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legibly, preferably
in black type, or
bold block lettering

*insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

180991/10

395

A fee of £13 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

[9][][][]

02840892

01495

Name of company

* ABSL Power Solutions Limited (the "Chargor")

Date of creation of the charge

26 May 2009

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

A security agreement between the Chargor and the Lender (as defined below)
relating to a £1,800,000 term facility dated 26 May 2009 (the "Security
Agreement").

Amount secured by the mortgage or charge

All present and future moneys, debts, liabilities and obligations due,
owing or incurred by the Chargor or AGM Batteries Limited to the Lender on
any account whatsoever (in each case whether alone or jointly, or jointly
and severally, with any other person, whether actually or contingently and
whether as principal, surety or otherwise) (the "Secured Liabilities").

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

CIP Industries L.P Incorporated a Guernsey Limited Partnership with
registered number 538 and registered address at PO Box 225, Trafalgar
Court, Les Banques, St Peter Port, Guernsey (the "Lender").

Postcode C.I. GY1 3QL

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

Simmons & Simmons
CityPoint
One Ropemaker Street
London
EC2Y 9SS

66384-4/AFXL/RKS

Time critical reference

For official Use (06/2005)
Mortgage Section

Post room

MONDAY



A17

ABGXUJL
08/06/2009
COMPANIES HOUSE

60

Short particulars of all the property mortgaged or charged

Please see the attached schedule.

Please do not
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this margin

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

Particulars as to commission allowance or discount (note 3)

None

Signed Simmons & Simmons

Date 9 June 2009

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

*A fee 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 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

ABSL Power Solutions Limited,
a limited company registered in England
and Wales with Registered Number 02840892

SCHEDULE

Short Particulars of all the Property Mortgaged or Charged

1. Fixed Charge

To secure the complete and timely payment, performance and discharge in full, as the case may be, of all of the Secured Liabilities, the Chargor hereby, unconditionally and irrevocably charges by way of first fixed charge:

1.1 Real property

(A) The Chargor charges:

- (1) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it; and
- (2) (to the extent that they are not the subject of a mortgage under paragraph (A)(1) above) by way of first fixed charge all estates or interests in any freehold or leasehold property now or in the future owned by it.

(B) A reference in the Security Agreement to a mortgage or charge of any freehold or leasehold property includes:

- (1) each and every part of that property, including the buildings, structures, fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery now or in the future on that property and all easements and rights attaching to it; and
- (2) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

1.2 Investments

(A) The Chargor charges by way of a first fixed charge all of its rights and interests in the Investments (including, without limitation, the Shares).

(B) A reference in the Security Agreement to any mortgage or charge of any Investment includes:

- (1) any dividend or interest paid or payable in relation to it;
- (2) any right, money or property accruing or offered at any time in relation to it by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise; and
- (3) any right under any custodian or other agreement in relation to it.

1.3 Plant and machinery

The Chargor charges by way of a first fixed charge all fixed and moveable plant and machinery now or in the future owned by it, its interest in any plant or machinery in its possession and the benefit of all related Authorisations, agreements and warranties.

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1.4 Credit balances

The Chargor charges by way of a first fixed charge all of its rights in respect of any amount standing to the credit of any account (including but not limited to, any account contemplated by the Facility Agreement or the Security Agreement) it has in its name (or to which it is beneficially entitled) with any person and the debt represented by such account.

1.5 Debts etc.

The Chargor charges by way of a first fixed charge:

- (A) all of its book and other debts;
- (B) all other moneys due and owing to it; and
- (C) the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under paragraphs (A) and (B) above.

1.6 Intellectual Property

The Chargor charges by way of first fixed charge all:

- (A) patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests, whether registered or unregistered;
- (B) the benefits of all applications and rights to use such assets; and
- (C) all fees, royalties and other rights of every kind deriving from such assets.

1.7 Authorisations

The Chargor charges by way of first fixed charge the benefit of all Authorisations held by it in relation to any Charged Property, together with the right to recover and receive compensation which may be payable to it in respect of any Authorisation.

1.8 Pension fund

The Chargor charges by way of first fixed charge any beneficial interest, claim or entitlement it has in any pension fund.

1.9 Goodwill

The Chargor charges by way of first fixed charge its goodwill.

1.10 Stock and inventory

The Chargor charges by way of first fixed charge all of its stock and inventory.

1.11 Uncalled capital

The Chargor charges by way of first fixed charge its uncalled capital.

