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Laserform International Limited 12/99

Notes

The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

**SCHEDULE TO THE STATUTORY DECLARATION OF THE DIRECTORS
OF FIRST SECURITY (GUARDS) LIMITED (the "Company")
PURSUANT TO SECTION 155(6) COMPANIES ACT 1985**

The principal terms on which the assistance will be given are set out in the following:

1. GUARANTEE AND DEBENTURE

1.1 Under the terms of the Guarantee and Debenture the Company, together with each company in the MacLellan group of companies (the "Principals") and MacLellan Group Plc as agent for all, covenants to guarantee jointly and severally all liabilities of each of the Principals to Barclays and to create fixed and floating charges over all of their assets and undertaking.

1.2 The Company covenants and guarantees to pay and discharge to Barclays upon demand in writing all Indebtedness, now or in the future, due, owing or incurred either by the Company or by each and any of the other Principals, including any interest, commission, fees, charges, costs and expenses which Barclays may charge to the Company or any other Principal, subject to the following provisions:

1.2.1 The Company or any other of the Principals may crystallise its liability under the guarantee by the giving of three months' notice to Barclays. On such notice being given, Barclays may continue to give credit or advances to any other Principal and the guarantee will apply to all such credit and advances. The guarantee will continue to be enforceable against a Principal who has given such notice but this liability will be fixed as at the end of the notice period and Barclays shall only be entitled to recover the amount of Indebtedness at that time together with costs and charges relating to it.

1.2.2 Except as described in paragraph 1.2.1 the guarantee will not be capable of termination.

1.2.3 Barclays is entitled at any time to place and keep for such time as it may think prudent any money received, recovered or realised under



the guarantee in a suspense account with no obligation to apply such funds towards the discharge of the indebtedness of any Principal. Barclays will not seek to recover any interest in respect of sums outstanding to the extent that monies have been held in such a suspense account.

1.2.4 The guarantee does not prejudice and is not prejudiced by any other guarantee and security which Barclays may hold in respect of any Principal.

1.2.5 In the event that the guarantee ceases for any reason to be binding on any of the Principals, Barclays is entitled to break the account of the Principal and open a new account, and any monies received shall either be or be treated as having been credited to such new account.

1.2.6 The guarantee and debenture requires that none of the Principals shall:

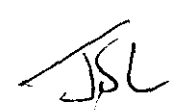
- (a) have any claim against any of the other Principals prior to that of Barclays;
- (b) participate in any security held or money received by us on account of the Indebtedness of any Principal; and
- (c) shall not stand in front of Barclays in respect of any security or money received by Barclays until all Indebtedness of each Principal has been repaid in full.

1.2.7 Barclays is entitled to grant, extend, increase, renew, vary, determine or refuse any credit or facility to any Principal and no actions which might otherwise constitute some form of waiver of the rights of Barclays in respect of any of the Principals will exonerate or discharge the company from its obligations under the terms of the debenture and guarantee.



- 1.2.8 Upon the guarantee becoming enforceable, part payment of any outstanding sum will not be effective to reduce the liability of that Principal under the guarantee until the entire sum due and owing under the guarantee is paid such that the guarantee will remain wholly unsatisfied until paid in full.
- 1.2.9 Upon the Company incurring any charges on insolvency or similar such that an adjustment is made to the account of that Principal, the liability of that Principal to Barclays will be increased accordingly. Further, in the event that any claim is made against Barclays in respect of insolvency, Barclays is entitled to agree or settle the insolvency claim without reference to the Principal and the terms of the agreement shall be binding upon the Principal as if made by a court of law and each of the Principals shall be jointly and severally responsible for costs and expenses properly incurred in defending such a claim.
- 1.2.10 Barclays is entitled to retain a sum in respect of Indebtedness for up to three years after all Indebtedness has been satisfied in order to protect itself from any claim under insolvency law.
- 1.2.11 In the event of a dispute as to the capacity of any Principal, such a dispute shall be disregarded as between the Principals such that each Principal will, irrespective of the dispute, continue to be liable to Barclays in respect of the relevant dealing transaction and/or indebtedness as if the Principal were principal debtor.
- 1.2.12 Any admission, acknowledgment or other proof of Indebtedness of any Principal shall be regarded as binding and conclusive as between Barclays and other Principals.
- 1.3 The Guarantee and Debenture charges to Barclays with full title guarantee with the payment or discharge of all Indebtedness:
- 1.3.1 by way of all legal mortgage, all unregistered freehold and leasehold land;

