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COMPANIES FORM No. 395

Particulars of a mortgage or charge

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge.



395

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number

1113

00597466

Name of company

* Barkers Engineering Limited (the "Chargor")

Date of creation of the charge

14th September, 2001

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

Additional Security Agreement dated 14th September, 2001 between the Chargor, Hill & Smith Holdings plc (Company number 671474) and Hill & Smith Limited (Company number 01270322) as original guarantors and the Security Agent (as defined elsewhere in this form) (the "Security Agreement")

Amount secured by the mortgage or charge

All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Obligors to any Finance Party under each Finance Document except for any obligation which, if it were so included, would result in this Deed contravening Section 151 of the Companies Act 1985 (the "Secured Liabilities"). The term "Finance Document" includes all amendments and supplements including supplements providing for further advances.

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

Barclays Bank PLC (the "Security Agent") of 5 The North Colonnade, Canary Wharf, London, as agent and trustee for the Finance Parties (as defined in the Credit Agreement).

Postcode E14 4BB

Presentor's name address and reference (if any): NG18 894442-2

Allen & Overy
One New Change
London
EC4M 9QQ

For official Use
Mortgage Section

Post room



LD5
COMPANIES HOUSE

LWMX04C4

0426
24/09/01

Time critical reference
BK:893815

Short particulars of all the property mortgaged or charged

See 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)

Nil.

Signed *Allen & Overy*

Date *21/09/01*

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

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payable to
Companies House
in respect of each
register entry for a
mortgage or
charge.
(See Note 5)

† 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.
- 5 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF14 3UZ

1. FIXED SECURITY**1.1 Creation of fixed security**Please complete
legibly, preferably
in black type, or
bold block lettering

Each Charging Company as security for the payment of all the Secured Liabilities, charges in favour of the Agent:

- (a) by way of a first legal mortgage:
 - (i) all the property specified in Schedule 2 of the Security Agreement (as outlined below);
 - (ii) all estates or interests in any freehold or leasehold property (except any Security Assets specified in sub-paragraph (i) above) now belonging to it; and
 - (iii) all Group Shares held by it and/or any nominee on its behalf and all Related Rights accruing to the Group Shares; and
- (b) by way of first fixed charge:
 - (i) (to the extent that they are not the subject of a mortgage under paragraph (a) above) all estates or interests in any freehold or leasehold property belonging to it;
 - (ii) all plant and machinery owned by it and its interest in any plant or machinery in its possession;
 - (iii) (to the extent that they are not the subject of a mortgage under paragraph (a) above) its interest in all the Charged Shares and their Related Rights;
 - (iv) all moneys standing to the credit of any account (including the Security Accounts, but not including the Loan Note Deposit) with any person and the debts represented by them;
 - (v) all benefits in respect of the Insurances and all claims and returns of premiums in respect of them;
 - (vi) all of its book and other debts, the proceeds of the same and all other moneys due and owing to it and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing, but not including the Loan Note Deposit;
 - (vii) (to the extent that they do not fall within any other sub-paragraph of this paragraph (b)) all of its rights and benefits under the Relevant Agreements, any distributorship or similar agreements entered into by it, any letters of credit issued in its favour and all bills of exchange and other negotiable instruments held by it;
 - (viii) any beneficial interest, claim or entitlement of such Charging Company in any pension fund;
 - (ix) its goodwill;
 - (x) the benefit of all authorizations (statutory or otherwise) held in connection with its business or the use of any Security Asset specified in any other sub-paragraph in this paragraph and the right to recover and receive all compensation which may be payable to it in respect of them;
 - (xi) its uncalled capital; and

- (xii) its Intellectual Property Rights (including the patents and trademarks specified in Schedule 3 to the Security Agreement) (as outlined below).

2. FLOATING CHARGE

2.1 Creation of floating charge

Each Charging Company, as security for the payment of all of the Secured Liabilities, charges in favour of the Agent by way of a first floating charge all its assets not otherwise effectively mortgaged or charged by paragraph 1 above (Fixed Security).

