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\* insert full name  
of company

## COMPANIES FORM No. 395

### Particulars of a mortgage or charge

# 395

Pursuant to section 395 of the Companies Act 1985

3

To the Registrar of Companies

For official use

Company number

[ ] [ ] [ ] [ ] [ ] [ ]

2700306

Name of company

\* Filtronic Comtek (UK) Limited (the "Company")

Date of creation of the charge

16 September 1998

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

A Guarantee and Debenture dated 16 September 1998 between Filtronic plc (the "Borrower") and the Chargors (as defined in Attachment 1) and the Security Agent (as defined below) (the "Guarantee and Debenture")

Amount secured by the mortgage or charge

Please see attachments 1 and 2

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

Société Générale, London Branch as security trustee for itself and the other Secured Parties (the "Security Agent")

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

Ashurst Morris Crisp  
Broadwalk House  
5 Appold Street  
London  
EC2A 2HA

Ref: MTN/311S01016/827428

Time critical reference

For official use  
Mortgage Section

Post room



Please see attachments 1 and 3.

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Particulars as to commission allowance or discount (note 3)

Not applicable

Signed

Arthur Morris Corp

Date

1<sup>st</sup> October 1988

On behalf of ~~company~~/mortgagee/chargee<sup>†</sup>

<sup>†</sup> 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.

**FILTRONIC COMTEK (UK) LIMITED**  
**(No. 32700306)**

**Attachment 1 - Form 395**

For the purposes of this form 395, the following definitions apply:

**"Administrative Agent"** means Société Générale, London Branch, together with its affiliates, as arranger of the Commitments and as the administrative agent for the Lenders under the Credit Agreement and the other Loan Documents, together with any of its successors;

**"Aggregate Exposure"** means with respect to any Lender at any time, an amount equal to (a) until the Initial Closing Date, the amount of such Lender's Commitment at such time and (b) thereafter, the sum of (i) the aggregate then unpaid principal amount of such Lender's Loans and (ii) the amount of such Lender's unutilised Commitment;

**"Aggregate Exposure Percentage"** means with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender's Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time;

**"Assigned Agreements"** means:

- (a) the LK Acquisition Agreement;
- (b) the Hedge Agreements and any related credit support documents;
- (c) the Litton FX Contract and the LK FX Contract;
- (d) the Insurances; and
- (e) any inter group loan agreements.

**"Barclays"** means in respect of the Barclays Facilities, Barclays Bank PLC, acting through its Yorkshire & Humberside Large Corporation Banking Centre and where referred to as a Lender means Barclays Capital the investment banking division of Barclays Bank PLC acting through its offices at 5 The North Colonnade, Canary Wharf, London E14 4BB;

**"Barclays Facilities"** means the bilateral facilities detailed in the letter dated 1 September 1998 addressed to Société Générale and summarised in Schedule 4 to the Credit Agreement;

**"Borrower"** means Filtronic plc;

**"Bridge Creditors"** means each Lender (and each Lender where it is party to any FX Contract or any Hedge Agreement), the Administrative Agent and the Security Agent;

**"Chargors"** means:-

- (a) Filtronic plc (No. 2891064)
- (b) Filtronic (Holdings) Limited (No. 3398100)
- (c) Filtronic Comtek (Overseas Holdings) Limited (No. 3042647)
- (d) Filtronic Comtek (UK) Limited (No. 2700306)
- (e) Filtronic Cable Limited ( No. 3398105)
- (f) Filtronic Components Limited (No. 1659830)
- (g) Filtronic Cable Communications Limited (No. 3183533)
- (h) Filtronic Properties Limited (No. 3183532)

together with each company that becomes a party to the Guarantee and Debenture by acceding to the terms of the Guarantee and Debenture;

**"Charged Property"** means all the assets, property, goodwill and undertaking of each Chargor from time to time charged to the Security Agent pursuant to the terms of the Guarantee and Debenture;

**"Commitment"** means as to any Lender, the amount set forth opposite such Lender's name in Schedule 1.1(a) of the Credit Agreement;

**"Company"** means Filtronic Comtek (UK) Limited;

**"Credit Agreement"** means the US\$175,000,000 credit agreement dated 16 September 1998 between the Borrower, the Lenders and the Security Agent;

