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COMPANIES FORM No. 395

NW. 006316

Particulars of a mortgage or charge

£10

395

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge.

CHFP025

Please do not
write in
this margin

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

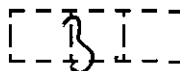
*insert full name
of Company

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number



02799059

Name of company

* ALFER LIMITED (the "Company")

Date of creation of the charge

28 November 2000

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

A guarantee and debenture (the "Guarantee and Debenture")

Amount secured by the mortgage or charge

The actual, contingent, present and/or future obligations and liabilities of the Company to any of the Secured Parties under or pursuant to all or any of the Secured Documents including the Guarantee and Debenture (the "Secured Obligations").

Please see Schedule 1.

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

The Royal Bank of Scotland plc of Level 7, 135 Bishopsgate, London as agent and trustee for the Secured Parties pursuant to the Intercreditor Agreement

Postcode EC2M 3UR

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

Clifford Chance LLP
200 Aldersgate Street
London
EC1A 4JJ

London-2\817539

Time critical reference
PJT/R0021/2507

For official Use
Mortgage Section

Post room



Please see Schedule 2

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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

Clifford Chance

Date 11 December 2000

On behalf of ~~company~~ [mortgagee/chargee] †

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 CF4 3UZ

SCHEDULE 1

to a Form M395 in respect of Alfer Limited, Company Number 02799059

AMOUNT SECURED BY THE MORTGAGE OR CHARGE

Note:

In this Form 395:-

"A" Deep Discount Bonds means the £501,624,415 subordinated unsecured loan notes due 2010 issued or to be issued by Deltarepair Limited;

"Arrangers" means Deutsche Bank AG London, Société Générale London Branch and The Royal Bank of Scotland plc;

"B" Deep Discount Bonds means the £161,822,310 subordinated unsecured loan notes due 2010 issued or to be issued by Deltarepair Limited;

"Banks" means Deutsche Bank AG London, Société Générale London Branch, The Royal Bank of Scotland and any Bank Transferee, together with their respective successors in title, provided that any bank or financial institution which transfers all of its Commitment in accordance with Clause 23.4 (*Transfers by Banks*) of the Senior Credit Agreement shall cease to be a "Bank";

"Bank Transferee" has the meaning given to that term in sub-clause 23.4.2 of Clause 23.4 (*Transfers by Banks*) of the Senior Credit Agreement;

"Borrowers" means all and each of the Term Loan Borrowers and any other Charging Group Company that becomes a party to the Senior Credit Agreement pursuant to Clause 2.4 (*Additional Borrowers*); and **"Borrower"** shall be construed accordingly;

"Bridging Advance" means an advance made or to be made to Eventower Limited under the Bridging Loan Facility or, as the case may be, the outstanding principal amount of that advance and each advance into which a Bridging Advance is split pursuant to sub-clause 8.4.4 of Clause 8.4 (*Interest Periods*) of the Senior Credit Agreement;

"Bridging Loan" means, at any time, the aggregate of all Bridging Advances outstanding at that time;

"Bridging Loan Commitment" means, in relation to a Bank, the principal amount described as such set opposite its name in Schedule 1 (*The Banks*) of the Senior Credit Agreement or set out under the heading "Amount of Commitment Transferred" in the schedule to any relevant Transfer Certificate, in each case, as reduced or cancelled in accordance with the Senior Credit Agreement;

"Bridging Loan Facility" means the bridging loan facility referred to in sub-clause 2.1.1(d) of Clause 2.1 (*Facilities*) of the Senior Credit Agreement;

"Charging Group Companies" means each Group Company which has granted, or is by the terms of the Senior Credit Agreement to grant a guarantee and debenture; and **"Charging Group Company"** shall be construed accordingly;

"Commitment" means, in relation to a Bank, the aggregate of its Term A Loan Commitment, its Term B Loan Commitment, its Term C Loan Commitment, its Bridging Loan Commitment and its Revolving Credit Commitment;

