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COMPANIES FORM No. 395

164325/620

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.

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

4



02204070

Name of company

* Marconi Communications International Holdings Limited (the "Company")

Date of creation of the charge

19th May, 2003

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

Please see continuation sheet

Amount secured by the mortgage or charge

All present and future indebtedness, liabilities and obligations (for the avoidance of doubt, including any liabilities and obligations which have been cash-collateralised by the Obligors) at any time of any Obligor under the Relevant Documents, both actual and contingent and whether incurred solely or jointly or in any other capacity together with any of the following matters relating to or arising in respect of those liabilities and obligations:

- (a) any refinancing, novation, deferral or extension;
- (b) any obligation relating to any increase in the amount of such obligations;
- (c) any claim for damages or restitution; and
- (d) any claim as a result of any recovery by an Obligor of a payment or discharge, or non-allowability, on the grounds of preference,

and any amounts that would be included in any of the above but for any discharge, non-provability or unenforceability of those amounts in any insolvency or other proceedings (including interest accruing after the commencement of any insolvency or other proceedings). (The "Secured Obligations").

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

The Law Debenture Trust Corporation p.l.c., Fifth Floor, 100 Wood Street, London (the "Security Trustee")

Postcode EC2V 7EX

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

Caroline Gray
Allen & Overy
One New Change
London
EC4M 9QQ

For official Use
Mortgage Section

Post room



LD3
COMPANIES HOUSE

0394
05/06/03

Time critical reference

Please 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 5 June 2003

On behalf of [company] [~~XXXXXXXXXXXX~~ mortgaged/charged]

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

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

Security Trust and Intercreditor Deed dated 19th May, 2003 between Marconi Corporation plc as Issuer, The Law Debenture Trust Corporation plc as Security Trustee, the persons listed in Schedule 1 of the Deed as subsidiary guarantors, Law Debenture Trust Company of New York (the "**Senior Note Trustee**") as senior note trustee, JPMorgan Chase Bank (the "**Junior Note Trustee**") as junior note trustee, HSBC Bank plc as security trustee and agent under the New Bonding Facility Agreement, the persons listed in Schedule 3 of the Deed as banks under the New Bonding Facility Agreement, The Bank of New York as depositary, paying agent and registrar, the persons listed in Part A of Schedule 2 of the Deed as intra-group creditors, the persons listed in Part B of Schedule 2 of the Deed as intra-group borrowers, (the "**Deed**").

Short Particulars of all property mortgaged or charged

If any Intra-Group Creditor receives any sum in relation to any Intra-Group Liability other than pursuant to Clause 9.5 (*Permitted Payments*) of the Deed, that sum shall be promptly paid to the Security Trustee for application in accordance with the terms of the Deed, and pending such payment it shall be held on trust for the Security Trustee.

Note:**Undertakings**

1. In the Deed, each Obligor hereby undertook that it will not, and each Secured Creditor acknowledged that no Obligor will, unless expressly permitted or required by the Deed create or permit to subsist any Security for, or in respect of, any of the Secured Obligations other than (a) the Original Transaction Security, (b) pursuant to the terms of the Relevant Documents, or (c) to the extent permitted by Clause 8.1 (*Permitted Actions*).
2. In the Deed, each Intra-Group Creditor hereby undertook that it will not and the Issuer and Intra-Group Borrowers which owe Intra-Group Liabilities to them acknowledged that the Intra-Group Creditors will not, except with the prior written consent of the Security Trustee (acting in accordance with the instructions of the Instructing Trustee) or as expressly permitted or required by the Deed take, accept, permit to subsist or receive the benefit of any Security for, or in respect of, any Intra-Group Liabilities owed to such Intra-Group Creditor unless required or permitted to do so pursuant to the terms of the Indentures.

Definitions

In this Form 395:

"**Additional Amounts**" shall have the meaning ascribed to it in the applicable Indenture.

"**Additional Remuneration Fee Letter**" has the meaning ascribed to it in Clause 18.1 (*Security Trustee Fee*) of the Deed.

