

# M

## COMPANIES FORM No. 395

### Particulars of a mortgage or charge

# 395

Please do not write in this margin

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

[ ][ ][ ] 7 [ ][ ][ ]

2610871

Name of company

\* COUPE FOUNDRY LIMITED (THE "COMPANY")

\* insert full name of company

Date of creation of the charge

16 MARCH 1998

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

Composite Guarantee and Debenture (the "Charge")

Amount secured by the mortgage or charge

(i) All indebtedness, liabilities and obligations which are at the date of the Charge or may at any time thereafter be due, owing or incurred in any manner whatsoever to the Bank by any Charging Company (as such term is defined in the Schedule to this Form M395) whether actually or contingently, whether pursuant to the guarantee contained within the Charge or otherwise, whether solely or jointly with any other person, whether as principal or surety and whether or not the Bank 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 Bank at the request of any Charging Company in connection with foreign exchange transactions, acceptances, discounting or otherwise or under guarantees, bonds, indemnities, documentary or other credits or any instruments whatsoever and including interest, discount, commission and other lawful charges or reasonable expenses which the Bank may in the course of its business charge in respect of any facilities or accommodation or service provided by the Bank for keeping any Charging Company's account;

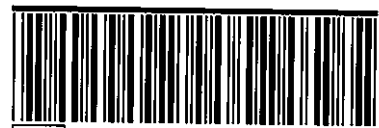
Names and addresses of the mortgagees or persons entitled to the charge

Barclays Bank PLC  
51 Mosley Street  
Manchester  
M60 3HQ (the "Bank")

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

Dibb Lupton Alsop  
101 Barbirolli Square  
Manchester M2 3DL

For official use  
Mortgage Section



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COMPANIES HOUSE 24/03/98

MM/mw/WP20030.FOR

Time critical reference

With full title guarantee and as a continuing security for the payment or discharge of all the Secured Obligations and all its other obligations under the Charge:-

1. the Company charges to the Bank by way of first legal mortgage:
  - 1.1 all its freehold and leasehold interest in the properties title to which is registered at HM Land Registry described in Part 1 of Schedule 2 of the Charge, together with all buildings, fixtures (excluding in the case of leasehold property landlord's fixtures but including other trade fixtures and excluding in the case of freehold property and leasehold property which is let or sub-let to a third party, tenant's and trade fixtures and fittings of such third party) and fixed plant and machinery at any time thereon; and
  - 1.2 all other freehold and leasehold interests in the properties now vested in it but title to which is not registered at HM Land Registry described in Schedule 2 of the Charge, together with all buildings, fixtures (excluding in the case of leasehold property landlord's fixtures but including other trade fixtures and excluding in the case of freehold property and leasehold property which is let or sub-let to a third party, tenant's and trade fixtures and fittings of such third party) and fixed plant and machinery at any time thereon.

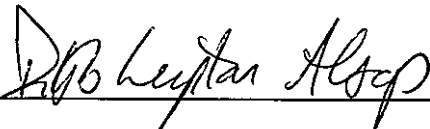
Please do not write in this margin

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

Particulars as to commission allowance or discount (note 3)

Nil

Signed



Date

24 March 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.

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

Please do not write in this binding margin

Continuation sheet No \_\_\_\_\_  
to Form No 395 and 410 (Scot)

CHA 116

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

Company Number

2610871

Name of Company

COUPE FOUNDRY LIMITED (THE "COMPANY")