2.2 Conversion

The Agent may by notice to the relevant Charging Company convert the floating charge created by the Security Agreement into a fixed charge as regards all or any of a Charging Company's assets specified in the notice if:

- (a) an Event of Default is outstanding; or
- (b) the Agent considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

Note:

The Chargor has agreed:

1. Restrictions on dealing

No Charging Company shall, except as permitted by the Credit Agreement:

- (a) create or permit to subsist any Security Interest on any Security Asset other than any Security Interest created by the Security Agreement or permitted by clause 18.8(b) (Negative Pledge) of the Credit Agreement ; or
- (b) sell, transfer, grant, or lease or otherwise dispose of any Security Asset, except for the disposal in the ordinary course of trade of any Security Asset subject to the floating charge created under paragraph 2.1 above (Creation of floating charge).

2. Miscellaneous

- (a) A reference in the Security Agreement and in this Companies Form 395 to a charge or mortgage of any freehold or leasehold property includes:
 - (i) all buildings and Fixtures on that property;
 - (ii) the proceeds of sale of any part of that property; and
 - (iii) the benefit of any covenants for title given or entered into by any predecessor in title of the relevant Charging Company in respect of that property or any moneys paid or payable in respect of those covenants.
- (b) The fact that no details of properties or patents and trademarks or agreements are included in the relevant Schedule does not affect the validity or enforceability of any security created by the Security Agreement.
- (c) Without prejudice to paragraph 1.1(b)(vi) above (Creation of fixed security), if, pursuant to Clause 8.4 (Withdrawals) of the Security Agreement, a Charging Company is entitled to withdraw the proceeds of any book and other debts standing to the credit of a Security Account and, as a result, those proceeds are in any way released from the fixed charge created pursuant to paragraph 1.1(b)(vi) above (Creation of fixed security) and stand subject to the fixed charge

created pursuant to paragraph 1.1(b)(iv) above (Creation of fixed security) or the floating charge created pursuant to paragraph 1.1 above (Creation of floating charge), the release will in no way derogate from the subsistence and continuance of the fixed charge on all other outstanding book and other debts of the relevant Charging Company and the proceeds of those debts.

SCHEDULE 2 TO THE SECURITY AGREEMENT**REAL PROPERTY****A. Freehold Properties**

Property	Description	Owner
Plot C, Springvale, Bilston, West Midlands WC14 OQL	WM 695281 WM 649036 Site extending to 5.5 acres in Springvale Business and Industrial Park	Hill & Smith Limited
Land and buildings at Duke Street, Fenton	SF302676 SF 283458 Part unregistered Number of industrial buildings	Barkers Engineering Limited

SCHEDULE 3 TO THE SECURITY AGREEMENT

SPECIFIC PATENTS AND TRADEMARKS

None.

Definitions

"Additional Borrower"

means a member of the Group which becomes a Borrower in accordance with Clause 27.5 of the Credit Agreement (Additional Borrowers).

"Additional Guarantor"

means a member of the Group which becomes a Guarantor in accordance with Clause 27.4 of the Credit Agreement (Additional Guarantors).

"Agent"

means Barclays Bank plc.

"Ancillary Bank"

means Barclays Bank plc.

"Ancillary Facilities"

means the ancillary facilities referred to in Clause 2.1(c) to the Credit Agreement (each an "Ancillary Facility").

"Ancillary Facility Letter"

means any letter between the Ancillary Bank and Hill & Smith Holdings plc setting out the terms of an Ancillary Facility and which is designated by the Ancillary Bank and Hill & Smith Holdings plc as an Ancillary Facility Letter.

"Arranger"

means Barclays Capital.

"Borrower Accession Agreement"

means a letter in the form of Part II of Schedule 5 to the Credit Agreement with such amendments as the Agent may approve or reasonably require.

