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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

113

126379

Name of company

* MD (1995) Limited (the "Chargor")

Date of creation of the charge

3 July 1996

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

Guarantee and Debenture (the "Debenture") dated 3 July 1996 made between the companies listed in Part II of the Schedule attached (the "Charging Companies") (1) and Barclays Bank Plc as Security Trustee (2)

Amount secured by the mortgage or charge

all the New Money Liabilities (as the same is defined in Part I of the Schedule) outstanding, due or owing or incurred by the Charging Companies to Barclays Bank PLC and National Westminster Bank Plc and their respective successors and permitted assignees or transferees (the "Banks").

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

Barclays Bank Plc, Chatsworth House, 66/70 St Mary Axe, London EC3A 8BD as agent and Security Trustee for itself and for National Westminster Bank Plc, Kings Cross House, 200 Pentonville Road, London N1 9JL, and their respective successors and permitted assignees or transferees.

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

Lovell White Durrant
65 Holborn Viaduct
London
EC1A 2DY

A1/PM/NPF/62620

Time critical reference

For official use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

See Parts IV, V, VI and VII of the Schedule attached.

NB: The Debenture includes covenants and restrictions (details of which are set out in Part V of the Schedule attached) given by and on the Chargor which protect and further define the charges and which must be read as part of the charges created.

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

Particulars as to commission allowance or discount (note 3)

N/A

Signed



Date

10th July 1996

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.

SCHEDULE TO FORM 395

Part I - Definitions

"Banks" means Barclays Bank PLC and National Westminster Bank plc but excluding any Bank which has ceased to be a Bank for the purposes of the Security pursuant to clause 29 of the Debenture and (where the context requires or permits) includes each or any of them and their respective successors and permitted assignees or transferees;

"Charged Assets" means, in relation to the Chargor, all the assets, goodwill, property, undertaking, rights and revenues whatsoever and wheresoever (present and future) of the Chargor for the time being charged under the Security and includes (without limitation) all Charged Properties of the Chargor and (where the context requires or permits) also includes any part of the foregoing;

"Charged Interests in Securities" shall have the meaning ascribed to that expression in subclause 4.1(h)(iv) of the Debenture and repeated in paragraph 1 (h)(iv) of Part IV of this Schedule;

"Charged Properties" means, in relation to the Chargor, all freehold and leasehold property of the Chargor for the time being charged under the Security;

"Charged Securities" shall have the meaning ascribed to that expression in Subclause 4.1(h)(iii) of the Debenture and repeated in paragraph 1 (h)(iii) of Part IV of this Schedule;

"Charging Companies" means the companies named in the Part II of this Schedule and (where the context requires or permits) includes each or any of them;

"Floating Charge Assets" means assets comprised within the floating charge created by subclause 4.1(l) of the Debenture and repeated in paragraph 1 (l) of Part IV of this Schedule;

"Guarantor" means any Charging Company in so far only as it covenants under the Debenture to pay or discharge money or liabilities due, owing or incurred by any other Charging Company to the Banks, and "Guarantors" and "Guarantee" shall be construed accordingly and the latter expression shall include every agreement or stipulation contained in the Second Schedule of the Debenture;

"Intellectual Property Rights" means, in relation to the Chargor, all patents, trade marks, service marks (and all goodwill associated with it), all brands and trade names, all copyrights and rights in the nature of copyright, design rights and registered designs, all documented trade secrets and know-how and all other intellectual property rights at the date of the Debenture or thereafter owned by the Chargor, all applications for the protection of any such rights in any part of the world and the benefit of all agreements and licences at the date of the Debenture or thereafter entered into or enjoyed by the Chargor relating to the use or exploitation of any such rights;

"Inter-Creditor Agreement" means the agreement dated 3 July 1996 made between the Banks and certain other financial institutions regulating (inter alia) the respective priorities of the Banks under and the rights and duties of the Security Trustee in relation to the security constituted by the Security;

"New Money Facility" means, in relation to a New Money Lender, its Existing Overdraft Facility as amended restated and increased by Clause 4 of the New Money Facilities Agreement and together the "New Money Facilities".

