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COMPANIES FORM No. 395

Particulars of a mortgage or charge

NM

395

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

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

Name of company

* Borden Chemical GB Limited (the "Obligant")

Date of creation of the charge

18 October 2002 (the "Charge Date")

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

Standard Security Agreement (the "Agreement") made between the Obligant and Fleet National Bank, London UK Branch in its capacity as Bank (as defined in Part 1 of the attached Continuation Sheet)

Amount secured by the mortgage or charge

Please refer to Part 2 of the attached Continuation Sheet.

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

Fleet National Bank, London UK Branch, trading as FleetBoston Financial, with a place of business at 39 Victoria Street, London,

Postcode SW1H 0ED

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

Shearman & Sterling
Broadgate West
9 Appold Street
London
EC2A 2AP

Ref: 31282/00011 hd12848

Time critical reference

For official Use
Mortgage Section

Post room



LD7
COMPANIES HOUSE

0156
01/11/02

CHFP025

Please do not write in this margin

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

*insert full name of Company

Short particulars of all the property mortgaged or charged

Please refer to Part 3 of the attached Continuation Sheet.

Part 3 of the attached Continuation Sheet contains covenants by and restrictions on the Company which protect and further define the Charges and which must be read as part of the Charges.

NB. Please refer to Part 1 of the attached Continuation Sheet for definitions.

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 *Shearman & Sterling*

Date 1 November 2002

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

A fee of £10 is 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

Continuation Sheets to Form 395

PART 1

Definitions

In this form 395, so far as the context admits, the following expressions have the following meanings:-

"Affiliate" means a Person (other than a subsidiary): (i) which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, a Person; (ii) which beneficially owns or holds 10% or more of any class of the voting stock of a Person; or (iii) 10% or more of the voting stock (or in the case of a Person which is not a corporation, 10% or more of the equity interest) of which is beneficially owned or held by a Person or a subsidiary of a Person;

"Agent" means Fleet Capital Corporation as agent under the Loan Agreement;

"Bank" means Fleet National Bank, London UK Branch in its own capacity and as security agent for the Finance Parties (and shall include its successors and assignees as Security Agent);

"Borrowers" means the UK Borrowers and the Canadian Borrower;

"Canadian Agent" means Fleet Canada, in its capacity as Canadian agent for itself, the Lenders and the UK Agent under the Loan Agreement and any successor in that capacity appointed pursuant to the Loan Agreement;

"Canadian Borrower" means Borden Chemical Canada, Inc;

"Charged Assets" means the assets from time to time the subject of any Security Interests created or purported to be created by or pursuant to the Debenture and, where the context permits, the proceeds of sale of such assets;

"Debenture" means the Guarantee and Debenture dated 23 September, 2002 between the UK Borrowers as Charging Companies and Fleet National Bank, London UK Branch as security agent;

"Derivative Obligations" means every obligation of a Person under any forward contract, futures contract, exchange contract, swap, option or other financing agreement or arrangement (including, without limitation, caps, floors, collars and similar agreement), the value of which is dependent upon interest rates, currency exchange rates, commodities or other indices;

"Finance Parties" means the Lenders, Bank, Agent, UK Agent, Canadian Agent and any other holder of the Secured Liabilities (and in each case shall include as appropriate, their respective successors or permitted assigns);

"Fleet Canada" means Fleet Canada Capital Corporation;

"Fleet UK" means Fleet National Bank, London UK branch, trading as FleetBoston Financial;

"Guarantor" means each Person who as at 23 September, 2002 or thereafter guarantees payment or performance of the whole or any part of the Secured Liabilities;

"Guaranty Agreements" means each of the guaranty agreements executed or to be executed pursuant to, and substantially in the form set out in the Loan Agreement;

"LC Amounts" the equivalent in US dollars of the aggregate undrawn available amount of all Letters of Credit and LC Guaranties then outstanding;

"LC Guaranties" means any guaranty pursuant to which (i) Fleet UK or any Affiliate of Fleet UK shall guaranty the payment or performance by UK Borrower of its reimbursement obligations under any letter of credit; and (ii) Agent or any Affiliate of Agent shall guaranty the payment or performance by US Borrower of its reimbursement obligations under any letter of credit;

"LC Obligations" means any LC Amount plus any Secured Liability that arise from any draw and Letter of Credit supported by a LC Guaranty;

"Lenders" means Fleet Capital Corporation and other lender holding or obliged to make revolving credit loans under the Loan Agreement;

"Letters of Credit" means all standby or documentary letter of credit or guarantees or bonds issues by (i) Fleet UK, or any Affiliate of Fleet UK for the account of any UK Borrower; and (ii) Agent or any Affiliate of Agent for the account of the US Borrower;