"Borrower"

means:

- (a) in relation to Facility A, Hill & Smith Holdings plc; and
- (b) in relation to Facility B, Hill & Smith Holdings plc or an Additional Borrower.

"Charged Shares"

means

- (a) the Group Shares in which any Charging Company has any interest and any other stocks, shares, debentures, bonds or other securities and investments;
- (b) all rights of whatever nature which any Charging Company may now have or hereafter acquire as against CREST in respect of any Charged Shares including (but without limitation) any rights which any Charging Company may have (i) under any agreement with CREST or CRESTCo Limited and/or (ii) to require delivery by CREST of any Charged Shares to, or to the order of, any Charging Company; and

- (c) all rights of whatever nature which any Charging Company may now have or hereafter acquire as against a custodian in respect of any Charged Shares held in such custodian's account with CREST including (but without limitation) any rights which any Charging Company may have (i) under any agreement with such custodian relating to the use of such account and/or (ii) to require delivery by such custodian of any Charged Shares to, or to the order of, any Charging Company.

"Charging Company"

means each of the Chargor and the Original Guarantors and each person who from time to time becomes an Additional Guarantor.

"Credit Agreement"

means the £74,895,000 credit agreement dated 13th September, 2000 between (among others) the parties to the Security Agreement as amended and restated on 27th July, 2001.

"Event of Default"

means an event specified as such in Clause 19.1 of the Credit Agreement (Events of Default).

"Facility A"

means the facility referred to in Clause 2.1(a) of the Credit Agreement (Facilities).

"Facility B"

means the facility referred to in Clause 2.1(b) of the Credit Agreement (Facilities).

"Facility"

means Facility A or Facility B.

"Fee Letter"

means the letter dated on or around the date of the Credit Agreement between the Arranger, the Agent and the Company setting out the amount of various fees referred to in Clause 21 of the Credit Agreement (Fees).

"Finance Document"

means:

- (a) the Credit Agreement;
- (b) a Novation Certificate;
- (c) the Fee Letter;
- (d) a Security Document;
- (e) each Ancillary Facility Letter;
- (f) each Hedging Document;
- (g) the Syndication Letter;
- (h) a Guarantor Accession Agreement;
- (i) a Borrower Accession Agreement; or

(j) any other document designated as such by the Agent and Hill & Smith Holdings plc.

"Finance Party"

means the Arranger, a Bank, the Ancillary Bank, a Hedging Bank, the Security Trustee or the Agent.

"Fixtures"

means all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery on the Mortgaged Property.

"Group Shares"

means, in relation to a Charging Company, any stock, shares, debentures, bonds or other securities and investments in any member of the Group other than a Charging Company.

"Group"

means, at any time, Hill & Smith Holdings plc and its Subsidiaries at that time.

"Guarantor Accession Agreement"

means a deed in the form of Part III of Schedule 5 to the Credit Agreement with such amendments as the Agent may approve or reasonably require.

"Guarantor"

means Hill & Smith Holdings plc, an Original Guarantor or an Additional Guarantor.

"Hedging Bank"

means a Bank or an Affiliate of a Bank which agrees to provide interest hedging facilities to the Obligors in accordance with Clause 18.17 of the Credit Agreement (Hedging).

"Hedging Document"

means any agreement or facility for the mitigation of interest rate or currency exchange rate risk permitted under the Finance Documents and provided to an Obligor by a Hedging Bank in accordance with Clause 18.17 of the Credit Agreement (Hedging).

"Insurances"

means all contracts and policies of insurance taken out by or on behalf of any Charging Company or (to the extent of its interest) in which a Charging Company has an interest.

"Intellectual Property Rights"

means all know-how, patents, trade marks, service marks, designs, business names, topographical or similar rights, copyrights and other intellectual property monopoly rights and any interests (including by way of licence) in any of the foregoing (in each case whether registered or not and including all applications for the same).

