

Please do not  
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## Particulars of a mortgage or charge

# 395

Pursuant to section 395 of the Companies Act 1985

CHA 116

**Please complete  
legibly, preferably  
in black type, or  
bold block lettering**

\* insert full name  
of company

To the Registrar of Companies

For official use

Company number

11-13

2755292

Name of company

\* J H GRANT STEEL SERVICES LIMITED (the "Company")

Date of creation of the charge

9th October 1996

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

COMPOSITE GUARANTEE AND DEBENTURE (the "Debenture")

Amount secured by the mortgage or charge

See Rider 1

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

MIDLAND BANK PLC of Corporate Finance Department, 8th Floor, 10 Lower Thames Street, London EC3R 6AE (the "Bank")

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

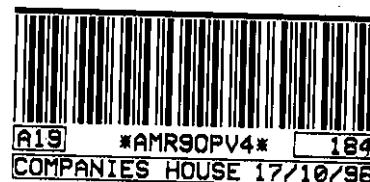
Booth & Co.  
Sovereign House, PO Box 8,  
South Parade, Leeds  
LS1 1HO

Ref: RNP

Time critical reference

For official use  
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

See Rider 2

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)

NONE

Signed

B. N. 26

Date

16/10/96

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.

## RIDER 1

### Amount due or owing on the mortgage or charge

All moneys obligations and liabilities now or hereafter due, owing or incurred to the Bank by the Company and all moneys and liabilities (which are expressly guaranteed by the Company in the Debenture) now or hereafter due, owing or incurred to the Bank by:

- (I) Barrett Steel Limited and each Original Subsidiary (as listed below) other than the Company and each other subsidiary within the meaning of section 736 Companies Act 1985 or a subsidiary undertaking within the meaning of section 258 Companies Act 1985 (if any) of Barrett Steel Limited which becomes a party to the Deed pursuant to a supplemental deed to the Deed (such companies together with the Company being the "Group Companies"); and
- (ii) any other present or future subsidiary of the Company or any Group Company

(except any obligations or liabilities of such other Group Company or guarantor for the Group Company concerned), in each case when the same become due for payment or discharge whether by acceleration or otherwise, and whether such moneys, obligations or liabilities are express or implied; present, future or contingent; joint or several; incurred as principal or surety; originally owing to the Bank or purchased or otherwise acquired by it; denominated in sterling or in any other currency; or incurred on any banking account or in any other manner whatsoever, including without limitation, all liabilities under or in connection with foreign exchange transactions, interest rate swaps and other arrangements entered into for the purpose of limiting exposure to fluctuations in interest or exchange rates; all liabilities arising from the issue, acceptance, endorsement, confirmation or discount of any negotiable or non-negotiable instruments, documentary or other credits, bonds, guarantees, indemnities or other instruments of any kind; and interest (both before and after judgment) to date of payment at such rates and upon such terms as may from time to time be agreed, commission, fees and other charges and all legal and other costs, charges and expenses on a full and unqualified indemnity basis which may be incurred by the Bank in relation to any such moneys, obligations or liabilities or generally in respect of each Group Company (together the "Secured Obligations").

The Original Subsidiaries referred to above are:-

| <u>Name</u>                          | <u>Registered<br/>Number</u> |
|--------------------------------------|------------------------------|
| Henry Barrett Steel Services Limited | 2755662                      |
| A H Allen Steel Services Limited     | 2761852                      |
| J H Grant Steel Services Limited     | 2755292                      |

|                                                  |         |
|--------------------------------------------------|---------|
| Goodman Steel Services Limited                   | 2762753 |
| A H Allen Steel Services (Derby) Limited         | 2762747 |
| Gainsborough Steel Services Limited              | 2762748 |
| Advanced Steel Services Limited                  | 2762749 |
| Lilleshall Steel Services Limited                | 2760565 |
| Yarmouth Steel Services Limited                  | 2761850 |
| Consett Steel Services Limited                   | 2762751 |
| Tubes (UK) Limited                               | 2762128 |
| Dudley Iron & Steel Co Limited                   | 2788759 |
| United Steel Services (Leeds) Limited            | 2878515 |
| United Steel Services (Darlington) Limited       | 2878517 |
| Plates (UK) Limited                              | 2977159 |
| C Roberts Steel Services Limited                 | 3027501 |
| C Roberts Steel Services (Manchester)<br>Limited | 3027503 |
| Primetals Limited                                | 3027523 |
| Barrett Steel Properties Limited                 | 2739850 |
| C Roberts Bright Steel Limited                   | 3027522 |
| C Roberts & Co (Steel) Limited                   | 3010135 |