"Loan Agreement" means the loan and security agreement dated 23 September, 2002 and made between, inter alia, the Borrowers and Fleet Capital Corporation as Agent and the Lenders referred to therein (as amended, supplemented and/or restated from time to time including in relation to any new or increased facility provided thereunder);

"Loan Documents" means the Loan Agreement, the Other Agreements and the Security Documents;

"Loans" all loans and advances made of any kind by Agent, Canadian Agent, UK Agent, or any Lender, or any Affiliate of Agent or Lender, pursuant to the Loan Agreement;

"Mortgages" means the mortgages, deeds of trust, deeds of hypothec, issues of bonds and debentures executed or to be executed by a Borrower by which Borrower has granted or will grant as security for the applicable Obligations (as defined in the Loan Agreement), a lien upon the real (or immoveable) property of such Borrower;

"Obligors" means the Borrowers and the Guarantors;

"Other Agreements" means any and all agreements, instruments and documents (other than the Loan Agreement and the Security Documents) executed before, at or after the Loan Agreement by any Borrowers, an subsidiary of any Borrower or any third party and delivered to the Agent, Canadian Agent or UK Agent or any Lender in respect of the transactions contemplated by the Loan Agreement;

"Person" means an individual, partnership, corporation, limited liability company, joint stock company, land trust, business trust, or unincorporated organization, or a government or agency or political subdivision thereof;

"Product Obligations" means every obligation of Borrowers under and in respect of any one or more of the following types of services or facilities extended to any Borrower by Bank, Agent, Canadian Agent, U.K. Agent, any Lender or any Affiliate of Bank or Agent, Canadian Agent, U.K. Agent or any Lender: (i) credit cards, (ii) cash management or related services including the automatic clearing house transfer of funds for the account of any Borrower pursuant to agreement or overdraft, (iii) cash management, including controlled disbursement services and (iv) Derivative Obligations;

"Receiver" means an administrative receiver, receiver and manager or other receiver appointed in respect of the Charged Assets by Fleet National Bank, London UK Branch as security agent under the Debenture (whether appointed pursuant to the Debenture or otherwise);

"Security Documents" means the Guaranty Agreements, the Mortgages, security agreements, hypothecs, debentures and all other instruments and agreements at or at any time after the Loan Agreement securing the whole or any part of the Obligations (as defined in the Loan Agreement);

"Security Interest" means any mortgage, charge (fixed or floating), standard security, pledge, lien, hypothecation, right of set-off (to the extent entered into with the primary intention of conferring security), security trust, assignment by way of security, reservation of title, or any other security interest whatsoever, howsoever created or arising or any other agreement or arrangement (including, without limitation, a sale and repurchase arrangement or the deposit of moneys or property with a Person with the primary intention of giving such Person a right of set-off or lien) entered into, in each case, for the purposes of conferring security and any agreement to enter into, create or establish any of the foregoing;

"Standard Condition 5(a)" means the obligation of the Obligor under the Standard Conditions in Schedule 3 of the Conveyancing and Feudal Reform (Scotland) Act 1970 to insure the Security Subjects, or to permit the Bank to insure the Security Subjects in the names of the Bank and the Obligor to the extent of the market value thereof against the risk of fire and such other risks as the Bank may reasonably require;

"UK Agent" means Fleet UK, in its capacity as UK agent for itself, the Lenders and Canadian Agent under the Loan Agreement and any successor in that capacity appointed pursuant to the Loan Agreement;

"UK Borrowers" means Borden Chemical GB Limited and Borden Chemical UK Limited;

"US Borrower" means Borden Chemical, Inc;

"US Obligor" means the US Borrower and any other Borrower or Guarantor (as such terms are defined in the Loan Agreement) organized under the laws of the United States of America;

PART 2

Amount Secured by the Charge

All Loans, LC Amounts, LC Guaranties, LC Obligations and all other advances, debts, liabilities, obligations, covenants and duties, together with all interest, fees and other charges thereon owing, arising, due or payable from each Obligor (other than a US Obligor) to the Agent, for its own benefit, from each Obligor (other than a US Obligor) to the Agent for the benefit of any Lender, from each Obligor (other than a US Obligor) to any Lender or from each Obligor (other than a US Obligor) to Fleet National Bank, London UK Branch or any other Affiliate of the Agent or Fleet UK, Fleet Canada and any other agent appointed in respect of the collateral under the Loan Agreement and any issuer of LC Guaranties or LC Obligations under the Loan Agreement or any Receiver, of any kind or nature, present or future, whether or not evidenced by any note, guarantee or other instrument, whether arising under the Loan Agreement or any of the other Loan Documents (including under any amendments, supplements or restatements of the Loan Documents) including, for the avoidance of doubt, the Debenture or otherwise, whether or not equally owed to any Finance Party and/or any Receiver or other Person, whether direct or indirect (including those acquired by assignment), absolute or contingent, primary or secondary, due or to become due, existing as at 23 September, 2002 or thereafter, arising and however acquired by the Obligor or jointly with any person, corporation, firm or other body whether as principle or surety, including without limitation any Product Obligations owing to the Agent, any Lender, Fleet National Bank or any Affiliate of Fleet National Bank or the Agent or any Lender, together with all interest accruing thereon calculated as provided in Clause 12.4 of the Debenture (after as well as before judgment, and all costs, charges and expenses incurred in connection therewith), except for any liabilities which, if they did constitute part of the

secured liabilities would result in the Debenture contravening section 151 of the Companies Act 1985, (the "Secured Liabilities" and "Secured Liability" shall be construed accordingly).