"Credit Balances" means all balances standing to the credit of any current, deposit or other account of the Company with the Security Trustee or any other Secured Party (including inter alia any account designated a realisations account for the proceeds of disposals of any of the assets of the Company) or with other bankers, financial institutions or similar third parties;

"Debts" means all book debts and other debts from 28 November 2000 and from time to time due or owing to the Company;

"Deep Discount Bonds" means the "A" Deep Discount Bonds and the "B" Deep Discount Bonds;

"Facility Agent" means The Royal Bank of Scotland plc in its capacity as facility agent and each successor Facility Agent appointed under Clause 18.12 (*Resignation*) of the Senior Credit Agreement;

"Facility Agreements" means the Senior Credit Agreement and the Mezzanine Loan Agreement;

"Fees Letter" means the letter dated 22 November 2000 from the Facility Agent to Deltarepair Limited relating to certain fees payable to the Arrangers, the Facility Agent, the Issuing Banks and the Security Trustee by Deltarepair Limited in relation to the Senior Credit Agreement, being described on its face as the **"Fees Letter"**;

"FFE Contract" means a forward foreign exchange contract made or to be made between the Overdraft Bank and a Borrower;

"Financing Documents" means the Senior Credit Agreement, the Fees Letter, the Interest Rate Protection Agreements and the Security Documents;

"Floating Charge Property" means all of the Company's undertaking and all its property, assets and rights, whatsoever and wheresoever, present and future, other than any property or assets from time to time or for the time being effectively mortgaged, assigned or charged to the Security Trustee by way of fixed charge by Clauses 3.1 and 3.2 of the Guarantee and Debenture;

"Group Companies" means any one of the Electwealth Limited (to be renamed Baxi Group Limited), Deltarepair limited (to be renamed New Baxi Holdings Limited, Eventower limited (to be renamed New Baxi Finance Limited), Newmond Limited, Baxi Holdings Limited and each of their respective Subsidiaries;

"Guarantee" means any guarantee, bond, indemnity, letter of credit, documentary or other credit, or any other instrument of suretyship or payment, issued, undertaken or made or, as the case may be, proposed to be issued, undertaken or made by any Issuing Bank under the Revolving Credit Facility or the Overdraft Bank under the Optional Overdraft Facility;

"Intercreditor Agreement" means the intercreditor agreement dated 22 November 2000 made between the Security Trustee, certain Group Companies, certain of the parties to the Senior Credit Agreement and certain of the parties to the Mezzanine Loan Agreement, each of the Secured Parties appointed the Security Trustee to act as their agent and trustee for the purposes, among others, of the Guarantee and Debenture on the terms and conditions contained in the Intercreditor Agreement;

"Interest Rate Protection Agreements" means:

- (a) each agreement entered into or to be entered into between Deltarepair Limited or a Term Loan Borrower and, in either case, a Bank for the purpose of hedging Deltarepair Limited's and a Term Loan Borrower's interest rate liabilities in relation to all or any part of the Term Loans, the Bridging Loan or the Mezzanine Loan; and
- (b) shall be deemed to include the collar interest rate agreements dated 27 January 2000 and made between Baxi Group PLC and Société Générale London Branch;

"Issuing Banks" means each of Société Générale London Branch and The Royal Bank of Scotland plc as issuer of Guarantees under the Revolving Credit Facility pursuant to Clause 5 (*Term Loan Facilities and Revolving Credit Facility*) of the Senior Credit Agreement;

"Keyman Insurance" means keyman life assurance policies (in form and content reasonably satisfactory to the Facility Agent and with such insurer as the Facility Agent may reasonably approve) maintained by Newmond Limited or Baxi Holdings Limited in respect of the death or disability of the following members of the Management and in the following respective amounts:

Name	£
Mark Edwards	500,000
Michael Davies	500,000
Bryan Gray	500,000

"Keyman Insurance Assignment" means an assignment in the agreed form relating to the Keyman Insurance executed or to be executed by Newmond Limited or, as the case may be, Baxi Group Limited in favour of, in each case, the Security Trustee;