Limited\*

\* delete if inappropriate

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

The Charge contains, inter alia, the following provisions:-

1. the Company covenants with the Bank that, save as permitted by the terms of the Facilities Agreement, during the continuance of the security constituted by the Charge it shall not, without the consent of the Bank in writing:
  - 1.1 create, extend or permit to subsist any Encumbrance (other than a Permitted Encumbrance) (as both such terms are defined in the Schedule to this Form M395) upon any of the property charged pursuant to the Charge to secure any liability, actual or contingent; and
  - 1.2 save as permitted or required under the Charge sell, discount, factor, transfer, lease, lend or otherwise dispose of, whether by means of one or a number of transactions related or not and whether at one time or over a period of time, the whole or, save in the normal course of trading, any part of the property charged pursuant to the Charge.
2. the Secured Obligations shall be deemed to have become due and payable on the date of the Charge and Sections 93 and 103 of the Law of Property Act 1925 (the "Act") shall not apply to the Charge.
3. the security constituted by the Charge shall become immediately enforceable upon the occurrence of an Event of Default (as such term is defined in the Facilities Agreement) and the power of sale and other powers conferred by Section 101 of the Act (as varied or amended by the Charge), shall be immediately exercisable upon and at any time after the occurrence of any Event of Default.
4. the Charge gives the Bank power to appoint a Receiver.
5. no person dealing with the Bank or with any Receiver appointed by the Bank or with any delegate or sub-delegate of the Bank shall be concerned to enquire whether any event has happened upon which any of the powers, authorities and discretions conferred by or pursuant to the Charge in relation to the property charged pursuant to the Charge or any part thereof are or may be exercisable by the Bank or by any such Receiver, delegate or sub-delegate or otherwise as to the proprietary or regularity of acts purporting or intended to be in exercise of any such powers and all the protection to purchasers contained in Sections 104 and 107 of the Act and Section 42(3) of the Insolvency Act 1986 shall apply to any person purchasing from, or dealing with, the Bank or any such Receiver, delegate or sub-delegate in like manner as if the statutory powers of sale and of appointing a Receiver had not been varied or extended by the Charge.
6. in accordance with Clause 17 of the Charge, the Company irrevocably appoints, with effect from the occurrence of an Event of Default which has not been waived in writing by the Bank or remedied to the satisfaction of the Bank:
  - 6.1 the Bank;
  - 6.2 each and every person to whom the Bank shall from time to time have delegated the exercise of the power of attorney conferred by such Clause 17; and
  - 6.3 any Receiver appointed under the Charge for the time being holding office,

severally to be its attorney and on its behalf and in its name or otherwise to execute and do all such assurances, acts and things which may be required for carrying out any obligation imposed on the Company by or pursuant to the Charge.

**Please complete  
legibly, preferably  
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(ii) on a full indemnity basis, all agreed costs and expenses properly incurred by the Bank in relation to the Charge including, without limitation, legal fees, in the agreed amount, incurred by the Bank in relation to the preparation and negotiation of the Charge and all costs and expenses incurred by the Bank in relation to the protection and enforcement of the rights of the Bank thereunder; 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 be computed and compounded in accordance with the terms of the Facilities Agreement (as such term is defined in the Schedule to this Form M395) or otherwise as agreed between the parties from time to time or, in the absence of such agreement at the rate of three per cent (3%) per annum above the base lending rate from time to time of the Bank, compounded monthly and computed according to the usual practice for the time being of the Bank as the case may be and shall be payable as well after as before any demand or judgment on the relevant Charging Company (as such term is defined in the Schedule to this Form M395),

provided that no indebtedness, liabilities or obligations shall be included, to the extent that if it were so included, the Charge (or any part of it) would constitute unlawful financial assistance within the meaning of Sections 151 and 152 of the Companies Act 1985,

(the above, together the "Secured Obligations").

Please do not  
write in this  
binding margin

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

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

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Please complete  
legibly, preferably  
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bold block lettering

2. the Company charges to the Bank by way of first fixed charge:-
- 2.1 all its future freehold and leasehold property together with all buildings, fixtures (excluding in the case of leasehold property landlord's fixtures but including trade fixtures and excluding in the case of freehold property and leasehold property which is let or sub-let to a third party, tenant's and trade fixtures and fittings of such third party) and fixed plant and machinery at any time thereon;
- 2.2 all estates and interests not otherwise effectively charged by the above-mentioned charges which, as at the date of the Charge or thereafter, belong to the Company in or over land wheresoever situate or the proceeds of sale of land and all licences as at the date of the Charge or thereafter held by the Company to enter upon or use land and the benefit of all other agreements relating to land to which the Company is or may become a party or otherwise entitled and all trade and tenant's fixtures, plant and machinery owned by the Company which is at the date of the Charge or thereafter annexed to all freehold and leasehold property its estate or interest in which stands charged under the Charge;
- 2.3 the goodwill of the Company and its issued but unpaid capital as at the date of the Charge or at any time thereafter in existence and future calls (whether made by the directors of the Company or by a Receiver (as such term is defined in the Schedule to this Form M395) or a liquidator);
- 2.4 all copyrights, patents and registered and unregistered designs (including applications and rights to apply therefor), inventions, trademarks and service marks whether registered or not (including all registrations thereof and applications and rights to apply therefor), confidential information and know-how and fees, royalties and other rights of every kind deriving from copyright, patents or inventions or other intellectual property throughout the world as at the date of the Charge or at any time thereafter belonging to or created by or assigned to the Company;
- 2.5 all plant and machinery as at the date of the Charge or at any time thereafter belonging to the Company (excluding however plant and machinery for the time being forming part of its stock in trade or work in progress);
- 2.6 all chattels as at the date of the Charge or at any time thereafter hired, leased or rented by the Company to any other person together in each case subject to and with the benefit of the related hiring, leasing or rental contract and any guarantee, indemnity or other security for the performance of the obligations of any person under or in respect of such contract;
- 2.7 all Receivables (as such term is defined in the Schedule to this Form M395);
- 2.8 the Insurances (as such term is defined in the Schedule to this Form M395), the benefit of any claim to the proceeds of any such Insurances and the right to the return of any insurance premium in relation to any such Insurance;
- 2.9 the benefit of all licences, consents and authorisations (statutory or otherwise) held in connection with its business or the use of any of the property charged pursuant to the Charge and the right to recover and receive all compensation which may be payable to it in respect of them; and
- 2.10 the benefit of all representations, undertakings, warranties and indemnities granted in favour of the Company under or pursuant to the Acquisition Documents (as such term is defined in the Schedule to this Form M395) and the right to recover and receive all damages and/or compensation which may be payable to it in respect of them.
3. The Company, with full title guarantee, charges to the Bank by way of first floating charge all its undertaking and all its property and assets whatsoever and wheresoever situated both at the date of the Charge and in the future, including (without prejudice to the generality of the foregoing) (1) heritable property and all other property and assets in Scotland and (2) the proceeds of the collection of any Receivables but excluding any property or assets from time to time or for the time being otherwise effectively mortgaged or charged by way of fixed mortgage or charge under or pursuant to the Charge.
4. The Company, as sole beneficial owner and with full title guarantee:-
- 4.1 by way of a first mortgage, mortgages and charges and agrees to mortgage and charge to the Bank all Group Shares (as such term is defined in the Schedule to this Form M395), held at the date of the Charge or at any time in the future by it and/or any nominee on its behalf; and
- 4.2 by way of a first mortgage or charge, mortgages and charges and agrees to mortgage and charge to the Bank all the Related Rights, (as such term is defined in the Schedule to this Form M395), accruing to all or any of the Group Shares held at the date of the Charge or at any time in the future by it and/or any nominee on its behalf.