PART 3

Short Particulars of all property mortgaged or charged

1. By way of a Standard Security over all and whole the Lease between Caberboard Limited and the Obligant (wherein the Obligant is called "Borden Chemicals Limited") which Lease is dated Twenty Second January and Seventh February and is registered in the Books of Council and Session on Sixth March, all in the year Nineteen Hundred and Ninety and is registered or is about to be registered in the Land Registry of Scotland, which said Lease related to that plot or area of ground extending to Four acres thereby, all as shown delineated in red on the plan annexed and executed as relative thereto, being part of the subjects at Cowie, Stirlingshire, more particularly described in the Disposition by the County Council of the County of Stirling in favour of Scottish Timber Products Limited dated Twenty Sixth April and recorded in the Division of the General Register of Sasines for the County of Stirling on Fourth May, both months in the year Nineteen Hundred and Seventy Two (the "Security Subjects")
2. All rights and claims under policies effected under Standard Condition 5(a) are assigned under the Agreement by the Obligant to the Bank and all moneys becoming payable under any such policies shall be applied in making good the loss or damage in respect of which such moneys become payable or, if the Bank so requires, in or towards the discharge of the sums secured by the Agreement.
3. The Agreement provides that it shall be an obligation on the Obligant not to create or agree to create subsequent security over the Security Subjects or any part thereof or convey or assign the same or any part thereof or make directly or indirectly any application for planning permission in relation to the Security Subjects or any part thereof or make any application for an improvement grant or other grant in respect of the Security Subjects or any part thereof, without the prior written consent in writing of the Bank in each case which consent if granted may be so granted subject to conditions as the Bank may see fit to impose.
4. The Agreement provides that the Obligant, save with the consent of the Bank, shall not knowingly create or permit to arise any over-riding interest or servitude, wayleave or right which might adversely affect in any material respect the value of the Security Subjects or any of any fixtures thereon.
5. The Agreement provides that the Obligant shall not without the consent of the Bank (not to be unreasonably withheld or delayed) enter into any negotiations with any competent agency of any state with regard to the compulsory acquisition of the Security Subjects or any part thereof nor consent to the compulsory acquisition thereof.
6. The Agreement provides that the Obligant shall not, except without the prior written consent of the Bank (not to be unreasonably withheld or delayed) make any application for planning permission or carry out any work for which planning permission has been granted or enter into any agreement under Section 75 of the Town and Country Planning (Scotland) Act 1997 or any other agreement with any local government, planning or other regulatory authority to build roads, amenities or carry out other works.

M

COMPANIES FORM No. 398

**Certificate of registration in
Scotland or Northern Ireland
of a charge comprising property
situate there**

398

Please do not
write in
this margin

Pursuant to section 398(4) of the Companies Act 1985

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

To the Registrar of Companies
(Address overleaf)

Company number

00867053

Name of company

* BORDEN CHEMICAL GB LIMITED (the "

* insert full name
of company

HELEN DOWD

of SHEARMAN & STERLING

† give date and
parties to charge

certify that the charges executed on 27 September 2002
by Borden Chemical GB Ltd in favour of Fleet
National Bank, London UK Branch as Security Agent
of which a true copy is annexed to this form was presented for registration on 18 October 2002
in [Scotland] [~~Northern Ireland~~]-

† delete as
appropriate

Signed



Date

1 November 2002

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

HD12848
Helen Dowd
Shearman & Sterling
9 Appold Street
London, EC2A 2AP

For official Use
Mortgage Section

Post room

Notes

The address of the Registrar of Companies is:-

Companies House
Crown Way
Cardiff
CF4 3UZ

FILE COPY



**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

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

COMPANY No. 00867053

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A STANDARD SECURITY WHICH WAS PRESENTED FOR REGISTRATION IN SCOTLAND ON 18 OCTOBER 2002 AND DATED THE 27th SEPTEMBER 2002 AND CREATED BY BORDEN CHEMICAL GB LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM EACH OBLIGOR TO FLEET NATIONAL BANK UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 1st NOVEMBER 2002.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 7th NOVEMBER 2002.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —