

M

Please do not
write in
this margin

CHA 116

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

*insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

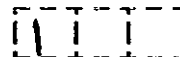
395

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number



58810

Name of company

* J. R. Crompton Limited ("the Company")

Date of creation of the charge

21 September 1995

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

COMPOSITE GUARANTEE AND MORTGAGE DEBENTURE ("THE DEBENTURE") between the companies named therein including the Company (1) and The Governor and Company of the Bank of Scotland for itself as Trustee (2)

Amount secured by the mortgage or charge

All moneys, obligations and liabilities for the time being due, owing or incurred by the Obligors (as defined below) or any of them to any of the Beneficiaries (as defined below) under or in connection with the Finance Documents (as defined below) and/or on any other account whatsoever, in each case:-

(a) whether incurred actually or contingently and whether alone or jointly with any other person;

(b) whether incurred directly to such Beneficiary or whether such Beneficiary is entitled to claim the payment or discharge thereof solely by reason of an assignment or transfer to it by the person originally entitled; and

(Continued on continuation sheet)

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

The Governor and Company of the Bank of Scotland of The Mound, Edinburgh EH1 1YZ for itself and as security trustee for the Beneficiaries (as defined below) (the "Security Trustee")

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

Hammond Suddards
2 Park Lane
Leeds
LS3 1ES
(395broom.lfd) krp/docs

JPM/KRP

Time critical reference

For official use

Mortgage Section

Post room



HLE *H1QB9F6D* 157
COMPANIES HOUSE 28/09/95

Short particulars of all the property mortgaged or charged

1. Mortgages and Charges

Under the terms of the Debenture, the Company with full title guarantee CHARGES in favour of the Security Trustee (as trustee for the Beneficiaries):-

1.1 by way of legal mortgage, all the estate and interest of the Company in each freehold and/or leasehold property short particulars of which are set out beside its name in the Third Schedule to the Debenture and in all other freehold and leasehold property vested at the date of the Debenture in the Company, together with all buildings, fixtures and fittings (excluding, in the case of leasehold property, landlord's fixtures but including trade fixtures and fittings) and fixed plant and machinery from time to time therein or thereon and/or the proceeds of sale thereof (the "Legally Mortgaged Property"). The property described in the Third Schedule is

land and buildings at Simpson Clough Mill, Keywood; unregistered freehold subject to a pending application for first registration with freehold allocated title number GM684950;

land and buildings at Lydney Mill, Lydney, Gloucestershire part registered freehold under title number GR167055 and part unregistered freehold subject to a pending application for first

(continued on continuation sheet)

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)

None

Signed *Harmond Suddards*

Date *28/9/95*

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

† delete as appropriate

NOTES

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

Please do not
write in this
binding margin

Particulars of a mortgage or charge (continued)

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

CHA 116

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

Company Number

58810

Name of Company

J R Crompton Limited ("the Company")

Limited*

* delete if
inappropriate

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

(c) in whatever currency such moneys, obligations and liabilities may be denominated together with all costs (including reasonable legal costs), charges and expenses and any VAT thereon properly incurred by the Security Trustee, each Beneficiary and/or any receiver, receiver and manager or administrative receiver appointed pursuant to the provisions of the Debenture, in each case on a full indemnity basis, in connection with:-

(i) those fees and expenses payable pursuant to the Banking Agreements (as defined below) in respect of the negotiation, execution and perfection of the security constituted by the Debenture; and

(ii) the enforcement, exercise or preservation of any of the rights contained in the Finance Documents,

collectively known as "the Secured Obligations"

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

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

registration with freehold allocated title number GR170846, and part unregistered land for which possessory title is claimed;

Land and buildings at Elton Mill, Wellington Street, Bury, part registered freehold under title number GM684897 and part registered leasehold under title numbers GM131578, GM114434 & GM93660;

1.2 by way of first fixed charge, all the estate and interest of the Company in any freehold and/or leasehold property (other than that referred to in paragraph 1.1 above) at the date of the Debenture or at any time during the continuance of the security constituted by the Debenture owned, acquired by or charged to it together with all buildings, fixtures and fittings (excluding landlord's fixtures but including trade fixtures and fittings and fixed plant and machinery from time to time therein or thereon) and/or the proceeds of sale thereof (the "Equitably Charged Property");

1.3 by way of first fixed charge:-

(a) all sums for the time being standing to the credit of each of the accounts (including without limitation the Receivables Account (as defined below)) held by the Company with any bank or other financial institution and the debt or debts thereby constituted;

(b) all present and future benefits in respect of all policies of insurance of any kind for the time being effected by or on behalf of the Company or (to the extent of its interest) in which the Company has an interest;

