

Particulars of a mortgage or charge**395****A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge.**

CHFP025

Please do not
write in
this marginPlease complete
legibly, preferably
in black type, or
bold block lettering*insert full name
of Company

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)For official use
COMPANIES HOUSE
Company number

B I I I I

00926644

Name of company

* Pipe Supports Limited (the "Chargor")

Date of creation of the charge

12th September, 2003

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

Security agreement dated 12th September, 2003 between, inter alia, the Chargor and the Security Trustee
(as defined below) (the "Deed")

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 obligations which, if it were so included, would result in the Deed contravening section 151 of the Companies Act 1985 (the "Secured Liabilities")

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

Barclays Bank plc (the "Security Trustee"), 5 The North Colonnade, Canary Wharf, London E14 4BB

Postcode

Presenter's name address and
reference (if any):Allen v Overy
One New Change
London
EC4M 9QQFor official Use
Mortgage Section

Post room

A27
COMPANIES HOUSE0244
29/09/03

Time critical reference

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 E Overy

Date

25/09/03

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

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

1. Fixed Security

1.1 Creation of fixed security

The Chargor as security for the payment of all the Secured Liabilities, charges in favour of the Security Trustee:

- (a) by way of a first legal mortgage:
 - (i) all the property specified in Schedule 2 of the Deed;
 - (ii) all estates or interests in any freehold or leasehold property (except any Security Assets specified in sub-paragraph (i) above and the Excluded Properties) now belonging to it; and
- (b) by way of first mortgage, all Group Shares held by it and/or any nominee on its behalf and all Related Rights accruing to the Group Shares; and
- (c) 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 (except the Excluded Properties);
 - (ii) all plant and machinery owned by it and its interest in any plant or machinery in its possession (which for the avoidance of doubt excludes plant or machinery subject to hire purchase agreements which include an absolute prohibition on charging);
 - (iii) (to the extent that they are not the subject of a mortgage under paragraph (b) 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 (c)) all of its rights and benefits under any agreement to which it is a party, including 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 it in any pension fund;

- (ix) its goodwill;
- (x) the benefit of all authorisations (statutory or otherwise) held in connection with its business or the use of any Security Asset specified in any other subparagraph in Clause 2.1 of the Deed 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 of the Deed).

1.2 Miscellaneous

- (a) A reference in the Deed 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 Chargor 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 to the Deed does not affect the validity or enforceability of any security created by the Deed.
- (c) Without prejudice to Clause 2.1(c)(vi) (Creation of fixed security) of the Deed, if, pursuant to Clause 8.4 (Withdrawals) of the Deed, the Chargor 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 Clause 2.1(c)(vi) (Creation of fixed security) of the Deed and stand subject to the fixed charge created pursuant to Clause 2.1(c)(vi) (Creation of fixed security) of the Deed or the floating charge created pursuant to Clause 3.1 (Creation of floating charge) of the Deed, 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 Chargor and the proceeds of those debts.

2. Floating Charge

2.1 Creation of floating charge

The Chargor, as security for the payment of all of the Secured Liabilities, charges in favour of the Security Trustee by way of a first floating charge all its assets not otherwise effectively mortgaged or charged by Clause 2 (Fixed Security) of the Deed.

2.2 Conversion

- (a) Except as provided below, the Security Trustee may by notice to the Chargor convert the floating charge created by the Chargor under the Deed into a fixed charge as regards all or any of the Chargor's assets specified in the notice if:
- (i) an Event of Default is outstanding and has not been waived or remedied; or
 - (ii) the Security Trustee 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.
- (b) The floating charge created by this subclause may not be converted into a fixed charge solely by reason of:
- (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium, under the Insolvency Act 2000.
- (c) The floating charge created by this subclause will automatically convert into a fixed charge over all of the Chargor's assets if an administrator is appointed or the Security Trustee receives notice of an intention to appoint an administrator.
- (d) The floating charge created by this subclause is a **qualifying floating charge** for the purpose of paragraph 14 of Schedule B to the Insolvency Act 1986.

3 Restrictions on dealing

The Chargor may not, 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 Deed or permitted by clause 18.8(b) (Negative Pledge) of the Credit Agreement; or
- (b) 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 Clause 3.1 (Creation of floating charge) of the Deed.

4 Rights in Respect of the Charged Shares

- (a) Unless an Event of Default is subsisting:
 - (i) the voting rights, powers and other rights in respect of the Charged Shares:
 - (A) shall (if the Charged Shares are registered in the name of the Security Trustee or its nominee) be exercised by it in any manner which the Chargor directs in writing; or

- (B) in any other case, shall be exercisable by the Chargor in any manner,
- provided that the voting rights, powers and other rights in respect of the Charged Shares shall not be exercised by the Chargor or at its direction in any way that is inconsistent with the provisions of the Finance Documents or which would materially and adversely affect the value or marketability of the Charged Shares or the security created over them under the Deed; and
- (ii) all dividends, distributions, interest and other monies paid in respect of the Charged Shares:
- (A) which are received by the Security Trustee, shall be paid to the Chargor as soon as is practicable; or
- (B) which are received by the Chargor, may be retained by the relevant Chargor.
- (b) If an Event of Default is subsisting, the Security Trustee may:
- (i) transfer the Charged Shares to the Security Trustee or its nominee;
- (ii) exercise all voting rights, powers and other rights in respect of the Charged Shares to the exclusion of the Chargor and the Security Trustee; and
- (iii) may receive and retain all dividends, distributions, interest and other moneys paid in respect of the Charged Shares for application in or towards the Secured Liabilities (and if the Chargor receives any of such dividends, distributions, interest or other moneys, it shall hold them in trust for the Security Trustee and promptly pay them to the Security Trustee).
- (c) If, while an Event of Default is subsisting, any Charged Shares remain in the name of the Chargor, the Chargor must:
- (i) exercise the voting powers and other rights in respect of those Charged Shares in the manner which the Security Trustee directs; and
- (ii) promptly pay to the Security Trustee all dividends, distributions and other monies which are received by the Chargor in respect of those Charged Shares.