"New Money Facilities" shall have the meaning given to that expression in the New Money Facilities Agreement;

"New Money Facilities Agreement" means the New Money Facilities Agreement dated 3 July 1996 between (1) the Charging Companies, (2) the Guarantors, (3) Barclays Bank PLC and National Westminster Bank PLC, (4) certain other banks and financial institutions and (5) Barclays Bank PLC as Security Trustee setting out the basis upon which the Banks are prepared to increase the limit of the existing overdrafts provided to certain of the Charging Companies (in each case as provided therein);

"New Money Liabilities" means all money and liabilities of whatever currency for the time being outstanding, due, owing or incurred by the Chargor to the Banks in respect of:

- (i) all amounts outstanding under the New Money Facilities in respect of principal in excess of (in the case of each Bank) its respective Standfast Limit;
- (ii) accrued and unpaid interest (including default interest if applicable) under the New Money Facilities Agreement in respect of the amounts described in (i) above;
- (iii) all other amounts under the New Money Facilities Agreement in so far as they relate to any of the foregoing amounts; and
- (iv) all amounts under the Security;

"Parent" means Wickes plc (Registered Number 2070200);

"securities" includes all debentures, debenture stock, loan stock, loan notes, bills, warrants, coupons, deposit receipts or certificates, interests in or rights under or in connection with any fund or investment;

"Security Trustee" means the institution for the time being acting as agent and trustee for the Banks in relation to the Security, the first such institution being Barclays Bank PLC;

"Standfast Agreement" means a letter of 3 July 1996 be entered into between the Banks and certain other banks and financial institutions and the Charging Companies;

"Standfast Limit" means in the definition of "New Money Liabilities" £5,898,641 in respect of Barclays Bank PLC and £4,964,562 in respect of National Westminster Bank Plc;

"Subsidiary" shall bear the meaning set forth in s 736 Companies Act 1985 save that it shall include any subsidiary undertaking as defined in s 258 Companies Act 1985;

"the Security" means all security constituted by or pursuant to the Guarantee and Debenture;

Part II - The Charging Companies

| Charging Companies | Registered Number |
|----------------------------------|--------------------------|
| Wickes plc | 2070200 |
| Wickes Building Supplies Limited | 1840419 |
| Wickes Developments Limited | 1795477 |
| Wickes Properties Limited | 1406897 |
| Wickes Holdings Limited | 1738919 |
| Wickes Overseas Holdings Limited | 1954281 |
| Wickes Retail Sourcing Limited | 1432633 |
| Wickes Europe Limited | 1954254 |
| Wickes Nominee Limited | 01874380 |
| Hunter Limited | 1169267 |
| Hunter Estates Limited | 266012 |
| HTG (1996) Limited | 2255384 |
| MD (1995) Limited | 126379 |
| MD (1995) Group Limited | SC91771 |
| May & Hassell Limited | 64173 |
| BernersStreet Properties Limited | 2072993 |
| G R Wiltshire & Co Limited | 248924 |
| Colthurst and Company Limited | 315822 |
| J. S. Towell Limited | 242776 |

Part III - Amount secured by the Mortgage or Charge

1. By clause 2.1 of the Debenture, the Chargor:

- (a) covenanted that it will on demand in writing made to it by the Security Trustee pay or discharge to the Security Trustee the New Money Liabilities.
- (b) covenanted and guaranteed that it will on demand in writing made to it by the Security Trustee pay or discharge to the Security Trustee the New Money Liabilities.

Part IV - Particulars of the Property Mortgaged or Charged

1. By clause 4.1 of the Debenture, the Chargor with full title guarantee charged to the Security Trustee with the payment and discharge of the New Money Liabilities:

- (a) by way of legal mortgage all the freehold and leasehold property the title to which is registered at H M Land Registry, including those described opposite its name at the end of this Part VI of this Schedule (if any), together with all buildings, fixtures (including trade and tenant's fixtures but excluding landlords' fixtures and fittings where the Chargor is a tenant) and fixed plant and machinery at any time thereon;
- (b) by way of legal mortgage all other freehold and leasehold property of the Chargor, vested in it at the date of the Debenture whether or not registered at H M Land Registry, including those described opposite its name in Part VII of this Schedule (if any), together with all buildings, fixtures (including trade and tenant's fixtures but excluding landlords' fixtures and fittings where the Chargor is a tenant) and fixed plant and machinery at any time thereon;
- (c) by way of first fixed charge all future freehold and leasehold property of the Chargor, together with all buildings, fixtures (including trade and tenant's fixtures) and fixed plant and machinery at any time thereon;
- (d) by way of first fixed charge all interests and shares not effectively charged under clauses 4.1(a), (b) or (c) of the Debenture at the date of the Debenture or thereafter belonging to the Chargor in or over land or the proceeds of sale of land and all licences at the date of the Debenture or thereafter held by the Chargor to enter upon or use land and the benefit of all options, easements, agreements for lease or other agreements or rights relating to land to which the Chargor was at the date of the Debenture or thereafter may become a party or otherwise entitled and all trade and tenant's fixtures, plant and machinery owned by the Chargor at the date of the Debenture or thereafter annexed to all freehold and leasehold property its interest in which stands charged by the Debenture;
- (e) by way of first fixed charge all book debts (both present and future) due or owing to the Chargor and the full benefit of all rights and remedies relating thereto, including (without prejudice to the generality of the foregoing) negotiable instruments, guarantees, debentures, legal and equitable charges and other security,