**"Distribution Rights"** means all dividends, distributions and other income paid or payable on the relevant Investment or Subsidiary Share (as the case may be) together with all shares or other property derived from the relevant Investment or Subsidiary Share (as the case may be) together also with all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to the relevant Investment or Subsidiary Share (whether by way of conversion, redemption, bonus, preference, option or otherwise);

**"Dollars"** means dollars in lawful currency of the United States;

**"Domestic Subsidiary"** means any Subsidiary of the Borrower organised under the laws of any jurisdiction within the United States;

**"Event of Default"** means an Event of Default as defined in the Credit Agreement, provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied;

**"Excluded Assigned Agreement"** has the meaning given to it in clause 1.7 of Attachment 3 (Assigned Agreements Containing Prohibitions on Charging or Assignment);

**"Excluded Property"** has the meaning given to it in clause 1.6 of Attachment 3 (Leasehold Interests containing Prohibitions on Charging);

**"Fees Letter"** means the letter which sets out the fees that the Borrower has agreed to pay to the Administrative Agent;

**"Floating Charge Asset"** has the meaning given to it in clause 1.5 of Attachment 3 (Automatic Conversion of Floating Charge);

**"FX Contract"** means a contract entered into by the Borrower with a counterparty acceptable to the Administrative Agent for the purchase by the Borrower of one currency in exchange for another;

**"Governmental Authority"** means any nation or government, any state or other political subdivision thereof, any agency, authority instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organisation (including the US National Association of Insurance Commissioners and the Financial Services Authority);

**"Guarantee and Collateral Agreement"** means the Guarantee and Collateral Agreement to be executed and delivered by the Borrower and each Subsidiary Guarantor that is a Domestic Subsidiary, as the same may be amended, supplemented or otherwise modified from time to time;

**"Guarantee and Debenture"** means the Guarantee and Debenture Agreement dated 16<sup>th</sup> September 1998 between the Borrower, the other Chargors and the Security Agent;

**"Hedge Agreements"** means all interest rate swaps, caps or collar agreements or similar arrangements providing for protection against fluctuations in interest rates or currency exchange rates or the exchange of nominal interest obligations, either generally or under specific contingencies;

**"Indebtedness"** means all money and liabilities now or hereafter due, owing or incurred to the Secured Parties (or any of these) by each of the Chargors and any other of the Borrower's Subsidiaries under the Credit Agreement, the Loan Documents (or any of them) and under the Guarantee and Debenture in whatsoever manner in any currency or currencies whether present or future, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety together with all interest accruing thereon and all costs, charges and expenses incurred in connection therewith;

**"Initial Closing Date"** means the earlier of the Litton Closing Date and the LK Closing Date;

**"Insurance"** has the meaning given to it in clause 1(g) of Attachment 3 (Fixed Charges);

**"Intellectual Property"** means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, rights in the nature of

copyright, patents, patent licenses, patent applications, trademarks, trademark licenses, trademark applications, technology, know-how and processes, all design rights, all registered designs and applications for registered designs, all trade secrets, know-how, all other intellectual property rights of any description and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom;

**"Intercreditor Deed"** means the intercreditor agreement between the Borrower, those of its Subsidiaries listed in Schedule 1 to that Deed, Société Générale, London Branch and Barclays Bank PLC as Lenders under the Credit Agreement, Société Générale, London Branch as Administrative Agent and Security Agent and Barclays Bank PLC as provider of the Barclays Facilities;

**"Investment"** means any negotiable instrument, certificate of deposit, debenture, share or other investment (as defined in part I of schedule I to the Financial Services Act 1986 as at the date hereof including (without limitation and save where the context otherwise requires, the Subsidiary Shares));

**"Lenders"** means the several banks and other financial institutions or entities from time to time parties to the Credit Agreement;

**"Lien"** means any Mortgage, pledge, hypothecation, assignment, deposit agreement, encumbrance, lien (statutory or other), charges (fixed or floating), standard security, trust arrangement for the purpose of conferring security or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever having the effect of providing security (but excluding any retention of title or conditional sale arrangement occurring or entered into in the ordinary course of trading activities;