(c) all sums at the date of the Debenture or at any time due or owing to the Company by way of grant, subsidy, compensation or refund by any statutory, legal or governmental body, authority or institution or by any body, authority or institution of the European Community; and

(d) (to the extent that they do not fall within any of the above sub-paragraphs) all book debts, both present and future, due or owing to the Company and all other monetary debts and claims (including, without limitation, the proceeds of the realisation of any security, rents, fees, royalties and other income) at the date of the Debenture and from time to time due or owing to the Company and the benefits of all rights and remedies relating thereto and all present and future things in action which give rise or may give rise to a debt or debts due or owing to such Company, (collectively, the "Book and other Debts");

1.4 by way of first fixed charge, all those shares and other securities referred to in the Fourth Schedule to the Debenture and all other stocks, shares, debentures, bonds and other securities at the date of the Debenture legally and/or beneficially owned by the Company, whether marketable or otherwise, in any company, firm, consortium or entity wheresoever situate, including for the avoidance of doubt any such as are share warrants to bearer shares and whether or not the shares to which they relate denominated in sterling together with all dividends, interest and other distributions paid or payable in respect thereof and all accretions, options, benefits, rights, moneys, property and other advantages offered at any time by way of bonus, capitalisation, redemption rights or otherwise to the holder thereof or in respect thereof or coupons in respect of any of the foregoing (collectively, the "Securities"). The shares referred to in the Fourth Schedule are deferred shares in J R Crompton Limited held by Broomco (929) Limited and bearer shares in J R Crompton held by Broomco (929) Limited;

Please do not
write in this
binding margin

Particulars of a mortgage or charge (continued)

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

CHA 116

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

Company Number

58810

Name of Company

J R CROMPTON LIMITED ("the Company")

~~limited~~

* delete if
inappropriate

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

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

Please do not
write in this
binding margin

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

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

1.5 by way of first fixed charge, the uncalled capital, goodwill, licenses, trademarks and service marks (including without limitation all symbols, representations and patterns similar to a trade mark), patents patent applications, designs, copyrights, confidential information, computer software, rights in the nature of copyright, registered designs, know-how, design rights and all other intellectual property rights at the date of the Debenture or at any time during the continuance of the security constituted by the Debenture belonging to the Company (the "Goodwill and Intellectual Property")

1.6 by way of first fixed charge, all amounts realised upon the enforcement or execution of any order of a court under Sections 212, 213, 214, 238, 239, 244 and 423 of the Insolvency Act 1986;

1.7 by way of first fixed charge, all interests, rights and entitlements of the Company in all chattels from time to time hired, leased or rented by the Company to any other person together, in each case, with the benefit of the relevant hiring, leasing or rental contract and any guarantee, indemnity or other security for the performance by such person of its obligations under the same;

1.8 by way of first fixed charge, the benefit of any covenants for title from time to time given or entered into by any predecessor in title of the Company to all or any part of the Property, any contract for the sale, letting or other disposal of any such Property existing at the date of the Debenture and all present and future options to renew leases or purchase reversions (whether or not freehold) or other interests in relation to any such Property;

1.9 by way of first fixed charge, the benefit of all rights and claims of the Company against all persons from time to time lessees of the whole or any part of the Property and all guarantors and sureties for the obligations of such persons and against all persons who are under any obligation to the Company in respect of any works of design, repair, construction or replacement to, in or about any of the Property;

1.10 so far as permitted under the relevant document, by way of first fixed charge, all the right, title and interest of the Company in and to all contracts, agreements or warranties affecting any of its freehold or leasehold property with building contractors, architects, quantity surveyors, structural and mechanical engineers and other like professionals; and

1.11 by way of floating charge, its undertaking and all its other property, assets and rights whatsoever and wheresoever both present or future including, without limitation, the stock in trade of the Company and the property, assets and rights mortgaged or charged under Sub-clauses 3.1.1 to 3.1.10 of the Debenture (referred to in paragraphs 1.1 to 1.10 above) inclusive or assigned by way of security under Clause 3.2 of the Debenture (referred to in paragraph 2 below) if and in so far as any such mortgage, charge or assignment shall for any reason be ineffective (all such undertaking, property, assets and rights being described in the Debenture as the "Assets charged by way of Floating Charge").