reservation of proprietary rights, rights of tracing and unpaid vendors' liens and similar and associated rights and remedies;

- (f) by way of first fixed charge all other monetary debts and claims both present and future (including things in action which give rise or may give rise to a debt or debts) at the date of the Debenture or thereafter due or owing to the Chargor and the full benefit of all rights and remedies relating thereto, including (without prejudice to the generality of the foregoing) such rights and remedies as are described in subclause 4.1(e) of the Debenture;
- (g) by way of first fixed charge any cash balances at any time standing to the credit of the Chargor with any of the Banks including the proceeds of book debts and other debts and claims charged pursuant to subclauses 4.1(e) and 4.1(f) of the Debenture which proceeds shall, for the avoidance of doubt, on payment into a Designated Account (as defined in subclause 4.3(a)) of the Debenture cease to be subject to such charges in subclauses 4.1(e) and 4.1(f) of the Debenture but shall be subject to the fixed charge in subclause 4.1 (g) of the Debenture;
- (h) by way of first fixed charge:
 - (i) all stocks, shares, securities, debentures, loan stocks and other investments (whether or not marketable) at the date of the Debenture or thereafter owned (whether at law or in equity) by the Chargor, including (without prejudice to the generality of the foregoing) all interests in investment funds and all loan capital, indebtedness or liabilities on any account or in any manner owing to the Chargor in (and from) any company, including without limitation in (and from) any Charging Company;
 - (ii) the full benefit of all stocks, shares and securities which or the certificates of which are at the date of the Debenture or thereafter be lodged with the Security Trustee or any of the Banks or held by the Security Trustee or any of the Banks or its agents or transferred to or registered in the name of the Security Trustee or any of the Banks or its agents or their respective nominees;
 - (iii) all rights in respect of or incidental to the property described at subparagraphs (i) and (ii) above (the property (i) to (iii) inclusive charged by the Debenture being hereinafter called "the Charged Securities"); and
 - (iv) all stocks, shares, rights, money, benefits or property accruing or offered at any time by way of conversion, redemption, bonus, rights, preference, option, capital reorganisation or otherwise to or in respect of any of the Charged Securities, including all dividends, interest and other income payable in connection therewith (all of which property (i) to (iv) above charged by the Debenture are hereinafter called "Charged Interests in Securities");
- (i) by way of first fixed charge all the goodwill and uncalled capital of the Chargor both present and future (except capital subject to a share option scheme in favour of

employees previously approved by the Inland Revenue and the shareholders of the Chargor);

- (j) by way of fixed charge, all Intellectual Property Rights of the Chargor, excluding (but only to the extent that and for so long as it is not capable of being validly charged by way of fixed charge) the benefit of any present or future agreement or licence relating to such rights;
 - (k) by way of first fixed charge all contracts and policies of insurance and assurance at the date of the Debenture or thereafter held by or otherwise benefiting the Chargor save for public liability, employers liability and similar policies maintained to benefit third parties and all rights and interests of the Chargor in every such contract or in any policy at the date of the Debenture or thereafter arising (including all claims arising and all money payable under such contracts and policies); and
 - (l) by way of floating charge all the undertaking and all property, assets, rights and revenues of the Chargor whatsoever and wheresoever, both present and future, including (without prejudice to the generality of the foregoing):
 - (i) all heritable and moveable property and all other property, rights, interests and assets in Scotland or governed by the law of Scotland;
 - (ii) any property, assets, rights comprised within a charge which is reconverted into a floating charge under subclause 4.13 of the Debenture; and
 - (iii) the property described in subclause 4.1(a) to (l) inclusive of the Debenture if and in so far as the charges thereon or on any part of such property shall for any reason be ineffective as fixed charges.
2. By clause 4.2 of the Debenture the Chargor agreed for the avoidance of doubt and without prejudice to the generality of subclause 4.1 that the fixed charges given by the Chargor under subclauses 4.1(e) and (f) of the Debenture and as above in this Schedule shall apply (inter alia) to all book debts and all other monetary debts and claims at the date of the Debenture or thereafter due or owing to it by any other Charging Company or Subsidiary thereof and the benefit of all debentures, legal and equitable charges and other security at the date of the Debenture or thereafter held by it from such other Charging Company or any Subsidiary thereof.
3. By clause 4.6 of the Debenture, the Chargor with full title guarantee assigned (to the extent that the same is assignable) by way of security for the New Money Liabilities in favour of the Security Trustee:
- (a) all claims of the Chargor against all persons who at the date of the Debenture or may at any time thereafter be lessees, sublessees or licensees of land and all guarantors and sureties for the obligations of such persons;