**"Litton"** means Litton Solid State, a division of Litton Seller;

**"Litton Acquisition"** means the acquisition of Litton pursuant to the terms of the Litton Acquisition Documentation;

**"Litton Acquisition Agreement"** means the Asset Purchase Agreement between Litton Systems Inc., and Fil/Cal Acquisition Corporation dated 31 July 1998;

**"Litton Acquisition Documentation"** means collectively the Litton Acquisition Agreement and all schedules, exhibits and annexes thereto and all side letters and agreements affecting the terms thereof or entered into in connection therewith in each case as amended, supplemented or otherwise modified from time to time in accordance with Section 6.17 of the Credit Agreement;

**"Litton Closing Date"** means the date on which the Litton Acquisition will be completed;

**"Litton Seller"** means Litton Systems, Inc., a Delaware Corporation;

**"LK"** means LK-Products Oy, a corporation organised and existing under the laws of Finland, having its registered domicile in Kempele, Finland;

**"LK Acquisition"** means the acquisition by LK by Filtronic Comtek (UK) Limited pursuant to the terms of the LK Acquisition Documentation;

**"LK Acquisition Agreement"** means the Share Purchase Agreement between Nokia Mobile Phones Ltd, Filtronic Comtek (UK) Limited and Filtronic plc, dated 6 August 1998;

**"LK Acquisition Documentation"** means collectively the LK Acquisition Agreement and all schedules, exhibits and annexes thereto and all side letters and agreements affecting the terms thereof or entered into in connection therewith, in each case as amended, supplemented or otherwise modified from time to time in accordance with Section 6.17 of the Credit Agreement;

**"LK Closing Date"** means the date on which the LK Acquisition shall be completed;

**"Loan"** means any loan made by any Lender pursuant to the Credit Agreement;

**"Loan Parties"** means the Borrower and each Subsidiary of the Borrower that is a party to a Loan Document;

**"Loan Documents"** means the Credit Agreement, the Security Documents, the Syndication Letter, the Fees Letter, the Security Letter, the FX Contracts and the Hedge Agreements to the extent entered into by a Lender and the Intercreditor Deed;

**"Mortgages"** means each of the Mortgages and deeds of trust made by any Loan Party in favour of, or for the benefit of, the Administrative Agent for the benefit of the Lenders in relation to real property in the United States (with such changes thereto as shall be advisable under the law of the jurisdiction in which such Mortgage or deed of trust is to be recorded), as the same may be amended, supplemented or otherwise modified from time to time;

**"Permitted Security Interest"** means:-

- (a) the security constituted by the Guarantee and Debenture;
- (b) liens securing obligations not more than 30 days overdue, arising by operation of law in the ordinary course of trading;
- (c) Security Interests arising out of title retention provisions in a supplier's standard conditions of supply of goods where the goods in question are supplied on credit and are acquired by a Chargor in the ordinary course of trading; and
- (d) any other Liens permitted by the terms of the Credit Agreement;

**"Person"** means an individual, partnership, corporation, limited liability company (whether public or private), business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature;

**"Receiver"** means any one or more administrative receivers, receivers and managers or (if the Security Agent so specifies in the relevant appointment) receivers appointed by the Security Agent pursuant to this Deed in respect of the relevant Chargor or over all or any of the Charged Property;

**"Required Lenders"** means at any time Lenders the Aggregate Exposure Percentage of which are more than 50%;

**"Secured Amounts"** means all Indebtedness payable or owing by any of the Chargors under any of the Loan Documents and all sums covenanted, guaranteed or undertaken to be paid by the Chargors in this Deed whether as principal debtor, indemnifier or otherwise;

**"Secured Party"** means the Security Agent, the Administrative Agent (as defined in the Credit Agreement), the Lenders and the other Bridge Creditors;

**"Security Agent"** means Société Générale as security trustee for itself and the other Secured Parties ;

**"Security Documents"** means the collective reference to the Guarantee and Collateral Agreement, the Guarantee and Debenture, the Mortgages, the Standard Security and all other security documents hereafter delivered to the Administrative Agent granting a Lien on any property of any Person to secure the obligations and liabilities of any Loan Party under any Loan Document;