"Loan Note Deposit"

means a secured deposit with the issuer of the Loan Note Guarantee in a principal amount not exceeding the principal amount of the outstanding Loan Notes from time to time.

"Loan Note Guarantee"

means the guarantee of the Loan Notes to be provided by Barclays Bank PLC.

"Loan Notes"

means the loan notes to be issued under the loan note alternative under the Offer, on the terms and conditions summarised in the Press Release.

"Mortgaged Property"

means all freehold or leasehold property the subject of any security created by the Security Agreement.

"Novation Certificate"

has the meaning given to it in Clause 27.3 (Procedure for novations) to the Credit Agreement.

"Obligor"

means a Borrower or a Guarantor.

"Offer"

means the offer made or proposed to be made for the Shares by or on behalf of the Company to the shareholders of the Target, as recommended by the directors of the Target to its shareholders and substantially on the terms referred to in the Press Release.

"Original Guarantors"

means Asset International Limited, a company registered under the laws of England and Wales with number 01983393; Barkers Engineering Limited, a company registered under the laws of England and Wales with number 00597466; Birtley Building Products Limited, a company registered under the laws of England and Wales with number 00602575; D&J (Steels) Limited, a company registered under the laws of England and Wales with number 00993624; Hill & Smith Limited, a company registered under the laws of England and Wales with number 01270322; Pipe Supports Group Limited, a company registered under the laws of England and Wales with number 01013871; Pipe Supports Limited, a company registered under the laws of England and Wales with number 00926644; and Varley & Gulliver Limited, a company registered under the laws of England and Wales with number 00330433.

"Press Release"

means the press release dated on or about the date of the Credit Agreement made by or on behalf of the Company announcing the terms of the Offer.

"Receipts Account"

means Account Number: 50472220, Sort Code: 202717, in the name of Hill & Smith Holdings PLC with Barclays Bank PLC.

"Related Rights"

means any dividend or interest paid or payable in relation to any Charged Share and any rights, moneys or property accruing or offered at any time in relation to any Charged Shares by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

"Relevant Agreements"

means:

- (a) the agreements listed in Schedule 3 to the Security Agreement; and
- (b) any other agreements which are material to the business of a Charging Company and which are from time to time designated as Relevant Agreements by the Agent in writing with the prior written consent of the relevant Charging Company (such consent not to be unreasonably withheld or delayed).

"Security Account"

means the Receipts Account and any other account established under Clause 8 to the Security Agreement (Security Accounts).

"Security Assets"

means all assets of each Charging Company the subject of any security created by the Security Agreement.

"Security Document"

means:

- (a) a Security Agreement; or
- (b) any other document evidencing or creating a Security Interest in favour of the Finance Parties, to secure indebtedness under the Finance Documents.

"Security Interest"

means any mortgage, charge, pledge, lien or other security interest securing any obligation of any person and any other agreement or arrangement having the effect of conferring security.

"Syndication Letter"

means a letter dated on or about the date of the Credit Agreement from the Arranger to Hill & Smith Holdings plc in respect of the Syndication and other matters.

"Syndication"

means the primary syndication by the Arranger of the Facility.

"Target"

means Ash & Lacy plc (registered number 47169).

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 00597466

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT AN ADDITIONAL SECURITY AGREEMENT OF EVEN DATE BETWEEN THE CHARGOR, HILL & SMITH HOLDINGS PLC AND HILL & SMITH LIMITED AS ORIGINAL GUARANTORS AND THE SECURITY AGENT (AS DEFINED IN FORM 395) (THE SECURITY AGREEMENT) DATED THE 14th SEPTEMBER 2001 AND CREATED BY BARKERS ENGINEERING LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE OBLIGORS TO ANY FINANCE PARTY UNDER EACH FINANCE DOCUMENT (THE SECURED LIABILITIES) ON ANY ACCOUNT WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 24th SEPTEMBER 2001.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 27th SEPTEMBER 2001 .



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

LC
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