"Legally Mortgaged Property" means all estates or interests in the freehold, leasehold and other immovable property described in Schedule 3 of this Form M395 (*The Legally Mortgaged Property*) and the proceeds of sale thereof and all buildings and trade and other fixtures on any such property belonging to or charged to the Company;

"Management" means all and each of Mark Edwards, Michael Davies and Bryan Gray;

"Mezzanine Agent" means RBS Mezzanine Limited in its capacity as mezzanine agent for the Mezzanine Lenders pursuant to the terms of the Mezzanine Loan Agreement and each successor Mezzanine Agent appointed thereunder;

"Mezzanine Fees Letter" means the letter dated 22 November 2000 from the Mezzanine Agent to Deltarepair Limited relating to certain fees payable to the Mezzanine Agent by Deltarepair Limited in relation to the Mezzanine Loan Agreement, being described on its face as the "Mezzanine Fees Letter";

"Mezzanine Lenders" means Deutsche Bank AG, London, Société Générale London Branch and RBS Mezzanine Limited;

"Mezzanine Loan" means the principal amount outstanding under the Mezzanine Loan Agreement;

"Mezzanine Loan Agreement" means the mezzanine loan agreement dated 22 November 2000 and made between (1) Electwealth Limited, (2) Deltarepair Limited, (3) certain financial institutions, (4) RBS Mezzanine Limited, Société Générale London Branch and Deutsche Bank AG London as arrangers and (5) RBS Mezzanine Limited as facility agent;

"Optional Overdraft Facility" means the optional overdraft facility referred to in Clause 7 (*The Optional Overdraft Facility*) of the Senior Credit Agreement under which overdrafts, Guarantees issued by the Overdraft Bank and FFE Contracts may be made available to any Borrower;

"Overdraft Bank" means The Royal Bank of Scotland plc acting out of its branch at Harwich Service Centre, Enterprise park, Middlebrook, Harwich, Bolton BL6 6PE;

"Revolving Credit Commitment" means, in relation to a Bank, the principal amount described as such set opposite its name in Schedule 1 (*The Banks*) of the Senior Credit Agreement or set out under the heading "Amount of Commitment Transferred" in the schedule to any relevant Transfer Certificate, in each case as reduced or cancelled in accordance with the Senior Credit Agreement;

"Revolving Credit Facility" means the multicurrency revolving loan and guarantee facility referred to in sub-clause 2.1.1(e) of Clause 2.1 (*Facilities*) of the Senior Credit Agreement;

"Secured Documents" means all and each of the Senior Credit Agreement, the Mezzanine Loan Agreement, the Interest Rate Protection Agreements, the Fees Letter, the Mezzanine Fees Letter and the Security Documents, including the Guarantee and Debenture;

"Secured Parties" means all and each of the Security Trustee, the Senior Banks, the Facility Agent, the Mezzanine Lenders and the Mezzanine Agent and shall be deemed to include a Bank in its capacity as party to any Interest Rate Protection Agreement and **"Secured Party"** shall be construed accordingly;

"Securities" means all stocks, shares, debentures, bonds, notes and loan capital of:

- (a) any Subsidiary; and
- (b) any other body corporate;

and all rights to subscribe for, redeem, convert other securities into or otherwise acquire any of the same which may now or hereafter belong to the Company, together with all dividends, interest and other income and all other rights of whatsoever kind deriving from or incidental to any of the foregoing;

"Security Documents" means:

- (a) each Guarantee and Debenture executed by a Group Company;
- (b) each Share Pledge executed by a Group Company;
- (c) each Trade Marks Charge executed by a Group Company;
- (d) the Keyman Insurance Assignment;
- (e) the Subordination Agreement;
- (f) the Intercreditor Agreement; and
- (g) any guarantee and any document creating security executed and delivered after 22 November 2000 as security for any of the obligations and liabilities of any Borrower and the other Group Companies under any Financing Document;