**"Security Interest"** any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge (fixed or floating), standard security, trust arrangement for the purpose of conferring security or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever having the effect of providing security (but excluding any retention of title or conditional sale arrangement occurring or entered into in the ordinary course of trading activities);

**"Security Letter"** means the letter of even date herewith titled Security Letter from Société Générale as Security Agent to the Borrower and countersigned by the Borrower;

**"Standard Security"** means the Standard Security to be executed and delivered by any Loan Party that owns land in Scotland in favour of Société Générale as Security Agent, as the same may be amended, supplemented or otherwise modified from time to time;

**"Subsidiary"** means:-

- (a) a subsidiary within the meaning of Section 736 of the Companies Act 1985; and
- (b) with respect to the preparation of financial statements only, a subsidiary undertaking within the meaning of Section 258 of that Act,

Unless otherwise qualified all references to a **"Subsidiary"** or to **"Subsidiaries"** in these definitions shall refer to a Subsidiary or Subsidiaries of the Borrower;

**"Subsidiary Guarantor"** means each subsidiary of the Borrower which is a party to the Guarantee and Collateral Agreement or the Guarantee and Debenture;

**"Subsidiary Shares"** means in the case of each Chargor all shares owned by the Chargor in its Subsidiaries;

**"Syndication Letter"** means the letter of even date herewith titled Syndication Letter from the Administrative Agent to the Borrower and countersigned by the Borrower;



**"United States"** means United States of America.

**FILTRONIC COMTEK (UK) LIMITED**  
**(No. 2700306)**

**Attachment 2 - Form 395**

All Indebtedness payable or owing by any of the Chargors under any of the Loan Documents and all sums covenanted, guaranteed or undertaken to be paid by the Chargors in the Guarantee and Debenture (whether as principal debtor, indemnifier or otherwise).

Capitalised terms have the meaning given to them in Attachment 1.

**FILTRONIC COMTEK (UK) LIMITED**  
**(No. 2700306)**

**Attachment 3 - Form 395**

**Short Particulars of all the Property Mortgaged or Charged**

1. **Fixed Charges:** Under the terms of clause 3 of the Guarantee and Debenture as a continuing security for the payment of the Secured Amounts the Company charges in favour of the Security Agent (for the benefit of itself and the other Secured Parties) with full title guarantee the following assets, both present and future, from time to time owned by the Company or in which the Company is from time to time interested:-
- (a) by way of legal mortgage all the freehold and leasehold property specified in Schedule 2 to the Guarantee and Debenture (as listed in Appendix 1 hereto) together with all buildings and fixtures (including trade fixtures) at any time thereon;
  - (b) by way of legal mortgage all other freehold and leasehold property (if any) wherever situated together with all buildings and fixtures (including trade fixtures) at any time thereon;
  - (c) by way of fixed charge all other interests (not being charged by clauses 3.1(a) or 3.1(b) of the Guarantee and Debenture as set out in clauses 1.1(a) and 1.1(b) above) in any freehold or leasehold property, the buildings and fixtures (including trade fixtures) at any time thereon, all proceeds of sale derived therefrom and the benefit of all covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land;
  - (d) by way of fixed charge all plant, machinery, vehicles, computers, office and other equipment and the benefit of all contracts, licences and warranties relating to the same;
  - (e) by way of fixed charge all the Subsidiary Shares (including those listed in Schedule 3 of the Guarantee and Debenture (as listed in Appendix 2 hereto)) together with all Distribution Rights from time to time accruing thereto;
  - (f) by way of fixed charge all Investments together with all Distribution Rights from time to time accruing thereto;
  - (g) (to the extent not effectively assigned by clause 3.3 of the Guarantee and Debenture (as set out in clause 1.3 below)) by way of fixed charge all its rights and interests in and claims under all policies of insurance and all proceeds thereof either now or in the future held by, or written in favour of, the Company or in which it is otherwise interested (the "**Insurances**");
  - (h) by way of fixed charge all book and other debts, revenues and monetary claims of the Company and all rights and claims of the Company against third parties and against any security in respect of such debts, revenues or claims;

- (i) by way of fixed charge (subject to clause 8.4(d) of the Guarantee and Debenture) all monies from time to time standing to the credit of any and all accounts with any bank, financial institution, or other person;
- (j) by way of fixed charge all its Intellectual Property;
- (k) by way of fixed charge the benefit of all licences, consents, agreements and authorisations held or utilised by the Company in connection with its business or the use of any of its assets;
- (l) by way of fixed charge all the goodwill and uncalled capital of the Company; and
- (m) by way of fixed equitable charge all its rights and interests in (and claims under) the Assigned Agreements (to the extent not effectively assigned by clause 3.3 of the Guarantee and Debenture as set out in clause 1.3 below).