- (b) the benefit of all guarantees, warranties and representations given or made to the Chargor by, and any rights or remedies against, all or any of the manufacturers, suppliers or installers of any fixtures contained in the Chargor's land or buildings;
- (c) the benefit of all rights and claims to which the Chargor is at the date of the Debenture or may thereafter become entitled under any agreements for lease, agreements for sale, contracts, options or undertakings relating to any estate, right or interest in or over the Chargor's land, buildings or real property;
- (d) all rights and claims to which the Chargor is at the date of the Debenture or may thereafter become entitled against any builder, contractor or professional adviser engaged in relation to any real property or real property development or works, including, without prejudice to the generality of the foregoing, under any collateral warranty or similar agreement
- (e) the benefit of all rights and claims to which the Chargor is at the date of the Debenture or may thereafter become entitled under or in respect of any joint venture, partnership or similar arrangement or agreement.

Part V - Covenants and Restrictions

1. By clause 4.3(a) of the Debenture the Chargor agreed that during the continuance of the Debenture, it will pay into the account(s) specified in a letter dated 3 July 1996 from the Security Trustee to the Charging Companies and expressed to be the "Account Designation Letter" (each such account being a "Designated Account") all insurance or assurance proceeds, all royalties from the Intellectual Property Rights and all money which it may receive in respect of the book debts and other debts and claims charged by it under the Debenture and until such payment shall hold all money so received upon trust for the Security Trustee and shall not without the prior consent of the Security Trustee in writing and save as otherwise agreed by the Security Trustee in writing, purport to sell, charge, factor or encumber, assign or otherwise sell or dispose of the same (or any interest therein) in favour of any other person and shall if called upon to do so by the Security Trustee:
 - (i) following either a valid demand under the New Money Facilities Agreement or under the Debenture (or prior to the making of a demand, if a Bank believes that a failure to act may be prejudicial to its interests as a secured lender under the Debenture) execute a legal assignment by way of security or fixed charge over such book debts and other debts and claims to the Security Trustee as the Security Trustee may specify; and/or
 - (ii) deliver such particulars as to the amount and nature of such book and other debts and claims as the Security Trustee may from time to time reasonably require.
2. By subclause 4.3(b) of the Debenture the Chargor irrevocably and unconditionally agreed that if there shall from time to time be any credit balance on any Designated Account with the Security Trustee, the Security Trustee shall have an absolute discretion whether to permit or

refuse such credit balances to be utilised or withdrawn by the Chargor, whether in whole or in part.