"Senior Banks" means all and each of the Banks, the Overdraft Bank and the Issuing Banks and shall be deemed to include a Bank in its capacity as a party to any Interest Rate Protection Agreement; and **"Senior Bank"** shall be construed accordingly;

"Senior Credit Agreement" means a credit agreement dated 22 November 2000 and made between (1) Electwealth Limited, (2) Deltarepair Limited, (3) certain companies named therein as borrowers, (4) certain banks, (5) The Royal Bank of Scotland plc, Société Générale and Deutsche Bank AG London as arrangers, (6) The Royal Bank of Scotland plc as facility agent, (7) The Royal Bank of Scotland plc and Société Générale as issuing banks and (8) The Royal Bank of Scotland plc as overdraft bank;

"Share Pledge" means any share pledge or share charge, in each case, in the agreed form, granted over all or part of the issued share capital of any Group Company.

"Subordination Agreement" means the subordination agreement made or to be made between:

- (a) Deltarepair Limited;
- (b) Electwealth Limited;
- (c) The Subscribers;
- (d) The holders of the Deep Discount Bonds; and

(e) The Security Trustee.

"Subscribers" means the subscribers as defined in the Investment Agreement.

"Subsidiary" means a subsidiary within the meaning of section 736 of the Companies Act 1985;

"Term A Advance" means an advance made or to be made to a Term Loan Borrower under the Term A Loan Facility or, as the case may be, the outstanding principal amount of such advance, and each advance into which a Term A Advance is split pursuant to sub-clause 8.4.4 of Clause 8.4 (*Interest Periods*) of the Senior Credit Agreement;

"Term A Loan" means, at any time, the aggregate of all Term A Advances outstanding at that time;

"Term A Loan Commitment" means, in relation to a Bank, the principal amount described as such set opposite its name in Schedule 1 (*The Banks*) of the Senior Credit Agreement or set out under the heading **"Amount of Commitment Transferred"** in the schedule to any relevant Transfer Certificate, in each case, as reduced or cancelled in accordance with the Senior Credit Agreement;

"Term A Loan Facility" means the term loan facility referred to in sub-clause 2.1.1(a) of Clause 2.1 (*Facilities*) of the Senior Credit Agreement;

"Term B Advance" means an advance made or to be made to a Term Loan Borrower under the Term B Loan Facility or, as the case may be, the outstanding principal amount of such advance, and each advance into which a Term B Advance is split pursuant to sub-clause 8.4.4 of Clause 8.4 (*Interest Periods*) of the Senior Credit Agreement;

"Term B Loan" means, at any time, the aggregate of all Term B Advances outstanding at that time;

"Term B Loan Commitment" means, in relation to a Bank, the principal amount described as such set opposite its name in Schedule 1 (*The Banks*) of the Senior Credit Agreement or set out under the heading **"Amount of Commitment Transferred"** in the schedule to any relevant Transfer Certificate, in each case, as reduced or cancelled in accordance with the Senior Credit Agreement;

"Term B Loan Facility" means the term loan facility referred to in sub-clause 2.1.1(b) of Clause 2.1 (*Facilities*) of the Senior Credit Agreement;

"Term C Advance" means the advance made or to be made to a Term Loan Borrower under the Term C Loan Facility or, as the case may be, the outstanding principal amount of such advance, and each advance into which a Term C Advance is split pursuant to sub-clause 8.4.4 of Clause 8.4 (*Interest Periods*) of the Senior Credit Agreement;

"Term C Loan" means, at any time, the aggregate of all Term C Advances outstanding at that time;

"Term C Loan Commitment" means, in relation to a Bank, the principal amount described as such set opposite its name in Schedule 1 (*The Banks*) of the Senior Credit Agreement or set out under the heading **"Amount of Commitment Transferred"** in the schedule to any relevant Transfer Certificate, in each case, as reduced or cancelled in accordance with the Senior Credit Agreement;

"Term C Loan Facility" means the term loan facility referred to in sub-clause 2.1.1(c) of Clause 2.1 (*Facilities*) of the Senior Credit Agreement;

