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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

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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

[] [] [] [] [] [] [] []

486170

Name of company

*Dow Corning Limited

*insert full name
of company

Date of creation of the charge

29th February 1996

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

Mortgage Debenture (the "Mortgage Debenture") dated 29th February 1996 and made between Dow Corning Limited (the "Company") (1), and Dow Corning Corporation (the "Lender").

Amount secured by the mortgage or charge

- A. All indebtedness and monies and the discharge of all obligations and liabilities whatsoever, in whatever currency denominated, whether actual or contingent, present or future, which may be at the time of the creation of the Mortgage Debenture or thereafter due, owing or incurred by the Company to the Lender under or in connection with a facility agreement dated 29th February 1996 and made between the Company (1) and the Lender (2) (the "Facility Agreement" which expression shall include the Facility Agreement as the same may howsoever, from time to time, be varied, amended, supplemented, substituted, novated or assigned), or under the Mortgage Debenture and whether on any current or other account (whether alone or jointly and whether as principal or surety).
- B. All costs (including legal costs), charges, expenses and damages sustained or incurred by the Lender in connection with the

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

Dow Corning Corporation

2200 West Salzburg Road

Michigan 48611 USA

Postcode

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

MCKENNA & CO
MURE HOUSE
160 ALDERSGATE STREET
LONDON
EC1A 4DD.

Time critical reference

For official use
Mortgage Section

Post room



A. As a continuing security for all the respective liabilities and obligations described above:-

- (i) by way of legal mortgage the property short particulars of which are set out in the schedule below and all buildings and fixtures (including trade fixtures, tenant's fixtures and fixed plant and machinery) at the time of creation of the Mortgage Debenture or thereafter from time to time therein or thereon and including all rental income due to the Company in respect thereof (the "Legally Mortgaged Property") and/or the proceeds of sale thereof;
- (ii) by way of floating charge its undertaking and all its other property, assets and rights whatsoever and wheresoever present or future including, without limitation all or any deposits, credit balances and other sums with any bank or financial institution and the accounts in respect of the same, the stock in trade of the Company and the property, assets and rights mortgaged or charged under paragraph (i) above if and in so far

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Particulars as to commission allowance or discount (note 3)

NONE

Signed *McKenna*

Date *8th March 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.

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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

486170

Name of Company

Dow Corning Limited

Limited*

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

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enforcement, defence or protection of the security constituted by the Mortgage Debenture or the appointment of any receiver, receiver or manager or administrative receiver appointed pursuant to the provisions of the Mortgage Debenture (a "Receiver"), delegate or sub-delegate thereunder or the pursuit of any rights therein contained or under or in connection with the Facility Agreement, the Mortgage Debenture or the Charged Property (as hereinafter defined) in each case on a full indemnity basis.

- C. Interest on and in respect of any amounts due under the foregoing from day to day until full discharge (whether before or after judgment, liquidation, winding-up or administration of the Company) at such rate or rates as may from time to time be payable or deemed to be payable and compounded (whether before or after demand or judgment) in accordance with the Facility Agreement and, in the case of any sum payable under paragraph B above at the rate of two per cent per annum over a fluctuating interest rate per annum as shall be in effect from time to time, which rate per annum will be equal at all times to the rate of interest announced publicly by Citibank, N.A., in New York City from time to time as Citibank, N.A.'s prime rate from time to time; PROVIDED THAT, in relation to such costs, charges, expenses, and damages and other sums as are mentioned in paragraph B above interest shall accrue and be payable as from the date on which the same are paid by the Lender, any Receiver, delegate or sub-delegate as therein mentioned or became due to such Receiver, delegate or sub-delegate under the terms of his appointment without the necessity for any demand being made for payment thereof.
- D. The amount recoverable under Clause 22 of the Mortgage Debenture being the amount of any security granted or payment made to the Lender by the Company or any other person on any settlement, discharge or release which is avoided or reduced or ordered to be refunded by virtue of any provisions of any enactments relating to bankruptcy, liquidation or insolvency for the time being in force.
- E. All costs incurred by any Receiver in carrying out such acts in relation to all or any part of the Charged Property (as hereinafter defined) which such Receiver considers necessary or desirable to maintain the value of such Charged Property or to maintain the efficacy of the security constituted by the Mortgage Debenture over the Charged Property, including, without limitation, the costs of services obtained from any persons in any way relating thereto and the costs of employing agents, contractors, workmen, surveyors, architects, lawyers or such other persons as it or he thinks fit to advise on all acts in relation thereto, together with interest at the rate referred to in paragraph C. above accruing from the date of the same being incurred by such Receiver.
- F. Together with an indemnity (but without prejudice to any right to indemnity by law given to trustees generally) out of the Charged Property (as hereinafter defined) in favour of the Lender and every Receiver, delegate, sub-delegate or other person appointed by any of them and any manager, agent, officer or employee for whose liability, act or omission any of them may be answerable and in respect of all liabilities, costs, charges, fees, losses and expenses properly incurred or suffered by them or any of them in the execution or the purported execution of any powers, authorities or discretions vested in them or any of them pursuant to the Mortgage Debenture and against all actions, proceedings, claims and demands in respect of any matter or thing done or omitted or in any way relating to the Charged Property or the provisions of the Mortgage Debenture or occasioned by any breach by the Company of any of its covenants or other obligations to the

