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*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

1112

447678

Name of company

* Dutton-Forshaw (Land Machinery) Limited a company incorporated under the laws of England and Wales (the "Company")

Date of creation of the charge

17th December 1997

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

Guarantee and Debenture (the "Debenture") between the Company and National Westminster Bank Plc as agent and trustee for the Secured Parties (as defined below) (the "Security Trustee")

Amount secured by the mortgage or charge

The actual, contingent, present and/or future obligations and liabilities of the Company to any or all of the Secured Parties (as defined below) under, or pursuant to, all or any of the Secured Documents (as defined below) (the "Secured Obligations").

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

National Westminster Bank Plc, NatWest Markets, Acquisition Finance,
135 Bishopsgate, London

Postcode

EC2M 3UR

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

Wilde Sapte
1 Fleet Place
London
EC4M 7WS

145 LONDON
SLH/063805/BF0305036.01

Time critical reference

For official use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

The Company, with full title guarantee, charges under the Debenture as continuing security for the payment of the Secured Obligations (defined above):

(i) by way of legal mortgage all estates or interests in the freehold, leasehold and other immovable property described in the Schedule below (if any) and all buildings and trade and other fixtures on any such property belonging to or charged to the company and all the proceeds of sale thereof (the "Legally Mortgaged Property");

(ii) by way of fixed charge all estates or interests in any freehold, leasehold and other immovable property at the date of the Debenture or at any time during the continuance of the security created by the Debenture belonging to the Company (other than the Legally Mortgaged Property) and the proceeds of sale thereof and all buildings and trade and other fixtures from time to time on any such property belonging to or charged to the Company other than stock-in-trade or chattels situated on any leasehold property where the relevant lease contains a prohibition against charging such stock-in-trade or chattels;

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Particulars as to commission allowance or discount (note 3)

NIL

Signed Wilde Sapke

Date 22/12/97

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.

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Particulars of a mortgage or charge (continued)

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

CHA 116

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Company Number

447678

Name of Company

Dutton-Forshaw (Land Machinery) Limited a company incorporated under the
laws of England and Wales (the "Company") Limited*

* delete if
inappropriate

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

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Definitions

"Credit Agreement" means the credit agreement dated 17th December 1997 made between (1) Tanel Limited (2) Dutton-Forshaw Holdings Limited (3) certain banks (4) National Westminster Bank Plc as facility agent (5) National Westminster Bank Plc as security trustee (6) certain overdraft banks and (7) National Westminster Bank Plc as bridging bank;

"Secured Documents" means all and each of the Credit Agreement (as defined above) the Interest Rate Protection Agreements (as defined in the Credit Agreement) the Fees Letter (as defined in the Credit Agreement) the FFE Contracts (as defined in the Credit Agreement) and the Security Documents (as defined in the Credit Agreement) including the Debenture itself;

"Secured Parties" means all and each of the Security Trustee, the Facility Agent, the Overdraft Banks, the Bridging Bank and the Banks (which, for the avoidance of doubt, shall include any Bank in its capacity as party to an FFE Contract) as each such term is defined in the Credit Agreement.

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

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(iii) by way of fixed charge all plant, machinery, vehicles, computers and office and other equipment owned by the Company at the date of the Debenture or at any time in the future other than any equipment situated on any leasehold property where the relevant lease contains a prohibition against charging such equipment;

(iv) by way of fixed charge all book debts and other debts as at the date of the Debenture and from time to time due or owing to the Company (the "Debts") and (subject to Clause 6.2 of the Debenture) all moneys which the Company receives in respect thereof;

(v) by way of fixed charge (but subject to Clause 6.2 of the Debenture) all balances standing to the credit of any current, deposit or other account of the Company with the Secured Parties (including, inter alia, any account designated a realisations account for the proceeds of disposals of any of the assets of the Company) or with other bankers, financial institutions or similar third parties (the "Credit Balances");

(vi) by way of fixed charge all stocks, shares, debentures, bonds, notes and loan capital of:

(a) any Subsidiary (as defined in the Companies Act 1985) of the Company; and

(b) any other body corporate;

and all rights to subscribe for, redeem, convert other securities into or otherwise acquire any of the same which may at the date of the Debenture or thereafter belong to the Company, together with all dividends, interest and other income and all other rights of whatsoever kind deriving from or incidental to any of the foregoing;

(vii) by way of fixed charge the goodwill of the Company and its uncalled capital at the date of the Debenture or at any time thereafter in existence;

(viii) by way of fixed charge all copyrights, patents, patent applications, licences, trade marks, tradenames, know-how and inventions or other rights of every kind deriving therefrom at the date of the Debenture or at any time thereafter belonging to the Company and all fees, royalties and other rights of every kind deriving from such copyrights, patents, trade marks, tradenames, know-how and inventions;

(ix) by way of floating charge the whole of the Company's undertaking and all its property, assets and rights, whatsoever and wheresoever, present and future, other than any property or assets from time to time or for the time being effectively mortgaged or charged to the Security Trustee by way of fixed charge by Clause 3.1 of the Debenture (the "Floating Charge Property").