## RIDER 2

### Short particulars of all the property mortgaged or charged:

- (a)(i) All freehold and leasehold property of the Company situate in England and Wales and all liens, charges, options, agreements, rights and interests in or over land or the proceeds of sale of land situate in England and Wales and all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time on such property or land (excluding in the case of leasehold property landlord's fixtures and fittings not owned by the Company or in the case of freehold property subject to an occupational lease or leasehold properties subject to a sub lease tenant's fixtures and fittings not owned by the Company) together with all rights, easements and privileges appurtenant to, or benefitting the same;
- (ii) all plant, machinery, vehicles, computers and office and other equipment (excluding any assets subject to hire purchase agreements) and the benefit of all contracts and warranties relating to the same;
- (iii) all stocks, shares, bonds and securities of any kind whatsoever whether marketable or otherwise and all other interests (including but not limited to loan capital) in any person, including all allotments, rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to the same and all money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option, dividend, distribution, interest or otherwise in respect thereof;
- (iv) all book and other debts, revenues and claims, whether actual or contingent, whether arising under contracts or in any other manner whatsoever and whether originally owing to the Company or purchased or otherwise acquired by it including, without limitation, any amount from time to time standing to the credit of any bank or other account with the Bank or with any other person and all things in action which may give rise to any debt, revenue or claim, together with the full benefit of any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, standard security, assignment by way of security, trust arrangement by way of security, security interest or other encumbrance of any kind securing any obligation of any person or any other type of preferential arrangement (including, without limitation, title transfer and/or retention arrangements) having a similar effect (each an "Encumbrance"), negotiable and non-negotiable instruments, guarantees, indemnities and other assurances against financial loss and any other documents or instruments which contain or evidence an obligation (with or without security) to pay, discharge or be responsible directly or indirectly for, any liabilities of any person and includes any document or instrument creating or evidence any Encumbrance and any other rights relating thereto including, without limitation, reservations of proprietary rights, rights of tracing and unpaid vendor's liens and associated rights (together the "Debts");
- (v) all moneys from time to time payable to the Company under or pursuant to all present and future contracts or policies of insurance (including life policies) in which the

Company from time to time has an interest including without limitation the refund of any premiums;

- (vi) all goodwill and uncalled capital;
- (vii) all patents, patent applications, trade marks and service marks (whether registered or not), trade mark applications, service mark applications, trade names, registered designs, design rights, copyrights, computer programmes, know-how and trade secrets and all other industrial or intangible property or rights and all licences, agreements and ancillary and connected rights relating to, intellectual and intangible property; and
- (viii) the undertaking and all its property, assets and rights whatsoever and wheresoever both present and future, other than any property or assets from time to time effectively charged by way of legal mortgage or fixed charge or assignment pursuant to the Debenture but including (without limitation and whether or not so effectively charged) any of its property and assets situated in Scotland (the "Floating Charge Assets").

The undertaking, goodwill, property and assets and rights described in paragraphs (a)(i) to (a)(viii) inclusive are together referred to as the "Charged Assets".

- (b) The charges created by the Debenture are a continuing security and as regards the property described in paragraphs (a)(i) to (vii) inclusive are fixed charges (and as regards all those parts of the freehold and leasehold property in England and Wales now vested in the Company constitute a charge by way of legal mortgage thereon) and as regards the property described in paragraph (a)(viii) above is a floating charge (subject to clauses 3.5 and 3.6 of the Debenture).
- (c) Clause 3.5 of the Debenture provides that if the Company creates or attempts to create any Encumbrance other than:
  - (i) title retention arrangements to supplies of goods (but not to the proceeds of sale thereof) arising in the ordinary course of trading with suppliers of goods to the Company or arising under conditional sale or hiring arrangements in respect of goods supplied to the Company in the ordinary course of trading;
  - (ii) liens arising in the ordinary course of trading by operation of law and not by way of contract so long as any amounts in respect of which such liens arise are not overdue for payment;
  - (iii) any Encumbrance created by any security document in favour of the Bank or any security document in favour of HSBC Investment Bank plc entered into with the Bank's consent; or
  - (iv) any Encumbrance to which the Bank consents from time to time in writing.

((i) - (iv) being "Permitted Encumbrances")) over all or any of the Floating Charge Assets without the prior consent in writing of the Bank or if any person levies or attempts to levy any distress, execution, sequestration or other process or does or attempts to do any diligence in execution against any of the Floating Charge Assets, the floating charge created by the Debenture over the property or asset concerned shall thereupon automatically without notice be converted into a fixed charge. Clause 3.6 of the Debenture entitles the Bank to give notice to the Company to convert the floating charge into a fixed charge following the occurrence of an Event of Default which is continuing under the Facility Agreement between Barrett Steel Limited (1) and the Bank (2) dated 9th October 1996 (the "Facility Agreement").

