of Companies

For official use

Company number



2610871

Name of company

* Coupe Foundry Limited (the "Assignor")

*insert full name of company

Date of creation of the charge

16th March 1998

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

Deed of Assignment of Keyman Life Policy (Mezzanine) (the "Deed of Assignment")

Amount secured by the mortgage or charge

(i) all indebtedness, liabilities and obligations which at the date of the Deed of Assignment or at any time thereafter may be due, owing or incurred in any manner whatsoever to the Lender by any Charging Company whether actually or contingently, whether solely or jointly with any other person, whether as principal or surety, whether or not under or pursuant to the Facility Documents and whether or not the Lender shall have been an original party to the relevant transaction and in whatever currency denominated, including all liabilities from time to time assumed or incurred by the Lender at the request of any Charging Company and including interest, discount, commission and other lawful charges or reasonable expenses which the Lender may incur or charge in respect of any facilities or accommodation or service provided by it to any Charging Company;

cont'd...

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

Industrial Mezzanine Fund L.P.
Kensington Chambers, 46-50 Kensington Place, St Helier, Jersey, Channel Islands (the "Lender")

Postcode

Presenter's name address and reference (if any);

Wilde Sapte
1 Fleet Place
London
EC4M 7WS

VAM/IMR/115899/BF0320097.01

Time critical reference

For official use
Mortgage Section

Post room



KLO *KVZ99514* 2833
COMPANIES HOUSE 03/04/98

Short particulars of all the property mortgaged or charged

The Assignor, with full title guarantee, assigns and agrees to assign to the Lender all of the Assignor's right, title and interest in and to the Policies, including all new, amended and substituted policy or policies relating thereto and all monies, including bonuses accrued, or which may at any time after the date of the Deed of Assignment accrue, which shall become payable under the Deed of Assignment and the benefit of all powers and remedies for enforcing the same absolutely as a continuing security to the Lender for the payment or discharge by the Assignor on demand of the secured Obligations, subject only to the proviso for redemption contained in the Deed of Assignment.

NOTE:

The Assignor has covenanted that it would not create, attempt to create or permit to subsist any Encumbrance (other than a Permitted Encumbrance) on or over the Policies or assign or purport to assign the same in favour of any person;

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Particulars as to commission allowance or discount (note 3)

NIL

Signed

R. J. de S. J. de S.

Date 2nd April 1998

On behalf of [company] [mortgagee/chargee] †

† delete as appropriate

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

**Particulars of a mortgage or charge
(continued)**

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Continuation sheet No 1
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

2610871

Name of Company

Coupe Foundry Limited (the "Assignor")

Limited*

* delete if
inappropriate

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

[Empty box for description of the instrument]

(ii) on a full indemnity basis, all costs and expenses incurred by the Lender in relation to the Deed of Assignment and all costs and expenses incurred by the Lender in relation to the protection and enforcement of its rights under the Deed of Assignment; and

(iii) interest to the date of discharge on all principal sums payable and all liabilities and obligations to be discharged under sub-clauses (i) and (ii) above. Such interest shall accrue on a daily basis at the rate of 6% per annum above the base rate of the Bank from time to time compounded monthly and computed according to the usual practice for the time being of the Lender and shall be payable as well after as before any demand or judgment on the relevant Charging Company; (the "Secured obligations").

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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DEFINITIONS:

"Acquisition Agreement" means the acquisition agreement, in the agreed terms, entered into between the Vendors (1) and the Borrower (2), providing for the acquisition of the whole of the issued share capital of the Target;

"Acquisition Documents" means the Acquisition Agreement, together with all other documents executed or delivered or to be executed or delivered in accordance with the terms thereof or in connection therewith (including without limitation the "Disclosure Letter" referred to therein) (each an "Acquisition Document");

"Bank" means Barclays Bank Plc;

"Borrower" means Methodcheck Limited a company registered in England under number 3505010;

"Charging Companies" means the Borrower, the Target and where the context admits or requires, shall include Group Companies which are from time to time required to execute security documents in favour of the Lender pursuant to the terms of the Mezzanine Loan Facility Agreement (each a "Charging Company");

"Encumbrance" includes any mortgage, pledge, lien, charge, assignment by way of security, hypothecation, security interest, title retention, preferential right or trust arrangement or any other security agreement or arrangement having the effect of security;

"Facility Documents" means the Mezzanine Loan Facility Agreement, the Deed of Assignment and the Mezzanine Guarantee and Debenture and the other security granted by any Group Company for any liabilities of any Group Company to the Lender (each individually a "Facility Document");

"Group" means at any time the Borrower and its Subsidiaries (each a "Group Company");

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**Particulars of a mortgage or charge
(continued)**

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Continuation sheet No 2
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