"**Agent/Trustee/New Bonding Facility Bank Accession Letter**" means an accession letter substantially in the form set out in Schedule 8 (*Agent/Trustee/New Bonding Facility Bank Accession Letter*) of the Deed.

"Attorney" has the meaning ascribed to it in sub-clause 17.1.2 of Clause 17.1 (*Appointment*) of the Deed.

"Delegate" means any delegate, agent, attorney, Attorney, co-trustee or additional but separate trustee (including any trustee under any deeds of trust for the purpose of the US Security Documents (referred to in Schedule 2 of the Indentures)), custodian, depository or Receiver appointed by the Security Trustee in accordance with the terms of the Deed and/or the Security Documents.

"Escrow Accounts" means the existing performance bond escrow account and the mandatory redemption escrow account.

"Escrow Agreement" means the escrow agreement dated on or about the date of the Deed and made between the Security Trustee, the Issuer, the new bonding facility agent, the new bonding facility security trustee (as defined therein) and the escrow bank (as defined therein) establishing and setting out the terms and conditions of each of the Escrow Accounts.

"Existing Performance Bonds" means surety bonds, appeal bonds, bid bonds, performance bonds, letters of credit, bank guarantees or other obligations of a like nature issued by a bank, insurance company or other financial institution on behalf of the Issuer or any of its Subsidiaries in existence on the Issue Date and not issued pursuant to an Interim Bonding Facility, until such bonds, letters of credit, guarantees or other obligations expire, terminate or are cancelled.

"Fee Letter" has the meaning ascribed to it in Clause 18.1 (*Security Trustee Fee*) of the Deed.

"Guarantor Accession Letter" means an accession letter substantially in the form set out in Part B of Schedule 7 (*Accession Letters*) of the Deed pursuant to which a member of the Group accedes to the Deed as a Guarantor.

"Group" means the Issuer and its Subsidiaries from time to time.

"Guarantee" means any guarantee of any of the Secured Obligations.

"Guarantor" means any company listed in Schedule 1 of the Deed.

"Indentures" means the Senior Note Indenture and the Junior Note Indenture collectively and **"Indenture"** means either of them.

"Indemnifying Companies" has the meaning given to it in paragraph (E) of the recitals of the Deed.

"Initial Security Documents" means the guarantees guaranteeing the Secured Obligations and the security documents, each to be dated on or before the Issue Date that are set forth in the Indentures.

"Instructing Trustee" means:

- (a) prior to the discharge in full of the Secured Obligations under the Senior Notes and the Senior Note Indenture, the Senior Note Trustee acting on the instructions of the Relevant Holders of the Senior Notes; and
- (b) following the discharge in full of the Secured Obligations under the Senior Notes and the Senior Note Indenture and prior to the discharge in full of the Secured Obligations under the Junior Notes and the Junior Note Indenture, the Junior Note Trustee acting on the instructions of the Relevant Holders of the Junior Notes.

"Interim Bonding Facility" has the meaning ascribed to it in the Indentures.

"Intra-Group Borrower" means any company listed in Schedule 2, Part B of the Deed.

"Intra-Group Creditor" means any company listed in Schedule 2, Part A of the Deed.

"Intra-Group Documents" means any and all agreements and other instruments under or by which any Intra-Group Liabilities are outstanding or evidenced including any instrument pursuant to which the same is novated, varied, supplemented or amended from time to time.

"Intra-Group Liabilities" means all present or future sums, liabilities and obligations whatsoever (actual or contingent) payable, owing, due or incurred by any Intra-Group Borrower to any Intra-Group Creditor (whether pursuant to an Intra-Group Document or otherwise), other than sums, liabilities and obligations arising in the ordinary course of business which do not constitute Indebtedness (as defined in the Indentures).

"Issue Date" has the meaning ascribed to it in the Indentures.

"Issuer" means Marconi Corporation plc.

"Junior Note Indenture" means the indenture pursuant to which the Junior Notes are issued.

"Junior Notes" means the dollar denominated guaranteed junior secured notes due 2008 plus any Junior PIK Notes issued or to be issued by the Issuer in accordance with the Junior Note Indenture.