- (d) Clause 3.3 of the Debenture contains a covenant by the Company that it will not without the prior consent in writing of the Bank (i) dispose of, or create or attempt to create or permit to subsist or arise any Encumbrance (except a Permitted Encumbrance) on or over, the Debts or any part thereof or release, set off or compound or deal with the same otherwise than in accordance with clause 5.1(a) of the Debenture (as to which see below); (ii) create or attempt to create or permit to subsist in favour of any person other than the Bank any Encumbrance (except a Permitted Encumbrance) on or affecting the Charged Assets or any part thereof, or (iii) dispose of the Charged Assets or any part thereof or attempt or agree so to do except in the case of :
- (A) stock-in-trade, which may, subject to the other provisions of the Debenture be sold on an arms length basis in the usual course of trading as now conducted and for the purpose of carrying on the Company's business; and
  - (B) other Floating Charge Assets which may, subject to the other provisions of the Debenture be disposed of in the ordinary course of business; and
  - (C) disposals permitted by the terms of the Facility Agreement.
- (e) Clause 4 of the Debenture contains an agreement by the Company that the Bank may at any time following a failure to pay on the due date of payment any Secured Obligation or following the occurrence of any Event of Default under the Facility Agreement which is continuing without notice, notwithstanding any settlement of account or other matter whatsoever, combine or consolidate all or any of its then existing accounts wheresoever situate (including accounts in the name of the Bank or of the Company jointly with others), whether such accounts are current, deposit, loan or of any other nature whatsoever, whether they are subject to notice or not and whether they are denominated in sterling or in any other currency, and set-off or transfer any sum standing to the credit of any one or more such accounts in or towards satisfaction of the Secured Obligations which to the extent not then payable, shall automatically become payable to the extent necessary to effect such set-off. For this purpose, the Company has authorised the Bank to purchase with the moneys standing to the credit of such accounts such other currencies as may be necessary to effect such applications.

- (f) Clause 3.4 of the Debenture contains an irrevocable and unconditional agreement by the Company that if there shall from time to time be any credit balance on any of its accounts with the Bank, the Bank shall have the absolute right to refuse to permit such credit balance to be utilised or withdrawn by the Company whether in whole or in part if at that time there are outstanding any of the Secured Obligations.
- (g) Clause 5.1(a) of the Debenture contains an undertaking by the Company to collect in the ordinary course of its business in a proper and efficient manner and pay into its account with the Bank or such other account as the Bank may from time to time specify all moneys which it may receive in respect of the Debts forthwith on receipt and not, without the prior written consent of the Bank or (prior to the occurrence of an Event of Default which is continuing) other than in the ordinary course of trade, seek to compromise, compound, vary, discharge, postpone or release any of the Debts or waive its right of action in connection therewith or do or omit to do anything which may delay or prejudice the full recovery thereof.
- (h) Clause 5.1(k) of the Debenture contains an undertaking by the Company, and without prejudice to the generality of clause 3.3, other than by the creation of Permitted Encumbrances, not without the prior consent in writing of the Bank to grant any lease, part with possession or share occupation of the whole or any part of any of the Properties or confer any licence, right or interest to occupy or grant any licence or permission to assign, underlet or part with possession of the same or any part thereof or permit any person (provided that the sharing of occupation with other Group Companies shall be permitted but only insofar as no relationship of landlord and tenant is created between the Group Companies sharing occupation and no security of tenure is created).
- (i) Clause 5.1(l) of the Debenture contains an undertaking by the Company not without the prior consent in writing (such consent not to be unreasonably withheld or delayed) of the Bank to vary, surrender, cancel or dispose of, or permit to be forfeit, any leasehold interest in any of the Properties or any credit sale, hire purchase, leasing, rental, licence or like agreement for any equipment required to be used in its business.
- (j) For the purpose of (h) and (i) above "Properties" means the assets of the Company described in paragraph (a)(i) above and all present and future heritable and leasehold property of the Company situate in Scotland and all liens, charges, options, agreements, rights and interests in or over land or the proceeds of sale of land situate in Scotland and all buildings, fixtures (including trade fixtures) and fixed plant and machinery from time to time on such property or land (excluding in the case of leasehold property landlord's fixtures and fittings not belonging to the Company or in the case of freehold property subject to occupational leases or leasehold property subject to sub leases or leasehold property subject to sub leases tenant's fixtures and fittings and not belonging to the Company) together with all rights, easements, servitudes and privileges appurtenant to, or benefitting the same, in all cases both present and future.



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## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02755292

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A COMPOSITE GUARANTEE AND DEBENTURE DATED THE 9th OCTOBER 1996 AND CREATED BY J.H. GRANT STEEL SERVICES 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 MIDLAND BANK PLC ON ANY ACCOUNT WHATSOEVER PURSUANT TO A SUPPLEMENTAL DEED TO THE DEED WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 17th OCTOBER 1996.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 21st OCTOBER 1996.

*Jennifer V Tonks*  
JENNIFER V TONKS

for the Registrar of Companies

21-10



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

HC026B