In this Form 395:

Additional Borrower means a member of the Group which becomes a Borrower in accordance with Clause 28.4 (Additional Borrowers) of the Credit Agreement.

Agent means Barclays Bank plc as facilities agent.

Affiliate means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company.

Ancillary Bank means Barclays Bank plc as ancillary bank .

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

Ancillary Facility Letter means any letter between the Ancillary Bank and the Company setting out the terms of an Ancillary Facility and which is designated by the Ancillary Bank and the Company as an Ancillary Facility Letter.

Arranger means Barclays Capital as mandated lead arranger and bookrunner.

Banks means the financial institutions listed in Part 2 of Schedule 1 of the Credit Agreement.

Borrower means the Company or an Additional Borrower.

Borrower Accession Agreement means a letter in the form of Part 2 of Schedule 5 of the Credit Agreement with such amendments as the Agent may approve or reasonably require.

Company means **Hill & Smith Holdings plc** (Registered in England and Wales No. 671474) as borrower and guarantor.

Charged Shares means the Group Shares in which the Chargor has any interest and any other stocks, shares, debentures, bonds or other securities and investments.

Credit Agreement means the £67,500,000 credit agreement dated 13th August, 2003 between (among others) the parties to the Deed.

Event of Default means an event specified as such in Clause 20.1 (Events of Default) of the Credit Agreement.

Excluded Properties means the properties set out in Part 3 of Schedule 2 of the Deed.

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 22 (Fees) of the Credit Agreement.

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) any Hedging Document;
- (g) a Guarantor Accession Agreement;
- (h) a Borrower Accession Agreement; or
- (i) any other document designated as such by the Agent and the Chargor.

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 means, at any time, the Company and its Subsidiaries at that time.

Group Shares means any stock, shares, debentures, bonds or other securities and investments in any member of the Group other than the Chargor.

Guarantor means the Company, an Original Guarantor or an Additional Guarantor.

Guarantor Accession Agreement means a deed in the form of Part 3 of Schedule 5 of the Credit Agreement with such amendments as the Agent may approve or reasonably require.

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 18.4(a) or (b) (Hedging) of the Credit Agreement.

Hedging Document means any agreement or facility for the mitigation of interest rate risk permitted under the Finance Documents on terms which comply with Schedule 9 of the Credit Agreement and provided to an Obligor by a Hedging Bank in accordance with Clause 18.14(a) or (b) (Hedging) of the Credit Agreement.

Holding Company has the meaning given to it in Section 736 of the Companies Act 1985.

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

Intellectual Property Rights means all rights to and interests in any copyright, patents, data base, trademarks, business names, designs, knowhow, domain names and all other intellectual property rights whether arising through ownership, licence or use and whether registered, subject to registration or otherwise and including any related application

Loan Notes means the:

- (a) variable rate guaranteed unsecured 2001-2005 loan notes issued in connection with the Company's acquisition of all the issued ordinary shares in the capital of Ash & Lacy plc (registered number 47169); and
- (b) guaranteed floating rate 2002-2007 loan notes issued in connection with the Company's acquisition of all the issued ordinary shares in the capital of Mallatite Limited (registered number 2621328).

Loan Note Deposits means a secured deposit of not more than £2,210,000 with the issuer of the Loan Note Guarantees in a principal amount not exceeding the principal amount of the outstanding Loan Notes from time to time.

Loan Note Guarantees means the guarantees of the Loan Notes provided by Barclays Bank PLC.

Mortgaged Property means all freehold or leasehold property the subject of any security created by the Deed.

Novation Certificate has the meaning given to it in Clause 28.3 (Procedure for novations) of the Credit Agreement.

Obligor means a Borrower or a Guarantor.

Original Guarantors means the subsidiaries of the company listed in Part I of Schedule 1 of the Credit Agreement as guarantors.

Receipts Account means the receipts accounts of the Chargor (if any) the details of which are set out in Schedule 4 (Receipts Account) of the Deed opposite the name of the Chargor.

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.

Security Account means each Receipts Account and any other account established under Clause 8 (Security Accounts) of the Deed.

Security Assets means all assets of the Chargor the subject of any security created by the Deed.

Security Document means:

- (a) the Deed; 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.

Subsidiary means:

- (a) a subsidiary within the meaning of Section 736 of the Companies Act 1985; and
- (b) unless the context otherwise requires, a subsidiary undertaking within the meaning of Section 258 of the Companies Act 1985.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 00926644

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SECURITY AGREEMENT DATED THE 12th SEPTEMBER 2003 AND CREATED BY PIPE SUPPORTS LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE OBLIGORS TO ANY FINANCE PARTY ON ANY ACCOUNT WHATSOEVER 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 29th SEPTEMBER 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 1st OCTOBER 2003.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —