

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

U1518

01019844

Name of company

* KCS MANAGEMENT SYSTEMS PLC ("KCS")

*insert full name
of company

Date of creation of the charge

24 December 1996

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

Assignment and Charge of Copyright and Design Right by Way of Security
dated 24 December 1996 between KCS (1) and Barclays Bank PLC (the
"Bank") (2) (the "Assignment and Charge")

Amount secured by the mortgage or charge

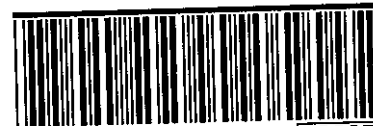
See Part II of the attached Schedule

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

Barclays Bank PLC, 54 Lombard Street, London EC3P 3AH

Presenter's name address and
reference (if any):Lovell White Durrant
65 Holborn Viaduct
London EC1A 2DYFor official use
Mortgage Section

Post room

KLO *K6T3HS0V* 2267
COMPANIES HOUSE 02/01/97

Time critical reference

A1/AA/AG/001BB.25133

See Parts III and IV of the attached Schedule

N.B. The attached Schedule includes covenants by and restrictions on KCS which protect and further define the charges and which must be read as part of the charges created.

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legibly, preferably
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bold block
lettering

Particulars as to commission allowance or discount (note 3)

N/A

Signed

Lowell W. Durrant

Date

2/1/97

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 situated 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.

SCHEDULE TO FORM 395

PART I

Definitions

In this Form 395 the following words and expressions have the following meanings, unless the context otherwise requires:-

- "Charged Rights" means all and any of the copyrights, rights in the nature of copyright, design rights (whether registered or unregistered), Know-How and other rights, causes of action and interests assured assigned or charged pursuant to clauses 3, 4 and 5 of the Assignment and Charge;
- "Materials" means the originals of the Works including without prejudice to the generality of the foregoing all designs, drawings, diagrams, films, get-ups, charts, layouts, lists, publications, manuals, printed matter, specifications, photographs, computer programs (including without limitation, source and object code), data, prototypes, models, mock-ups and moulds however recorded or reproduced but excluding usual business letters.
- "Know-How" means all know-how and all trade secrets, technical knowledge and all confidential information however recorded relating to the business of KCS and any processes, methods or procedures employed or used in that business.
- "design rights" means all unregistered rights in designs (other than copyright) anywhere in the world;
- "Works" means the works in which the Charged Rights subsist including, without limitation, the works identified in the Schedule to the Assignment and Charge. This Schedule refers to the business systems software marketed by KCS and known as:
- (a) K - PAYE
 - (b) K - PAYE for Windows
 - (c) K - EM
 - (d) K - EM for Windows

SCHEDULE TO FORM 395

PART II

Amount secured by the Mortgage or Charge

By clause 2.1 of the Assignment and Charge, KCS covenanted with the Bank that it would on demand in writing pay or discharge to the Bank:

- (a) all moneys and liabilities which are due, owing or incurred to the Bank by KCS on or after such demand, whether actually or contingently and whether solely or jointly with any other person and whether as principal or surety and whether or not the Bank was an original party to the relevant transaction;
- (b) all interest, discount, commission or other lawful charges and expenses which the Bank may in the course of its business charge in respect of any such matters or for keeping KCS's account; and
- (c) all other monies for which KCS may be or become liable to the Bank.

SCHEDULE TO FORM 395

PART III

Short Particulars of all the Property Mortgaged or Charged

By clause 3 of the Assignment and Charge, KCS with full title guarantee assigned to the Bank absolutely the matters set out in clauses 3.1 to 3.5 PROVIDED THAT if KCS pays or discharges to the Bank all moneys and liabilities which KCS has agreed to pay or discharge under the Assignment and Charge, the Bank will at the request and cost of KCS re-assign all such matters to KCS:

- 3.1 All copyrights and rights in the nature of copyright belonging to KCS anywhere in the world (for the full period of such rights and all renewals or extensions of them) in or in relation to the works or subject-matters listed or referred to in the Schedule to the Assignment and Charge (namely the business systems software marketed by KCS and known as K -PAYE, K - PAYE for Windows, K - EM, K - EM for Windows);
- 3.2 All other copyrights and rights in the nature of copyright and all design rights belonging to KCS anywhere in the world (for the full period of such rights and all renewals or extensions of them);
- 3.3 By way of assignment of future rights, all copyrights, design rights and rights in the nature of copyright anywhere in the world (for the full period of such rights and all renewals or extensions of them) that may be acquired by or belong to KCS in the future including (without prejudice to the generality of the above) all such copyrights and other rights in any developments or modifications made to the works or subject-matters listed or referred to in the Schedule to the Assignment and Charge (namely the business systems software marketed by KCS and known as K -PAYE, K - PAYE for Windows, K - EM, K - EM for Windows) or in those works or subject-matters as so developed or modified;
- 3.4 All Know-How belonging to KCS anywhere in the world, both now and in the future; and
- 3.5 All present and future rights and causes of action whenever and wherever accruing due to KCS in respect of infringement of any of the rights referred to in clauses 3.1 to 3.4 and clause 5 of the Assignment and Charge with the intent that the Bank will (at the expense of KCS) be entitled at any time during the subsistence of the Assignment and Charge to bring and prosecute or continue any action based on such causes of action. The Bank may do this either in its own name or in the name of KCS in accordance with the requirements of any rule of law or practice of the jurisdiction in which such proceedings may be brought. The Bank will have absolute right and power, at its sole discretion, to compromise, settle or discontinue any such action and to apply any sum or sums recovered or preserved as a result of any such proceedings towards the discharge wholly or in part of the indebtedness and liabilities secured by the Assignment and Charge.

By clause 4 of the Assignment and Charge as further security for the payment or discharge of all moneys and liabilities agreed to be paid or discharged under the Assignment and Charge, KCS with full title guarantee charged by way of first fixed charge:

- 4.1 all KCS's rights and interests (both present and future and however arising) in or in connection with any copyrights, design rights, rights in the nature of copyright or Know-How anywhere in the world (a) which belong to a third party; and (b) to which KCS is not absolutely entitled; and (c) to which KCS is entitled jointly with others including in each case all such rights and interests in connection with the use, exploitation, licensing, marketing, sale

or development by KCS of such copyrights, design rights, rights in the nature of copyright or Know-How;

- 4.2 all the benefit of any licences granted by KCS under the Charged Rights including, without limitation, all royalties payable whether presently payable or falling due for payment in the future; and
- 4.3 all policies of insurance whatever now or in the future held by or benefitting KCS in respect of loss or damage to any Materials or any security copies referred to in clause 8.11 (whether effected or maintained pursuant to clause 8.5 of the Assignment and Charge or otherwise) and all rights and interests of KCS in every such policy (including all claims arising and all money payable under such policies).

SCHEDULE TO FORM 395

PART IV

Covenants and Restrictions

By clause 5 of the Assignment and Charge KCS undertook that during the subsistence of the Assignment and Charge, it would:

- 5.1 as and when requested by the Bank and unless otherwise agreed by the Bank once every three months, provide the Bank with a written summary of all copyrights, design rights, Know-How and rights in the nature of copyright comprised in clause 3 of the Assignment and Charge and rights or interests comprised in clause 4 of the Assignment and Charge acquired by KCS (whether in the United Kingdom or elsewhere) since the date of the Assignment and Charge or the date of the last notification. This summary will include details of any licences of right coming into existence in relation to any of the Charged Rights during the preceding three month period. At the request of the Bank KCS will promptly at its own expense execute (in the form required by the Bank) a supplemental charge or assignment by way of security of such copyrights, design rights, Know-How and rights and causes of action throughout the world for their full term and all renewals or extensions of them;
- 5.2 do and concur in all such other acts or things and execute all such further documents, instruments and deeds as may be required by the Bank:
 - (a) to vest the Charged Rights referred to in clause 3 of the Assignment and Charge in the Bank and to perfect the Bank's right or title to the Charged Rights;
 - (b) to perfect the Bank's security over all or any of the Charged Rights;
- 5.3 deposit with the Bank any certificate evidencing registration of the Charged Rights.