1.2 **Floating Charge:** Under the terms of clause 3.2 of the Guarantee and Debenture as further continuing security for the payment of the Indebtedness the Company charges with full title guarantee in favour of the Security Agent (for the benefit of itself and the other Secured Parties) by way of first floating charge all its assets and undertaking whatsoever and wheresoever both present and future not effectively charged by way of first fixed charge pursuant to the provisions of clause 3.1 of the Guarantee and Debenture (as set out in clause 1.1 hereof) or assigned by way of security pursuant to clause 3.3 of the Guarantee and Debenture (as set out in clause 1.3 hereof) including (without prejudice to the generality of the foregoing) heritable property and all other property and assets in Scotland.

1.3 **Assignment by way of Security:** Pursuant to clause 3.3 of the Guarantee and Debenture as further continuing security for the payment of the Indebtedness the Company assigns (to the fullest extent capable of assignment) in favour of the Security Agent (for the benefit of itself and the other Secured Parties) all its rights, title and interest in the Assigned Agreements Provided that on payment or discharge in full of the Indebtedness the Security Agent will at the request and cost of the Borrower re-assign the Assigned Agreements to the Company (or as it shall direct).

1.4 **Conversion of Floating Charge:** The Security Agent may, and upon receiving instructions from the Required Lenders the Security Agent will, at any time by notice in writing to the Company convert the floating charge created pursuant to clause 3.2 of the Guarantee and Debenture and set out in clause 1.2 above into a fixed charge as regards such assets as it shall specify in the notice in the event that:-

- (a) an Event of Default has occurred and is continuing unremedied and unwaived; or
- (b) the Security Agent is or the Required Lenders are (as the case may be) reasonably of the view that (i) such assets are in danger of being seized or (ii) any legal process or execution is being enforced against such assets or (iii) that such assets are otherwise in jeopardy,

and by way of further assurance the Company shall promptly execute a fixed charge over such assets in such form as the Security Agent shall require.

1.5 **Automatic conversion of Floating Charge:** If the Company creates (or purports to create) any Security Interest on or over any of the Charged Property not expressed to be subject to a fixed charge under this Deed (a "**Floating Charge Asset**") without the prior consent in writing of the Security Agent or if any third party levies or attempts to levy any distress, attachment, execution or other legal process against any such Floating Charge Asset, the floating charge created by the Guarantee and Debenture will automatically (without notice) be converted into a fixed charge over the relevant Floating Charge Asset immediately such event occurs.

1.6 **Leasehold Interests Containing Prohibition on Charging:**

- (a) Until the relevant consent has been obtained, there shall be excluded from the charge created by clause 3.1 of the Guarantee and Debenture as set out in clause 1.1 above (and from the operation of the further assurance provisions set out in clause 5 of the Guarantee and Debenture) any leasehold property held by the Company under a lease the terms of which either preclude absolutely the Company from creating any charge over its leasehold interest in such property or require the consent of any third party prior to the creation of such charge and such consent shall not have been previously obtained (each an "**Excluded Property**").
- (b) With regard to each Excluded Property, the Company undertakes to make application for the consent of the relevant third party to the creation of the charge contained in clause 3.1 of the Guarantee and Debenture as set out in clause 1.1. hereof (or to be created pursuant to clause 5 of the Guarantee and Debenture) within fourteen days of the date hereof and, in respect of each lease which provides that the relevant third party will not unreasonably withhold its consent, to use all reasonable endeavours to obtain such consent as soon as possible and to keep the Security Agent informed of the progress of its negotiations with such third parties.
- (c) Forthwith, upon receipt of the relevant third party's consent as aforesaid, the relevant Excluded Property shall thereupon stand charged to the Security Agent pursuant to the terms of clause 3.1 of the Guarantee and Debenture as set out in clause 1.1 hereof. If required by the Security Agent at any time following receipt of such consent the Company will execute a valid legal mortgage in such form as the Security Agent shall reasonably require.