NEGATIVE PLEDGE

The Company covenanted in the Debenture that without the prior written consent of the Security Trustee it would not nor would it agree or purport to:

(i) create or permit to subsist any Encumbrance (as defined below) other than a Permitted Encumbrance (as defined below) whether in any case ranking in priority to or pari passu with or after the mortgages and the fixed and floating charges hereby created or any other security created by the Debenture save to the extent permitted or required under the Credit Agreement; or

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Particulars of a mortgage or charge (continued)

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

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Company Number

447678

Name of Company

Dutton-Forshaw (Land Machinery) Limited a company incorporated under the
laws of England and Wales (the "Company") Limited*

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

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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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(ii) 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 any part of its undertaking or assets except as permitted under the Credit Agreement.

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DEFINITIONS

"Encumbrance" means any mortgage, charge, assignment by way of security, pledge, hypothecation, lien, right of set-off, retention of title provision, trust or flawed asset arrangement (for the purpose of, or which has the effect of, granting security) or any other security interest of any kind whatsoever or any agreement, whether conditional or otherwise, to create any of the same or any agreement to sell or otherwise dispose of any asset on terms whereby such asset is or may be leased to or re-acquired or acquired by any Group Company (as defined below);

"Group Company" means Tanel Limited, Dutton-Forshaw Holdings Limited, The Dutton-Forshaw Group Limited and each of its Subsidiaries;

"Permitted Encumbrance" means:

- (a) any Encumbrance created under the Secured Documents;
- (b) any liens arising in the ordinary course of trading activities;
- (c) any right of set-off or lien, in each case arising by operation of law in relation to Permitted Indebtedness referred to in paragraphs (g), (h) and (i) of the definition of "Permitted Indebtedness" contained in the Credit Agreement;
- (d) any retention of title to goods supplied to a Group Company in the ordinary course of its trading activities;
- (e) any right of set-off over credit balances on bank accounts of any Group Company created in order to facilitate the operations of those bank accounts and other bank accounts of any other Group Company;
- (f) any agreement entered into by a Group Company in the ordinary course of its trading activities to sell or otherwise dispose of any asset on terms whereby that asset is or may be leased to or re-acquired or acquired by a Group Company;
- (g) any Encumbrance over (1) all or any part of the assets of any company which becomes a Subsidiary of Tanel Limited, or (2) an asset acquired by a Group Company, in either case, after 17th December 1997 where:
 - (i) the Encumbrance existed before that company became Tanel Limited's subsidiary or, as the case may be, that asset was acquired;
 - (ii) the Encumbrance was not created in anticipation of or in connection with such company becoming Tanel Limited's Subsidiary or, as the case may be, the acquisition of such asset;

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Particulars of a mortgage or charge (continued)

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

CHA 116

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Company Number

447678

Name of Company

Dutton-Forshaw (Land Machinery) Limited a company incorporated under the
laws of England and Wales (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)

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

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(iii) the Indebtedness (as defined in the Credit Agreement) secured by that Encumbrance does not increase (except to the extent of interest accruing at a commercial rate of interest normal for Indebtedness of the type in question) after the date such company becomes Tanel Limited's Subsidiary or, as the case may be, the acquisition of such asset; and

(iv) such Encumbrance is discharged within 6 months of the date on which such company becomes such a Subsidiary or, in the case of an asset acquired, the date of its acquisition by such Group Company;

(h) any Encumbrances created under the Stock Credit Security Documents (as defined in the Credit Agreement);

(i) Encumbrances forming an integral part of any finance leases or hire agreements which constitute Permitted Indebtedness and which are on or over the relative assets leased only;

(j) any Encumbrance over any cash deposit of any Group Company required to be given by such Group Company under the terms of a lease of real property provided that the aggregate amount of all such cash deposits do not exceed £100,000;

(k) any Encumbrance not otherwise permitted pursuant to paragraphs (a) to (j) of the definition of Permitted Encumbrance set out above (inclusive) in respect of any assets not exceeding, in aggregate, £200,000 in value; and

(k) any Encumbrance granted with the consent of the Majority Banks (as defined in the Credit Agreement).

SCHEDULE

Freehold land known as Red Lake Trading Estate, Cantrell Works, Ivybridge, Devon which for the avoidance of doubt is the land edged red on the plan annexed to the Debenture.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 00447678

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A GUARANTEE AND DEBENTURE DATED THE 17th DECEMBER 1997 AND CREATED BY DUTTON-FORSHAW (LAND MACHINERY) LIMITED FOR SECURING THE ACTUAL, CONTINGENT, PRESENT AND/OR FUTURE OBLIGATIONS AND LIABILITIES OF THE COMPANY TO ANY OR ALL OF THE SECURED PARTIES (AS DEFINED) UNDER, OR PURSUANT TO, ALL OR ANY OF THE SECURED DOCUMENTS (AS DEFINED) (THE "SECURED OBLIGATIONS") WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 23rd DECEMBER 1997.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 31st DECEMBER 1997.

A handwritten signature in cursive script, appearing to read 'A. Hamilton'.

ALEX HAMILTON

for the Registrar of Companies

Handwritten notes: '39/12' and a signature.



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