3. By subclause 4.3(c) of the Debenture the Chargor agreed that if the Security Trustee shall release, waive or postpone its rights in respect of any book and other debts and claims for the purpose of enabling the Chargor to factor them to a third party, the charges created under the Debenture shall in all other respects remain in full force and effect and in particular any amounts becoming due to the Chargor from such third party and any book and other debts and claims reassigned by the Chargor shall be subject to the relevant fixed charge created by subclause 4.1 of the Debenture subject only to any defences or rights of set-off which such third party may have against the Chargor.
4. By clause 4.4 of the Debenture, the Chargor agreed that unless and until the Security Trustee shall otherwise direct for the purpose of preserving the value of the security or realising it, it will for so long as it remains the registered owner of any shares charged under the Debenture continue to be entitled to exercise the rights attaching to such shares as beneficial owner if and in so far as such exercise shall not jeopardise or be likely to jeopardise the Debenture. The Security Trustee shall at any time be entitled to have any such shares registered in the name of itself and/or its nominee and, subject as aforesaid, the Security Trustee or its nominees shall exercise the rights attaching to any shares charged under the Debenture to the Security Trustee which shall be registered in the name of the Security Trustee or (as applicable) its nominees in accordance with the instructions in writing from time to time received from the Chargor which is the beneficial owner of them or (in the absence of any such written instructions) shall refrain from exercising any such rights if and in so far as such exercise shall not (in the opinion of the Banks) jeopardise or be likely to jeopardise the Security.
5. By clause 4.5 of the Debenture the Chargor agreed that it will use its reasonable endeavours (if so requested by the Security Trustee) promptly to obtain any consent for the creation of a fixed charge over any Intellectual Property Rights otherwise excluded under subclause 4.1(j) of the Debenture.
6. By clause 4.7 of the Debenture the Chargor covenanted that it will not without the prior consent in writing of the Security Trustee or save as provided in the Standfast Agreement:
 - (a) create, or agree or attempt to create, or permit to subsist, any mortgage, fixed or floating charge, pledge or other security of any kind (including any security conferring power to convert a floating charge into a fixed charge in relation to any Charged Asset) or any trust over any Charged Asset, save (i) the Debenture or anything contemplated in it and (ii) liens arising by operation of law or reservation of title arrangements in favour of trade suppliers in each case arising under a transaction entered into by the Chargor in the normal course of its trade;
 - (b) sell, transfer, lease, lend or otherwise dispose of or part with possession or ownership of the whole or any material part (as conclusively determined by the Security Trustee) of its undertaking and business or a material part (as conclusively determined by the Security Trustee) of its total assets, whether in a single transaction or in a series of related or unrelated transactions;

- (c) make or permit to be made any material change (as conclusively determined by the Security Trustee) in the scope or nature of its business (as conducted at the date of the Debenture).
7. By clause 4.9 of the Debenture the Chargor agreed that it will on demand in writing made to it by the Security Trustee at its own cost execute in the Security Trustee's standard form provided that, save as required to reflect the differences in the nature of the charge being created as compared to the charge under the Debenture, such terms are no more onerous than the terms set out in it or are inconsistent in a material respect with the general scope of the security arrangements set forth in the Debenture and subject to the proviso that the cost of providing such security shall not be a relevant factor save where material in the context of the Chargor's assets and not reasonably justified on the basis of the realisable security value when compared with such cost, and shall deliver to the Security Trustee:
- (a) a chattel mortgage over such chattels, plant, machinery, computers and/or equipment of the Chargor as the Security Trustee may specify;
 - (b) an assignment and charge of the Intellectual Property Rights for their full term and all improvements, prolongations, renewals or extensions of them, as the Security Trustee may specify;
 - (c) an assignment by way of security of the rents and other amounts to which the Chargor is entitled under any leases, subleases or tenancy agreements relating to any freehold or leasehold property charged by the Debenture;
 - (d) a valid standard security in favour of the Security Trustee over any heritable property in Scotland owned, or any recorded lease of heritable property in Scotland held, by the Chargor at the date of the Debenture or thereafter and/or any heritable fixtures and fittings and fixed plant and machinery at any time thereon, including (without prejudice to the generality of the foregoing) tenant's fixtures and fittings in and upon such leased property;
 - (e) a valid charge by way of legal mortgage or a specific legal charge of any freehold and leasehold and heritable properties of the Chargor and of the fixtures (including trade and tenant's fixtures but excluding landlords' fixtures and fittings where the Chargor is a tenant) and fixed plant and machinery at any time thereon and of all stocks, shares and other securities;
 - (f) an assignment by way of legal mortgage or first fixed charge in favour of the Security Trustee over such of the contracts or policies of insurance and/or assurance of the Chargor as the Security Trustee may specify;
 - (g) a fixed charge of any other Charged Asset subject to a floating charge under the Security;
 - (h) where any asset, property, undertaking or right is situated outside England and Wales, such fixed security over it as the Security Trustee may require under the laws of the place where it is located; or
 - (i) such other documents as the Security Trustee may in its discretion think fit further to secure the payment or discharge to the Security Trustee of the money and liabilities secured by the Debenture, or to perfect the Debenture, or to perfect the

Security Trustee's right or title to the Debenture, or vest title in any Charged Asset in itself or its nominees or any purchaser.