1.7 **Assigned Agreements Containing Prohibition on Charging or Assignment:**

- (a) Until the relevant consent has been obtained, there shall be excluded from the charge created by clause 3.1 of the Guarantee and Debenture as set out in clause 1.1. above and the assignment provisions created by clause 3.3 of the Guarantee and Debenture as set out in clause 1.3 above (and from the operation of the further assurance provisions set out in clause 5 of the Guarantee and Debenture) any Assigned Agreement the terms of which either preclude absolutely the Company from creating any charge over or assigning its interest in such Assigned Agreement or require the consent of any third party prior to such assignment or the creation of such charge and such consent shall not have been previously obtained (each an "**Excluded Assigned Agreement**").

- (b) With regard to each Excluded Assigned Agreement, the Company undertakes to make application for the consent of the relevant third party to the creation of the charge contained in clause 3.1 of the Guarantee and Debenture as set out in clause 1.1. above or the assignment pursuant to clause 3.3 of the Guarantee and Debenture as set out in clause 1.3 above (or to be created or assigned pursuant to clause 5 of the Guarantee and Debenture) within fourteen days of the date hereof and, in respect of each Assigned Agreement which provides that the relevant third party will not unreasonably withhold its consent, to use all reasonable endeavours to obtain such consent as soon as possible and to keep the Security Agent informed of the progress of its negotiations with such third parties.
- (c) Forthwith, upon receipt of the relevant third party's consent as aforesaid, the relevant Excluded Assigned Agreement shall thereupon be assigned or stand charged to the Security Agent pursuant to the terms of clause 3.3 or 3.1 of the Guarantee and Debenture as set out in clause 1.3 and 1.1 above in accordance with those clauses.

## **2. CONTINUING SECURITY**

- 2.1 The security is to be a continuing security notwithstanding any intermediate payment or settlement of account or other matter or thing whatsoever and in particular the intermediate satisfaction by the Borrower or any other person of the whole or any part of the Indebtedness.
- 2.2 The security is to be in addition and without prejudice to any other security or securities which the Security Agent and/or any other Secured Party may now or hereafter hold for the Indebtedness or any part thereof and this security may be enforced against the Company without first having recourse to any other rights of the Security Agent and/or any other Secured Party (as the case may be).

## **3. NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS**

Except to the extent permitted by the terms of the Credit Agreement during the continuance of the security the Company will not without the prior consent in writing of the Security Agent:-

- (a) create or agree or attempt to create or permit to subsist (in favour of any person other than the Security Agent) any Security Interest over the whole or any part of the Charged Property or agree to do so other than a Permitted Security Interest; or
- (b) (whether by a single transaction or a number of related or unrelated transactions and whether at the same time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of or cease to exercise direct control over all or any part of the Charged Property or any interest therein (other than assets the subject of the floating charge on arm's length terms in the ordinary course of trading or otherwise than as permitted under the Credit Agreement) or the right to receive or to be paid the proceeds arising on the disposal of the same or agree or attempt to do so; or
- (c) dispose of the equity of redemption in respect of all or any part of the Charged Property.

4. **APPLICATION OF INSURANCE MONIES**

All moneys received by virtue of any insurance maintained or effected in respect of the Charged Property shall be paid to the Security Agent (or if not paid by the insurers directly to the Security Agent shall be held on trust for the Security Agent) and shall, at the option of the Security Agent, be applied in replacing or reinstating the property or assets destroyed, damaged or lost (any deficiency being made good by the Company) or (except in the case of leasehold premises) in reduction of the Indebtedness.

5. **EXCLUSION OF POWERS OF LEASING**

During the continuance of this security the statutory and other powers of leasing, letting, entering into agreements for leases or lettings and accepting or agreeing to accept surrenders of leases or tenancies shall not be exercisable by the Company in relation to the Charged Property or any part thereof.