2 Assignments by Way of Security

The Company, as beneficial owner and as a continuing security for the payment and discharge of the Secured Obligations, assigns and agrees to assign absolutely to the Security Trustee (as trustee for the Beneficiaries):-

Please do not
write in this
binding margin

Particulars of a mortgage or charge (continued)

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

CHA 116

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

Company Number

58810

Name of Company

J R Crompton Limited ("the Company")

~~limited~~

* delete if
inappropriate

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

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

Please do not
write in this
binding margin

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

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

2.1 all its right, title and interest in and to the policies of life assurance from time to time effected by the Company on the lives of certain of its employees, together with all bonuses and other moneys, benefits and advantages which may at any time become payable or accrue thereunder or under any substituted policy or;

2.2 all its right, title and interest in and to the agreement or agreements for the sale and purchase of the issued share capital of J R Crompton Limited and the Property with Portals Group PLC of even date with the Debenture;

2.3 all its right, title and interest in and to the Receivables Account (as defined below) and any moneys from time to time standing to the credit of any such account and the debt or debts constituted thereby;

NOTE:

1. Negative Pledge and Disposals

The Company covenants with the Security Trustee that (save with the prior written consent of the Security Trustee) it shall not at any time during the continuance of security constituted by the Debenture:-

1.1 create or attempt to create or permit to subsist any mortgage charge (whether fixed or floating), pledge, lien, hypothecation, assignment by way of security, security interest, title retention or other similar encumbrances of any kind securing, or any right conferring a priority in respect of any obligation of any person;

1.2 part with possession of, transfer, sell, lease or otherwise dispose of the Charged Assets or any part thereof or any interest therein (or attempt or agree so to do) whether by a single transaction or a series of transactions, save that this covenant shall not apply to any disposal expressly permitted by the Banking Agreements.

2 Other General Covenants

The Company covenants with the Security Trustee that, except as expressly permitted by the Banking Agreements (as defined below) or with the prior written consent of the Security Trustee at all times during the continuance of the security constituted by this Deed, it shall not do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice materially the value to the Security Trustee and the Beneficiaries of the security constituted by the Debenture;

The following words and expressions used in this form M395 shall have the following meanings:

"BANKING AGREEMENTS" the Term Loan Agreement, the Working Capital Facility Agreement and the Mezzanine Loan Agreement.

"BENEFICIARIES" the Security Trustee and each of the Lenders for the time being.

"CHARGED ASSETS" all of the undertaking, property and assets (of whatsoever nature) of the Company charged and/or assigned by way of security under the Debenture.

"FINANCE DOCUMENTS" the Debenture and the Banking Agreements.

Please do not
write in this
binding margin

Particulars of a mortgage or charge (continued)

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

CHA 116

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

Company Number

58810

Name of Company

J R Crompton Limited ("the Company")

~~Limited~~

* delete if
inappropriate

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

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

Please do not
write in this
binding margin

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

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

"LENDERS" means the Security Trustee, Midland Bank plc and their respective successors in title and substitutes under the terms of the Term Loan Agreement and the Mezzanine Lenders, being Intermediate Capital Group PLC, Intermediate Capital Limited, Britel Fund Trustees Limited, Possfund Custodian Trustee Limited and their respective successors in title, assignees and substitutes.

"MEZZANINE LOAN AGREEMENT" means the agreement of even date with the Debenture made between Broomco (929) Limited, the Mezzanine Lenders (2) and Intermediate Capital Group PLC (3)

"OBLIGOR" the Company and any subsidiary of Broomco (929) Limited from time to time as may from time to time owe or incur moneys, obligations or liabilities (whether present, future, actual or contingent and whether as principal or as surety) to any Beneficiary on any account whatsoever and "Obligors" shall be construed accordingly.

"RECEIVABLES ACCOUNT" such separate and demoninated interest bearing account of the Company, governed by a mandate in form and substance satisfactory to the Security Trustee, with such bank or other financial insitutions as the Security Trustee may from time to time require.

"TERM LOAN AGREEMENT" the term loan agreement of the same date as the Debenture made between the Company (1), the Security Trustee in its capacity as agent, (2) and certain of the Lenders (3).

"WORKING CAPITAL FACILITY AGREEMENT" the working capital facility agreement of the same date as the Debenture made between the Company (1) the Security Trustee (2) and certain of the Lenders (3).

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 00058810

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A COMPOSITE GUARANTEE AND MORTGAGE DEBENTURE DATED THE 21st SEPTEMBER 1995 AND CREATED BY J.R. CROMPTON LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY AND/OR CROMPTON SPECIALIST PAPERMAKERS LIMITED (FORMERLY KNOWN AS BROOMCO (929) LIMITED) TO THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND FOR ITSELF AND AS SECURITY TRUSTEE FOR THE BENEFICIARIES UNDER OR IN CONNECTION WITH THE FINANCE DOCUMENTS (AS DEFINED) AND/OR ON ANY OTHER ACCOUNT WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 28th SEPTEMBER 1995.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 2nd OCTOBER 1995.

A handwritten signature in dark ink, appearing to read 'P. Davies'.

PHIL DAVIES

for the Registrar of Companies



COMPANIES HOUSE

HC026B