- 1.3.2 by way of fixed charge all registered freehold and leasehold land including now and future property, plant and machinery, rental and other income from land, all securities, all insurance and assurance contracts relating to the now and future assets, all goodwill and uncalled share capital, all intellectual property, all agreements, licences, trade secrets, confidential information and know-how, all trade debts, all other debts and the benefits of all instruments, guarantees, charges, pledges and other rights now or in the future available to you as security in respect of any asset itself subject to the fixed charge in its favour; and
- 1.3.3 by way of floating charge all other Assets not charged as described at paragraph 1.3.2 and all Assets situated in Scotland, and in respect of these the Company may not create any mortgage or other security nor sell, part with or dispose of any of them except by sale in the ordinary course of business.
- 1.4 Barclays may at any time crystallise the floating charge created pursuant to paragraph 1.3.3 or reconvert it to a floating charge by notice to the relevant chargor.
- 1.5 Any mortgage, fixed charge or fixed security in favour of Barclays shall take priority over the floating charge created pursuant to paragraph 1.3.3 and all future fixed or floating charges or debentures which a Principal shall create in future except those in favour of Barclays shall be expressed to be subject to the Guarantee and Debenture and rank behind the charges created in it.
- 1.6 Any sums of money payable or derived from the Assets charged under clause 1.3.2 must be paid into the Company's bank account with Barclays or such other Barclays account as Barclays may specify on such terms as Barclays may direct. Pending such payment all monies so received are held on trust for Barclays. The Company may not subordinate or attempt to subordinate Barclays in respect of any such sums. Where a credit balance on any account of the Company includes proceeds of Receivables as described above,



Barclays may in its absolute discretion refused to permit the Company to utilise or withdraw that credit balance.

- 1.7 The Company may not, without Barclay's prior consent, create or attempt to create any fixed or floating security of any kind or any trust over any Assets or sell, assign, lease, licence, sub-licence or part with possession or ownership or any intellectual property rights.
- 1.8 The guarantee and debenture contains further terms in relation to the following:
- 1.8.1 requirement to maintain index linked insurance in respect of all insurable assets for full replacement value;
 - 1.8.2 obligations in respect of property to keep all buildings, plant, machinery, fixtures and fittings in good condition;
 - 1.8.3 obligations to notify Barclays of any contamination of land or contaminative use of land;
 - 1.8.4 to indemnify Barclays at all times against claims, liabilities, loss or expenses incurred in relation to the Assets;
 - 1.8.5 prohibition on accepting surrenders of leases of land or extending, renewing or varying any lease or tenancy or parting with possession of land without prior consent of Barclays;
 - 1.8.6 Barclays is entitled to appoint a receiver or administrator in respect of the guarantee and to deal with the property charged.

Note: Words and expressions used in this Schedule in relation to the Guarantee and Debenture shall bear the following meanings:

"Assets" means, in relation to each Principal, all of its undertaking, property, assets, rights and revenues, whatever and wherever in the world, present and future and includes each or any of them;



"Indebtedness" includes any obligation for the payment or repayment by any of the Principals to Barclays of money in any currency, whether present or future, actual or contingent, joint or several, whether incurred as principal or surety or in any way whatsoever including any liability (secured or unsecured) of theirs to a third party which subsequently becomes payable to us by assignment or otherwise and including principal, interest, commission fees and other charges; and

"Receivables" means, in relation to each of the Principals, all sums of money receivable by them now or in the future consisting of or payable under or derived from any Assets charged as set out in paragraph 1.3.2.