2610871

Name of Company

Coupe Foundry Limited (the "Assignor")

Limited*

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

[Empty box for description of the instrument]

Amount due or owing on the mortgage or charge (continued)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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"Mezzanine Guarantee and Debenture" means the composite guarantee and debenture, in the agreed terms dated 16th March 1998 and executed by the Charging Companies in favour of the Lender (which expression shall, where the context admits or requires; include any further guarantee or debenture or supplemental deed entered into from time to time by any Group Company in favour of the Lender under the Mezzanine Loan Facility Agreement and/or any other Mezzanine Document (as defined in the Mezzanine Loan Facility Agreement);

"Mezzanine Loan" means means the principal amount for the time being outstanding under the Mezzanine Loan Facility;

"Mezzanine Loan Facility" means the term loan facility in the maximum aggregate principal amount of £1,030,000 granted to the Borrower by the Lender pursuant to the Mezzanine Loan Facility Agreement;

"Mezzanine Loan Facility Agreement" means the loan facility agreement dated 16th March 1998 between (1) (Methodcheck Limited and (2) Industrial Mezzanine Fund LP;

"Permitted Encumbrance" means

(i) a lien or right of set-off arising in the ordinary course of business solely by operation of law;

(ii) an Encumbrance which the Lender has at any time in writing agreed shall be a Permitted Encumbrance;

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**Particulars of a mortgage or charge
(continued)**

Continuation sheet No 3
to Form No 395 and 410 (Scot)

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Company Number

2610871

Name of Company

Coupe Foundry Limited (the "Assignor")

Limited*

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

[Empty box for description of the instrument]

Amount due or owing on the mortgage or charge (continued)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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(iii) Encumbrances arising under the Mezzanine Documents as defined in the Mezzanine Loan Facility Agreement or under any further security provided by any Group Company in connection with the Mezzanine Loan Facility;

(iv) Encumbrances arising under the Senior Security or under any further security provided by any Group Company in connection with the Senior Facilities;

(v) any Encumbrances arising solely as a result of a title retention clause in a supply agreement entered into by any Group Company or arising under conditional sale or hiring agreements in respect of goods supplied to the Group in the ordinary course of business; and

(vi) any Encumbrance created to replace or in substitution for any of the Encumbrances referred to in paragraphs (i) to (v) inclusive;
"Policies" means the policies of insurance, particulars of which are set out in Schedule 1 of the Deed of Assignment (set out below), together with any policy or policies in substitution or replacement thereof (each a "Policy");

"Senior Credit Agreement" means the facilities agreement between the Borrower, the Target and the Bank dated the 16th March 1998;

"Senior Facilities" means the Facilities as defined in the Senior Credit Agreement;

"Subsidiary" means:-

(i) a subsidiary as defined in Section 736 of the Companies Act 1985 (the "Act"); and

(ii) a subsidiary undertaking as defined in Section 258 and schedule 10A of the Act;

"Target" means Coupe Foundry Limited, a company registered in England under number 02610871.

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**Particulars of a mortgage or charge
(continued)**

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Continuation sheet No 4
to Form No 395 and 410 (Scot)

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Company Number

2610871

Name of Company

Coupe Foundry Limited (the "Assignor")

Limited*

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

[Empty box for description of the instrument]

Amount due or owing on the mortgage or charge (continued)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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Schedule 1 to Deed of Assignment
Insurance policies

Insurer:	Cassidy Davis Syndicate Management Limited
Life Assured:	Ivor Brothwood
Policy Reference Number:	NP11/03/98/02
Sum Assured:	£500,000
Term:	5 years
Commencement Date:	12/3/98
Insurer:	Cassidy Davis Syndicate Management Limited
Life Assured:	Stephen Robert Hall
Policy Reference Number:	NP/11/03/98/03
Sum Assured:	£500,000
Term:	5 years
Commencement Date:	12/3/98

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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Short particulars of all the property mortgaged or charged (continued)

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

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

COMPANY No. 02610871

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF ASSIGNMENT OF KEYMAN LIFE POLICY (MEZZANINE) DATED THE 16th MARCH 1998 AND CREATED BY COUPE FOUNDRY LIMITED FOR SECURING ALL INDEBTEDNESS LIABILITIES AND OBLIGATIONS DUE OR TO BECOME DUE FROM ANY CHARGING COMPANY (AS DEFINED) TO INDUSTRIAL MEZZANINE FUND L.P. UNDER OR PURSUANT TO THE FACILITY DOCUMENTS (AS DEFINED) ON ANY ACCOUNT WHATSOEVER AND IN RELATION TO THIS DEED OF ASSIGNMENT WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 3rd APRIL 1998.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 8th APRIL 1998.

Peter C Protheroe

for the Registrar of Companies



C O M P A N I E S H O U S E