6. **SET-OFF**

6.1 Each Secured Party may at any time after an Event of Default has occurred and while it is continuing (without notice to the Borrower):-

- (a) set-off or otherwise apply sums standing to the credit of the Company's accounts with that Secured Party (irrespective of the terms applicable to such accounts and whether or not such sums are then due for repayment to that Secured Party);
- (b) set-off any other obligations (whether or not then due for performance) owed by that Secured Party to the Company,

in or towards satisfaction of the Indebtedness.

6.2 Each Secured Party may exercise such rights notwithstanding that the amounts concerned may be expressed in different currencies and the relevant Secured Party is authorised to effect any necessary conversions at a market rate of exchange selected by it.

6.3 If the relevant obligation or liability is unliquidated or unascertained the Secured Party may set-off the amount it estimates (in good faith) will be the final amount of such obligation or liability once it becomes liquidated or ascertained.

Capitalised terms have the meaning given to them in Attachment 1 hereto.

**FILTRONIC COMTEK (UK) LIMITED**

**APPENDIX 1**

**Details of Properties**

**Registered Land**

**Leasehold**

7. Units 1-5 Royal London Industrial Estate, Charlestown, Shipley under Title Number WYK 272550, WYK 272549, WYK 272551, WYK 247607, WYK 247606.
8. Units 8 & 10 Crownhill Industrial Estate, Vincent Avenue, Milton Keynes under Title Numbers BM 148265 and BM 160727.

**Freehold**

9. Airedale House and Wharfedale House, Acorn Park, Basildon under Title Number WYK 387275.
10. The Waterfront, Salts Mill Road, Saltaire under Title Number WYK 566770.
11. Land and buildings on South East side of Station Road, Four Asher, Wolverhampton under Title Number SF 315164.
12. Former Woolcombers Shed, Salts Mill, Saltaire formerly part of Title Number WYK 590622 to be allocated WYK 615515.

**Unregistered Land**

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## FILTRONIC COMTEK (UK) LIMITED

### APPENDIX 2

#### Subsidiary Shares

Chargor	Name of Subsidiary in which shares are held	Company No.	Number and Class of Shares
Filtronic plc	Filtronic (Holdings) Limited	3398100	3,237,428 ordinary shares of £1 each
	Filtronic Comtek (Overseas Holdings) Limited	3042647	11,000,001 ordinary shares of £1 each
	Filtronic Comtek (UK) Limited	2700306	1,556,694 ordinary shares of 12.27p each
	Filtronic Comtek Research Limited	2927965	1 ordinary share of £1
	Filtronic Cable Limited	3398105	6,799,892 ordinary shares of 1p each
	Sage Laboratories, Inc.	registered in Massachusetts, USA	1000 shares of the common stock with a par value of \$US 0.01
Filtronic (Holdings) Limited	Filtronic Components Limited	1659830	2,250,000 ordinary shares of £1 each
	EW Systems Limited	1845899	2 ordinary shares of £1 each
	Filtronic Properties Limited	3183532	1 ordinary share of £1
	Filtronic Navigation Limited	3134295	1 ordinary share of £1
Filtronic Cable Limited	Filtronic Cable Communications Limited	3183533	5,814,012 ordinary shares of 1p each
Filtronic Comtek (Overseas Holdings) Limited	Filtronic Comtek Holdings, Inc.	registered in New Hampshire, USA	17.6 million shares of the common stock with a par value of \$US1

FILE COPY



## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02700306

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A GUARANTEE AND DEBENTURE DATED THE 16th SEPTEMBER 1998 AND CREATED BY FILTRONIC COMTEK (UK) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY AND/OR ALL OR ANY OF THE OTHER COMPANIES NAMED THEREIN TO SOCIE'TE' GE'NE'RALE, LONDON BRANCH AS SECURITY TRUSTEE FOR ITSELF AND THE OTHER SECURED PARTIES (AS DEFINED) ON ANY ACCOUNT WHATSOEVER UNDER ANY OF THE LOAN DOCUMENTS (AS DEFINED) AND THIS GUARANTEE AND DEBENTURE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 2nd OCTOBER 1998.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 6th OCTOBER 1998.

*[Handwritten signature]*

for the Registrar of Companies

LC  
6/10  
JS



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