2 CAS 2000 MASTER AGREEMENT

- 2.1 Under the terms of the CAS 2000 Master Agreement the Company, together with the other signatories to the CAS 2000 Master Agreement (the "**Participants**") and MacLellan Group Plc (as agent of the Participants) irrevocably authorises Barclays to apply all or part of any money standing to the credit of any Participant on any account in or towards the discharge of all or such part of any Indebtedness (at the time that such application) to Barclays on the accounts of the same and/or any other Participant that Barclays may select, without any need to call for payment. This authorisation is given in consideration of Barclays making overdraft facilities available to one more of the Participants and Barclays agreeing that it will for the time being deduct from any aggregate Indebtedness to Barclays on the accounts of the Participants the amount of any credit balances on the accounts of the same or any other Participants (the "**Netting Arrangement**").
- 2.2 If at the time of determination of the Netting Arrangement Barclays has not effected transfers or made entries necessary to give effect to its right to apply credit balances in or towards the discharge of indebtedness as at such time, Barclays may make such transfers or entries and apply such credit balances subsequently. The right to pay and apply in this way is contractual only and does not create any proprietary or security interest in the credit balances in Participant accounts.
- 2.3 The terms of the Facility are set out in the Facility Letter.
- 2.4 Barclays will charge interest under the facility at the rate defined in the Facility Letter.
- 2.5 Barclays may refuse to act on any instruction from a Participant if so acting would result in exceeding the agreed aggregate net indebtedness of the Participants (the "**Group Limit**").
- 2.6 Barclays may increase or reduce the Group Limit as it deems appropriate upon accession or withdrawal of Participants.

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- 2.7 MacLellan Group Plc may, as agent for the Participants and with Barclays' prior agreement, add or remove Accounts or Group companies as Participants, extend, renew, vary or terminate the Facility or its terms including the amount of the Group Limit, appoint another Group company as agent, and sign documents or perform acts on behalf of Participants as required to effect or implement any of the above matters. Each act so performed by the agent shall be binding as between Participants and Barclays.
- 2.8 The Company, or any other group company, may with the prior written approval of the agent of Barclays, and subject always to such Group company satisfying any requirements in respect of the giving of financial assistance, become a Participant upon:
- (a) entering into an accession agreement to the CAS 2000 Master Agreement and the Cross Guarantee (summarised at heading 3); and
 - (b) producing certified extracts and board minutes evidencing due authorisation, execution of both such agreements.
- 2.9 The Company or any other Participant may be withdrawn from the facility upon the Company or Participant giving thirty days notice to Barclays in writing, however such notice will not take effect if demand for payment of outstanding money to Barclays has been made and not fully satisfied or if the account has been suspended or automatically terminated. Upon withdrawal the Participant shall remain liable unless specifically released by Barclays for liabilities up to the time of expiry of the notice period.
- 2.10 Commencement of insolvency proceedings or similar will operate as a suspension event (a "Suspension Event") in respect of a Participant. If a Suspension Event occurs, Barclays may either break any Account of the affected Participant and open a new and separate account for the collection of credit subsequently received by Barclays on its behalf (which shall be disregarded in determining the amount, if any, available for drawing under the Group Limit) and/or refuse to permit the affected Participant to utilise or draw any further amounts under the Facility. Barclays may in that event also break



any Account of any other Participant and at its own discretion permit that other Participant to utilise the Facility through a new and separate account.