"Junior PIK Notes" means any Junior Notes issued and constituting interest or Additional Amounts paid in kind on outstanding Junior Notes.

"New Bonding Facility Agreement" means the £50,000,000 (or the equivalent in other currencies) committed revolving bonding facility agreement dated 27 March 2003 among the new bonding facility agent, the new bonding facility banks, Marconi Corporation plc, Marconi Bonding Limited and the Indemnifying Companies for the issuance of bonds, guarantees, letters of credit, indemnities and similar instruments.

"Notes" means the Senior Notes and the Junior Notes, collectively.

"Note Trustees" means each of the Senior Note Trustee and the Junior Note Trustee and **"Note Trustee"** means either of them.

"Mandatory Redemption Escrow Account" means the escrow account established pursuant to the Escrow Agreement into which, in accordance with the Junior Note Indenture and the Senior Note Indenture, certain amounts will be paid to be applied, inter alia, towards the mandatory redemption of the Junior Notes and/or the Senior Notes.

"Obligor" means each of the Issuer and the Guarantors.

"Original Transaction Security" means the Transaction Security as at the date of this Deed.

"Receiver" means a receiver or manager or administrative receiver of the whole or any part of the Transaction Security.

"Relevant Documents" means the Deed, any Agent/Trustee/New Bonding Facility Bank Accession Letter, any Guarantor Accession Letter, the Indentures, the Escrow Agreement, the Notes, the New Bonding Facility Agreement, the Security Documents (including the guarantees of the Senior Notes, the guarantees of the Junior Notes and the Composite Guarantee (each as defined in the Indentures), the Fee Letter and any Additional Remuneration Fee Letter and any notices issued and any other documents or agreements entered into in connection with or relating to such documents.

"Relevant Holders" means in relation to any tranche of Notes, the Required Holders of at least 25 per cent. of the principal amount of the then outstanding Notes in such tranche, **provided that** in relation to any instruction to any Note Trustee, if instructions inconsistent with such instructions have been given to the relevant Note Trustee by the holders of a majority of the principal amount of the then outstanding applicable Notes, then the holders of such majority shall be the **"Relevant Holders"**.

"Required Holders" shall have the meaning ascribed to it in the applicable Indenture.

"Secured Creditors" means the Security Trustee, any Receiver or Delegate, the depositary, the paying agent, the registrar, the Senior Note Trustee (for itself and as trustee for the holders of the Senior Notes), the Junior Note Trustee (for itself and as trustee for the holders of the Junior Notes), the escrow bank, the new bonding facility agent and each of the new bonding facility banks and their successors and assigns.

"Security Documents" means (1) the Initial Security Documents securing the Secured Obligations, (2) any other pledge agreements, security agreements, mortgages, deeds of trust and other agreements, instruments and documents entered into from time to time by the Issuer or any Subsidiary of the Issuer creating or granting any Guarantee, indemnity or security in favour of any of the Secured Creditors or the Security Trustee, as trustee for the Secured Creditors, as security for any of the Secured Obligations and (3) any other agreements, instruments and documents executed and delivered pursuant to any of the foregoing, in the case of each of clauses (1) through (3), as amended, modified, restated or supplemented from time to time.

"Senior Note Indenture" means the indenture pursuant to which the Senior Notes are issued.

"Senior Notes" means the US dollar denominated guaranteed senior secured notes due 2008 issued or to be issued by the Issuer.

"Subsidiary" has the meaning ascribed to it in the applicable Indenture.

"Transaction Security" means any guarantee (including the Guarantees) guaranteeing the payment of the Secured Obligations and any Security created or expressed to be created in favour of the Security Trustee or any Secured Creditor under the Security Documents.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02204070

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SECURITY TRUST AND INTERCREDITOR DEED DATED THE 19th MAY 2003 AND CREATED BY MARCONI COMMUNICATIONS INTERNATIONAL HOLDINGS LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM ANY OBLIGOR TO THE LAW DEBENTURE TRUST CORPORATION P.L.C. (THE SECURITY TRUSTEE) 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 5th JUNE 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 10th JUNE 2003.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

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