"Term Loan Borrowers" means both and each of Eventower Limited and Financière Celsius S.A. (a company incorporated in France);

"Term Loans" means all and each of the Term A Loan, the Term B Loan and the Term C Loan; and **"Term Loan"** shall be construed accordingly;

"Trademarks Charge" means a trade marks charge, in the agreed form, executed or to be executed in favour of the Security Trustee;

"Transfer Certificate" means a document substantially in the form set out in Schedule 6 (*Form of Transfer Certificate*) of the Senior Credit Agreement;

SCHEDULE 2

to a Form M395 in respect of Alfer Limited, Company Number 02799059

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED

In the Guarantee and Debenture the Company:

- (a) Charged with full title guarantee in favour of the Security Trustee (as agent and trustee for the Secured parties) as continuing security for the payment of the Secured Obligations:
- (i) the Legally Mortgaged Property;
 - (ii) by way of fixed charge all estates or interests in any freehold, leasehold and other immovable property now or at any time during the continuance of this security belonging to the Company (other than the Legally Mortgaged Property) and the proceeds of sale thereof and all buildings and trade and other fixtures from time to time on any such property belonging to or charged to the Company;
 - (iii) by way of fixed charge all plant, machinery, vehicles, computers and office and other equipment owned by the Company both present and future;
 - (iv) by way of fixed charge the Debts and (subject to the provisions of Clause 7.2 of Clause 7 (*Debts and Credit Balances*) of the Guarantee and Debenture) all moneys which the Company receives in respect thereof;
 - (v) by way of fixed charge (but subject to the provisions of Clause 7.2 of Clause 7 (*Debts and Credit Balances*) of the Senior Credit Agreement) the Credit Balances;
 - (vi) by way of fixed charge the Securities;
 - (vii) by way of fixed charge the goodwill of the Company and its uncalled capital now or at any time hereafter in existence;
 - (viii) by way of fixed charge all copyrights, patents, patent applications, licences, trade marks, tradenames, know-how and inventions or other rights of every kind deriving therefrom now or at any time hereafter belonging to the Company and all fees, royalties and other rights of every kind deriving from such copyrights, patents, trade marks, tradenames, know-how and inventions; and
 - (ix) by way of floating charge the whole of the Company's undertaking and the Floating Charge Property.
- (b) The security constituted by or pursuant to the Guarantee and Debenture shall be in addition to and shall be independent of every bill, note, guarantee, mortgage, pledge or

other security which the Security Trustee or any other Secured Party may at any time hold in respect of any of the Secured Obligations and it is hereby declared that no prior security held by the Security Trustee or any other Secured Party over the Charged Property or any part thereof shall merge in the security created hereby or pursuant hereto.

FURTHER ASSURANCE AND NEGATIVE PLEDGE

The Guarantee and Debenture contains covenants for further assurance and a negative pledge.

SCHEDULE 3

to a Form M395 in respect of Alfer Limited, Company Number 02799059

THE LEGALLY MORTGAGED PROPERTY

All that freehold property being part of land at Club Street, Bamber Bridge, Preston as the same is registered at HM Land Registry under title number LA755193.



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02799059

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A GUARANTEE AND DEBENTURE MADE BETWEEN THE COMPANY AND THE ROYAL BANK OF SCOTLAND PLC AS AGENT AND TRUSTEE FOR THE SECURED PARTIES (AS DEFINED) PURSUANT TO THE INTERCREDITOR AGREEMENT (AS DEFINED) DATED THE 28th NOVEMBER 2000 AND CREATED BY ALFER LIMITED FOR SECURING THE ACTUAL CONTINGENT PRESENT AND/OR FUTURE OBLIGATIONS AND LIABILITIES OF THE COMPANY TO ANY OF THE SECURED PARTIES UNDER OR PURSUANT TO ALL OR ANY OF THE SECURED DOCUMENTS (AS DEFINED) INCLUDING THE GUARANTEE AND DEBENTURE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 12th DECEMBER 2000.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 14th DECEMBER 2000.

LC Pan



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



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