## SCHEDULE TO FORM M395

In this Form M395, the following words and phrases shall have the meanings given below:-

**"Acquisition Documents"** means the acquisition agreement entered into between the Vendors (as such term is defined in that agreement) (1) and Methodcheck Limited (2), 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);

**"Charging Company"** means the Company, Methodcheck Limited 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 Bank pursuant to the terms of the Facilities Agreement;

**"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;

**"Facilities Agreement"** means the facilities agreement dated the same date as the Charge and made between Methodcheck Limited (1) the Company (2) and the Bank (3);

**"Group Shares"** means all shares specified in Schedule 4 of the Charge together with all other stocks, shares, debentures, bonds, warrants, coupons or other securities and investments as at the date of the Charge or at any time thereafter owned by any Charging Company;

**"Insurances"** means the policies of insurance in which the Company has an interest from time to time (each an "Insurance");

**"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 Bank has at any time in writing agreed shall be a Permitted Encumbrance;
- (iii) Encumbrances arising under the Banking Documents (as such term is defined in the Facilities Agreement) or under any further security provided by any Group Company in connection with the facilities provided by the Bank;
- (iv) Encumbrances arising under the Mezzanine Security (as such term is defined in the Facilities Agreement);
- (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 Encumbrances referred to in paragraph (1) to (iv) (inclusive);

**"Receivables"** means all present and future book debts, rentals, royalties, fees, VAT and all other amounts recoverable or receivable by any Charging Company from other persons due or owing to such Charging Company and the benefit of all rights relating thereto, including, without limitation, negotiable instruments, legal and equitable charges, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights;

**"Receiver"** means any receiver or receiver and manager or administrative receiver appointed by the Bank under or by virtue of the Charge, whether alone or jointly with any other person and includes any substitute for any of them appointed from time to time; and

**"Related Rights"** means, in relation to the Group Shares, all dividends and other distributions paid or payable after the date of the Charge on all or any of the Group Shares and all stocks, shares, securities (and the dividends or interest thereon), rights, moneys or property accruing or offered at any time in relation to such shares or other securities by way of redemption, substitution, exchange, bonus or preference, pursuant to option rights or otherwise in respect of any of the Group Shares or in substitution or exchange for any of the Group Shares.



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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 COMPOSITE GUARANTEE AND DEBENTURE DATED THE 16th MARCH 1998 AND CREATED BY COUPE FOUNDRY LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY AND METHODCHECK LIMITED TO BARCLAYS BANK PLC ON ANY ACCOUNT WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 24th MARCH 1998.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 26th MARCH 1998.

A handwritten signature in dark ink, appearing to read "D. P. ...".

D. P. ...

for the Registrar of Companies



COMPANIES HOUSE

HC026B

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