- 2.11 The Netting Arrangement may be terminated by Barclays at any time without prior notice, and will terminate automatically if an "Automatic Termination Event" occurs in relation to any Participant, including any administration order, winding up order, resolution for voluntary winding up, appointment of receiver, approval of a proposal for CVA, moratorium or any proceeding or any step is taken or a court order is made in any applicable jurisdiction outside England and Wales which has a substantially similar effect to any of the foregoing. Barclays may nevertheless at its sole discretion continue to provide the Netting Arrangement in relation to such Participants as Barclays may specifically agree in writing with the Agent.
- 2.12 If the Suspension Event or Automatic Termination Event occurs or a Participant defaults in the performance of its obligations to Barclays under the Agreement or Facility Barclays may at any time place and keep for such time as it may think prudent any money received, recovered or realised under or by virtue of this Agreement on a separate or suspense account to the credit of either Barclays or the relevant Participant, without obligation to apply the same towards the discharge of the indebtedness of the Participant to Barclays.
- 2.13 The Company warrants that it will be beneficial owner of all sums standing to the credit of its account and shall not assign, charge or create security or trust over its rights to any money on such credit balance.
- 2.14 The CAS 2000 Master Agreement also contains the following terms:
- 2.14.1 No right to settle for counter-claim or deduction or withholding in respect of any amounts falling to be made by the Participant to Barclays under the agreement unless such deduction or withholding is required by normal practice and where such deduction or withholding is made the Participant will pay any additional amount necessary.



2.14.2 An indemnity in respect of any payments required to be made by Barclays in respect of tax.

2.14.3 An indemnity in respect of any shortfall in required payment by reason of payment of the required sum to Barclays in a currency other than that which it is required to be paid.

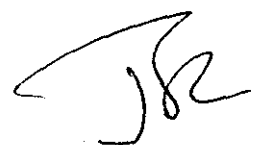
Note: Words and expressions used in this Schedule in relation to the CAS 2000 Master Agreement shall bear the following meanings:

"Account" means a current account of a Participant in its sole name with Barclays in England and Wales denominated in Pounds Sterling and permitted by Barclays to be included in the composite accounting system contemplated in the CAS 2000 Master Agreement.

"Indebtedness" includes any obligation for the payment or repayment of money in any currency, whether present or future, actual or contingent, joint or several, whether incurred as principal or surety or in any other way whatever, and including principal, interest, commission, fees and other charges.

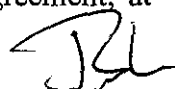
"Facility" means the overdraft facility for the time being made available by Barclays to one or more of the Participants on the basis of this Agreement.

"Facility Letter" means the letter dated 30 April 2003 setting out the terms on which the Facility is made available to the Participants, as varied by subsequent letters of variation from time to time.

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3. CROSS GUARANTEE

- 3.1 Under the terms of the Cross Guarantee (the "Guarantee") the Company, together with each Company in the MacLellan Group of Companies (the "**Participants**") guarantees, severally and jointly with each other Participant, payment to Barclays by each and every other Participant of all indebtedness now or in the future due or owing to Barclays by such other Participants.
- 3.2 The obligation of a Guarantor to make payment to Barclays under the Guarantee will be immediately enforceable if any Automatic Enforcement Event occurs in relation to any Principal, or to such Guarantor as Barclays makes written demand requiring payment of all or part of the Indebtedness of any Principal to Barclays. Barclays may at its discretion disregard an Automatic Enforcement Event as though that such event had never occurred.
- 3.3 Once the Guarantee becomes enforceable, Barclays may transfer or appropriate money standing to the credit of any Guarantor towards the satisfaction of such Guarantor's liability under the Guarantee without becoming liable for any losses sustained by any Guarantor in consequence of this action.
- 3.4 Once the Guarantee has become enforceable or notice to discontinue has been served by a Guarantor (see paragraph 3.5 below), Barclays may refuse to act on any instruction from any guarantor to withdraw or transfer money if this will reduce the money standing to the credit of the Guarantor or reduce it below the amount of its liability under the guarantee. Barclays may determine for the purposes of the Guarantee the liability of any principal a contingent liability. The agent is irrevocably authorised by each Participant, with Barclays' prior agreement, to add any further group company as Participant or appoint another group company as its successor as agent.
- 3.5 A group company may accede to the Cross Guarantee under by delivery to Barclays in satisfactory form an accession agreement in the prescribed form and certified extracts of minutes of a meeting of its board of directors evidencing due authorisation and execution of such accession agreement, at



which point the Participant shall become bound by the terms of the Guarantee and assume all obligations under the Guarantee as if an original party.