8. By clause 4.10 of the Debenture the Chargor agreed that the floating charge created by it under subclause 4.1(l) of the Debenture may be crystallised by notice in writing given by the Security Trustee to it at any time. Such crystallisation shall take effect over such Charged Asset or class or classes of Charged Assets as shall be specified in the notice or, if no particular Charged Assets are so specified, then it shall take effect over all Floating Charge Assets of the Chargor.
9. By clause 4.11 of the Debenture the Chargor agreed that if it without the Security Trustee's prior written consent, seeks to take any step to charge (whether by way of fixed or floating charge) or otherwise encumber any Charged Assets or to create a trust over any Charged Asset or to dispose of any Charged Asset except by way of sale or other disposition in the ordinary course of its business, or if any person seeks to take any step to levy any distress, execution, sequestration or other process against any Charged Asset, then the floating charge created by subclause 4.1(l) of the Debenture shall be automatically crystallised (without the necessity of notice) into a fixed charge over such Charged Asset instantly on the occurrence of such event.
10. By clause 4.12 of the Debenture the Chargor agreed that the floating Charge Assets acquired by the Chargor after crystallisation has occurred under subclause 4.10 or 4.11 of the Debenture shall continue subject to the floating charge created by subclause 4.1(l) of the Debenture, so that the crystallisation shall be effective only as to Floating Charge Assets in existence at the date of crystallisation unless otherwise stated in any notice given under subclause 4.10 of the Debenture or unless such notice relates to all Floating Charge Assets of the Chargor.
11. By clause 4.13 of the Debenture the Chargor agreed that any charge which has crystallised under subclause 4.10 or 4.11 of the Debenture may, by notice in writing given at any time by the Security Trustee to the Chargor, be reconverted into a floating charge in relation to the Charged Assets or class or classes of Charged Assets specified in such notice.
12. By clause 4.14 of the Debenture the Chargor agreed that any mortgage, fixed charge or other fixed security created in the future by the Chargor in favour of the Security Trustee shall (save as the Security Trustee shall otherwise declare at or after the time of its creation) have priority over the floating charge created by subclause 4.1(l) of the Debenture.
13. By clause 4.15 of the Debenture the Chargor agreed that any debentures, mortgages or charges (fixed or floating) created in the future by the Chargor (except those in favour of the Security Trustee) shall be expressed to be subject to this Security and shall rank in order of priority behind the charges created by the Security.
14. By clause 6.1 of the Debenture, the Chargor agreed that it will:
 - (a) not, without the prior written consent of the Security Trustee or save as expressly permitted by the New Money Facilities Agreement for so long as it remains in force, seek to compromise, compound, discharge, postpone, release, set-off, settle or subordinate any of the book debts and other debts or claims charged under the

Debenture or waive its rights of action in connection therewith, or do or omit to do anything which may delay or prejudice a full recovery thereof;

15. By clause 6.5 of the Debenture the Chargor agreed that it will not, without the prior written consent of the Security Trustee, at any time enter into onerous or restrictive obligations affecting any such land or create or permit to arise any overriding interest or any easement or right whatever in or over it which might adversely affect its value.
16. By clause 20.2 of the Debenture the Chargor agreed that it will ensure that any dormant company which commences trading or acquires assets will (if so requested by the Security Trustee) promptly provide such security for the benefit of the Security Trustee as the Security Trustee may require.
17. By clause 20.3 of the Debenture the Chargor agreed that it will ensure that no such dormant company or any Subsidiary will create or attempt to create or allow to arise or subsist or have outstanding any mortgage, debenture, charge, lien, encumbrance or anything in the nature of security on or over its respective assets or any of them, except for (i) liens arising by operation of law or reservation of title arrangements in favour of trade suppliers in each case arising under a transaction entered into by in the normal course of its trade, and (ii) Security or anything contemplated in the Debenture.

Part VI - Registered Freehold and Leasehold Land to be Mortgaged

None

Part VII - Unregistered Freehold and Leasehold Land to be Mortgaged

None

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 00126379

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A GUARANTEE AND DEBENTURE DATED THE 3rd JULY 1996 AND CREATED BY MD (1995) LIMITED FOR SECURING ALL THE NEW MONEY LIABILITIES (AS DEFINED THEREIN) OUTSTANDING, DUE OR OWING OR INCURRED BY THE CHARGING COMPANIES (AS DEFINED THEREIN) TO BARCLAYS BANK PLC AS AGENT AND SECURITY TRUSTEE FOR ITSELF AND FOR NATIONAL WESTMINSTER BANK PLC AND THEIR RESPECTIVE SUCCESSORS AND PERMITTED ASSIGNEES OR TRANSFEREES WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 10th JULY 1996.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 12th JULY 1996.

N. S. Berkley

REGISTRAR

for the Registrar of Companies

Post 12-7



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

HC026B