By clause 7 of the Assignment and Charge, KCS undertook that it would not without the consent in writing of the Bank:

- 7.1 except as may be required by law grant or agree to grant any licence, right or interest under or in respect of the Charged Rights;
- 7.2 assign or otherwise transfer, charge or mortgage or otherwise encumber or dispose of any interest whatever (including without limitation the equity of redemption) in the Charged Rights;
- 7.3 use or copy any of the Works or permit others to do so; or
- 7.4 enter into any contract or arrangement for supply or otherwise whereby any third party obtains any right, licence or permission to use the Charged Rights on the occurrence or non-occurrence of any future event or circumstance whether such event or circumstance is a breach of contract by or the insolvency of KCS or any other event or circumstance whatever.

By clause 8 of the Assignment and Charge, KCS undertook, among other things, that it would at its own cost:

- 8.6 Properly register in such register or registers or with such authorities as may be available for the purpose and whether in the United Kingdom or elsewhere, and in such name or names as may be required by the law and practice of the place of registration such of the following as are capable of registration:

- (a) the Assignment and Charge and any documents required by the Bank pursuant to clauses 5.1 and 5.2 of the Assignment and Charge;
- (b) all licences or other interests referred to in clause 4 of the Assignment and Charge; and
- (c) all future charges and/or assignments and assurances made pursuant to the Assignment and Charge.

8.8 If requested in writing by the Bank, at any time notify in writing all third parties:

- (a) from whom rights and interests charged by clause 4 of the Assignment and Charge are derived; or
- (b) together with whom KCS may own or be entitled to such rights and interests

of the existence of the Assignment and Charge. Such notification will be made promptly after request in the case of rights and interests subsisting at the time of the request and promptly after acquisition of rights acquired later.

8.10 Use all reasonable endeavours if reasonably requested by the Bank in writing to give notice to parties using or otherwise having possession of or access to any copies of the Works of the existence of the copyright, design and other rights the subject of the Assignment and Charge. KCS will, if so requested by the Bank in writing mark all copies of the Works with the appropriate copyright or other notice or symbol giving details sufficient to fix any person seeing them with notice of the existence of the copyright or other rights in question and in the case of copyrights with any appropriate notice or symbol necessary to acquire copyright protection anywhere in the world;

- 8.12 (a) As and when requested by the Bank promptly deposit with the Bank up to date and complete printed and magnetically recorded or compact disk versions of the source code of any computer programs the subject of the Assignment and Charge and copies of any other Materials or Works from time to time requested by the Bank; and/or
- (b) If so required by the Bank (at KCS's expense and risk) deposit with an escrow agent approved by the Bank and in such form as may be approved by the Bank source and object code versions of any computer programs the subject of the Assignment and Charge. Such deposit will be on terms agreed by the Bank providing for the deposited materials to be supplied to the Bank if the Bank has demanded payment of any moneys secured by the Assignment and Charge and/or if a Receiver has been appointed pursuant to clause 9 of the Assignment and Charge.

8.14 Collect and realise all royalties referred to in clause 4.2 of the Assignment and Charge and the proceeds of all insurance policies referred to in clause 4.3 of the Assignment and Charge ("Receivables") and will pay them into KCS's account with the Bank, or as the Bank may otherwise direct, promptly on receipt and, pending such payment, will hold all such Receivables on trust for the Bank and will not without the prior written consent of the Bank charge, factor, discount or assign any such Receivables in favour of any person or purport to do so and will on request by the Bank (giving reasonable notice) deliver the policy documents to the Bank.

By clause 18 of the Assignment and Charge, KCS undertook that it would not, without the Bank's prior written consent use the Bank's name or join the Bank into any proceedings relating to any infringement of the Charged Rights PROVIDED THAT if KCS brings an action in its own name and

the Courts do not permit the action to proceed without the Bank being made a party, KCS may with the Bank's consent join the Bank as a defendant and the indemnity for costs, charges, expenses and damages set out in clause 16 of the Assignment and Charge will apply to any such action, mutatis mutandis. The Bank will be entitled to seek such security for costs as it, in its absolute discretion, considers reasonable prior to giving any such consent.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 01019844

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT AN ASSIGNMENT AND CHARGE DATED THE 24th DECEMBER 1996 AND CREATED BY KCS MANAGEMENT SYSTEMS PUBLIC LIMITED COMPANY FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO BARCLAYS BANK PLC ON ANY ACCOUNT WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 2nd JANUARY 1997.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 7th JANUARY 1997.


D. JENKINS

for the Registrar of Companies



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

HC026B