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

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as the mortgage thereon herein contained shall for any reason be ineffective as security (all such property assets and rights hereinafter called the "Property charged by way of Floating Charge" and together with the Legally Mortgaged Property, collectively called the "Charged Property" which expression shall be taken to refer to the real and/or the personal or incorporeal property hereby mortgaged or charged as the context may require or admit);

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Schedule

Freehold and Leasehold Properties in England and Wales

<u>County</u>	<u>District</u>	<u>Description</u>	<u>Title Number</u>
South Glamorgan	Vale of Glamorgan	Land and buildings on the south side of Cardiff Road, Barry, Wales	WA 158101
South Glamorgan	Vale of Glamorgan	Land lying on the south side of Cardiff Road, Barry, Wales	WA 641953

N.B. The Mortgage Debenture contains provisions whereby the Company covenants and agrees that it will not without the consent in writing of the Lender:-

- (a) create or attempt to create or permit to subsist any mortgage, charge, hypothecation, pledge, lien, encumbrance, trust arrangement having the effect of security, conditional sale or other title retention agreement or other security interest whatsoever, howsoever created or arising (a "Security Interest"), or permit any other proprietary right or interest to arise on or affect the Charged Property or any part thereof or any interest therein other than:
 - (i) any title transfer or retention arrangement imposed on the Company in relation to its purchasers of goods, products or suppliers in the ordinary cause of business;
 - (ii) any lien arising by operation of law in the ordinary course of business;
 - (iii) any encumbrance arising in the ordinary course of payment netting arrangements and other usual ordinary course of business banking transactions;
 - (iv) any Security Interest on an asset (or the contract for acquisition of an asset) acquired after the date of the Mortgage Debenture by the Company and created at the time of such acquisition to secure any loan incurred for the purpose of financing such acquisition to ("Purchase Moneys Security") provided that (A) the principal amount so secured does not exceed the acquisition cost of that asset and (B) the principal amount of all Purchase Moneys Security when aggregated with the capitalised value of all Finance Leases (as defined below) does not exceed £5,000,000 at any time during

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Particulars of a mortgage or charge (continued)

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

CHA 116

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Company Number

486170

Name of Company

Dow Corning Limited

Limited*

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

Lender under the Mortgage Debenture or under the Facility Agreement and all sums necessary to effect and maintain such indemnity shall be an additional charge on the Charged Property.

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

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- (v) any Security Interest over land and buildings to secure the cost of the erection of buildings on such land or improvements to such buildings or a loan to finance such cost provided that the principal amount so secured does not exceed the cost of the same;
- (vi) any Security Interest created in substitution for any Security Interest permitted by this clause provided such Security Interest is over the same asset and the principal amount so secured does not exceed the principal amount secured on such asset immediately prior to such substitution;
- (vii) any Security Interest over goods and products, or documents, or insurance policies and sale contracts in relation to such goods and products, arising in the ordinary course of trading in connection with letters of credit and similar transactions where such Security Interest secures only so much of the acquisition cost or selling price (and amounts incidental thereto) of such goods and products which is required to be paid within 180 days after the date upon which the same was first incurred;
- (viii) any Security Interest in existence on or before the date of the Mortgage Debenture provided that the value of all such Security Interests does not exceed £5,000,000;

provided that the creation by the Company of any of the Security Interests permitted pursuant to paragraphs (i) to (viii) (inclusive) above does not breach any provision of the Facility Agreement; or

- (b) part with possession of, transfer, sell, lease or otherwise dispose of the Charged Property or any part thereof or any interest therein or attempt or agree so to do whether by a single or a series of transactions save that this provision shall not apply to:
 - (i) such of the Charged Property as is charged pursuant to Clause 3.1 (ii) of the Mortgage Debenture only and not otherwise where any such disposals are made in the ordinary course of trading as it is now conducted for full value and for the purpose of carrying on its business; and
 - (ii) finance leases or hire purchase or similar agreements (collectively "Finance Leases") in respect of any of the Charged Property provided that the aggregate capitalised value of the Company's obligations under all Finance Leases when aggregated with the principal amount of all Purchase Moneys Security (if any) does not exceed £5,000,000 at any time during the continuance of the Mortgage Debenture

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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

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Name of Company

Dow Corning Limited

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

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

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N.B. The Mortgage Debenture also contains the following provision:-

- (c) notwithstanding anything herein contained, if the Company creates any Security Interest (other than Finance Leases or as permitted pursuant to clause 5.1(i) of the Mortgage Debenture) in respect of or otherwise encumbers in any way the Charged Property, or attempts to do so or if any person levies or attempts to levy any distress execution or sequestration or other process against any of the Charged Property where the underlying claim exceeds £5,000,000, the floating charge shall automatically and without need for notice operate as a fixed charge the moment any such event occurs.

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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. 00486170

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A MORTGAGE DEBENTURE DATED THE 29th FEBRUARY 1996 AND CREATED BY DOW CORNING LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO DOW CORNING CORPORATION UNDER OR IN CONNECTION WITH A FACILITY AGREEMENT OF EVEN DATE OR UNDER THE MORTGAGE DEBENTURE AND ON ANY ACCOUNT WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 11th MARCH 1996.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 13th MARCH 1996.

W. Grandon
W. GRANDON

for the Registrar of Companies



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

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