- 3.6 Participant may crystallise its liability upon giving thirty days notice to Barclays in the form prescribed under the Cross Guarantee in so far as it relates to future liability. Notwithstanding that, Barclays may continue to give credit and give further advances to any Principal and the Guarantee will apply to such credit and advances up to the notice period. The Guarantee will continue to be enforceable during the notice period except where served notice in this way the guarantee is incapable of termination.
- 3.7 Barclays is entitled at any time to place and keep for such time as it may think prudent any money received, recovered or realised under the guarantee in a suspense account with no obligation to apply such funds towards the discharge of the indebtedness of any Principal.
- 3.8 In the event that the guarantee ceases for any reason to be binding on any of the Principals Barclays is entitled to break the account of the Principal and open a new account, and any monies received shall either be or be treated as having been credited to such new account.
- 3.9 The Guarantee requires that none of the Principals shall have any claim against any of the other Principals prior to that of Barclays and shall not stand in front of Barclays in respect of any security or money received by Barclays until all indebtedness of each principal has been repaid in full.
- 3.10 Barclays is entitled to grant, extend, increase, renew, vary, determine or refuse any credit or facility to any of the group companies party to the agreement and no actions which might otherwise constitute some form of waiver of the rights of Barclays in respect of any of the Principals will exonerate or discharge the company from its obligations under the terms of the debenture and guarantee.
- 3.11 Upon the Guarantee becoming enforceable, part payment of any outstanding sum will not be effective to reduce the liability of that Principal under the guarantee until the entire sum due and owing under the guarantee is paid such that the guarantee will remain wholly unsatisfied until paid in full.

- 3.12 Upon the company incurring any charges on insolvency or similar such that an adjustment is made to the account of that Principal, the liability of that Principal to Barclays will be increased accordingly. Further, in the event that any claim is made against Barclays in respect of insolvency, Barclays is entitled to agree or settle the insolvency claim without reference to the Principal and the terms of the agreement shall be binding upon the Principal as if made by a court of law and each of the Principals shall be jointly and severally responsible for costs and expenses properly incurred in defending such a claim.
- 3.13 Barclays is entitled to retain a sum in respect of Indebtedness for up to three years after all Indebtedness has been satisfied in order to protect itself from any claim under insolvency law.
- 3.14 In the event of a dispute as to the capacity of any Principal, such a dispute shall be disregarded as between the Principals such that each Principal will, irrespective of the dispute, continue to be liable to Barclays in respect of the relevant dealing transaction and/or indebtedness as if the Principal were principal debtor.
- 3.15 Any admission, acknowledgment or other proof of indebtedness of any Principal shall be regarded as binding and conclusive as between Barclays and other Principals.

Note: Words and expressions used in this Schedule in relation to the Guarantee shall bear the following meanings:

"Automatic Enforcement Event" includes any administration order, winding up order, resolution for voluntary winding up, appointment of receiver, approval of a proposal for CVA, moratorium or the taking of any proceeding or any step or the making of any court order in any applicable jurisdiction outside England and Wales which has a substantially similar effect to any of the foregoing.

"Guarantor" means each Participant in its character as a Guarantor of the other Participants under the Guarantee



"**Indebtedness**" includes any obligation for the payment or repayment of money in any currency, whether present or future, actual or contingent, joint or several, whether incurred as principal or surety or in any other way whatever, and including principal, interest, commission, fees and other charges.

"**Principal**" means each Participant insofar as it is or may become liable to Barclays for any Indebtedness otherwise than as a Guarantor for other Participants under this Guarantee.

4. **FACILITY LETTER**

- 4.1 The Facility Letter provides for a Facility pursuant to the CAS2000 Master Agreement of £9,650,000 repayable on demand.
- 4.2 By letter of variation dated 11 October 2004 the net overdraft limit is increased by £5,000,000 to £14,650,000 and will reduce by £4,000,000 to £10,650,000 upon the introduction of a Confidential Invoice Discounting Facility by Barclays Sales Financing by 31 January 2005. An arrangement fee of £50,000 is payable by MacLellan Group Plc to Barclays upon acceptance of the offer.