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2. **Floating Charge**

2.1 To secure the complete and timely payment, performance and discharge in full, as the case may be, of all of the Secured Liabilities, the Chargor hereby, unconditionally and irrevocably charges by way of first floating charge its undertaking and assets, both present and future. This floating charge created by the Chargor is a "qualifying floating charge" for the purposes of paragraph 14.2(a) of Schedule B1 to the Insolvency Act. Paragraph 14 of Schedule B1 to the Insolvency Act shall apply to the Security Agreement and the Lender may appoint an administrator to the Chargor pursuant to that paragraph.

2.2 Conversion by notice

The Lender may convert the floating charge created by the Security Agreement over all or any of the Charged Property into a fixed charge by notice to the Chargor's assets specified in that notice (either specifically or generally):

- (A) while an Enforcement Event is continuing; and/or
- (B) if the Lender considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process.

2.3 Automatic conversion

If:

- (A) the Chargor takes any step to create any Security in breach of the Security Agreement over any of the Charged Property not subject to a fixed charge;
- (B) an administrator is appointed or the Lender receives notice of an intention to appoint an administrator in respect of the Chargor; or
- (C) any person takes any step to effect any expropriation, attachment, sequestration, distress or execution against any of the Charged Property,

the floating charge over the relevant Charged Property shall automatically and immediately be converted into a fixed charge.

3. **Restrictions on dealing**

3.1 **Negative pledge**

- (A) The Chargor shall not (and shall ensure that no other member of the Group will) create or permit to subsist any Security over any of its assets.
- (B) The Chargor shall not (and shall ensure that no other member of the Group will):
 - (1) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by the Chargor for any other member of the Group);
 - (2) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
 - (3) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

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(4) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

(C) Paragraphs (A) and (B) above do not apply to:

- (1) any netting or set-off arrangement entered into by a member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
- (2) any lien arising by operation of law and in the ordinary course of trading
- (3) any Security over or affecting any asset acquired by a member of the Group after the 26 May 2009 if:
 - (a) the Security was not created in contemplation of the acquisition of that asset by a member of the Group;
 - (b) the principal amount secured has not been increased in contemplation of, or since the acquisition of that asset by a member of the Group; and
 - (c) the Security is removed or discharged within three months of the date of acquisition of such asset;
- (4) any Security over or affecting any asset of any company which becomes a member of the Group after the date of this Agreement, where the Security is created prior to the date on which that company becomes a member of the Group, if:
 - (a) the Security was not created in contemplation of the acquisition of that company;
 - (b) the principal amount secured has not increased in contemplation of or since the acquisition of that company; and
 - (c) the Security is removed or discharged within three months of that company becoming a member of the Group; and
- (5) any Security entered into pursuant to any Finance Document.

3.2 Disposals

- (A) The Chargor shall not (and the Chargor shall ensure that no other member of the Group will), enter into a single transaction or a series of transactions (whether or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset.
- (B) Paragraph (A) above does not apply to any sale, lease, transfer or other disposal:
 - (1) made in the ordinary course of trading of the disposing entity;
 - (2) of assets in exchange for other assets comparable or superior as to type, value and quality; or

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(3) with the Lender's prior written consent.

4. **Definitions**

In this Form 395, the following words and expressions have the following meanings:

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

"Charged Property" means all of the assets of the Chargor which from time to time are, or are expressed to be, subject to the Security created or expressed to be created in favour of the Lender pursuant to the Security Agreement.

"Disruption Event" means either or both of:

- (A) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (B) the occurrence of any other event which results in a disruption (of a technical or systems related nature) to the treasury or payments operations of a Party preventing that, or the other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with the other Party in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

"Enforcement Event" means an Event of Default occurs.

"Equipment" means the goods or chattels, whether already acquired or hereafter to be acquired, including all engines, appliances, parts, spare parts, components, instruments, appurtenances, accessories and other equipment of any kind installed in them or on them, and any and all substitutions, replacements, renewals and additions hereafter from time to time made for, in, or to them.

"Event of Default" means each of the events or circumstances set out below:

Non-payment

The Chargor does not pay on the due date any amount payable pursuant to a Finance Document at the place and in the currency in which it is expressed to be payable unless:

- (A) its failure to pay is caused by:
 - (1) administrative or technical error, or

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- (2) a Disruption Event; and
- (B) payment is made within:
 - (1) (in the case of (A)(1) above) 2 Business Days of its due date; or
 - (2) (in the case of (A)(2) above) 5 Business Days of its due date;
- (C) payment is made within 5 Business Days of its due date.

Misrepresentation

Any representation or statement made or deemed to be made by the Chargor in the Finance Documents or any other document delivered by or on behalf of the Chargor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

Other obligations

The Chargor does not comply with any provision of the Finance Documents (other than those referred to in under Non payment above).

Cross default

- (A) Any Financial Indebtedness of any member of the Group is not paid when due nor within any originally applicable grace period.
- (B) Any Financial Indebtedness of any member of the Group is declared or otherwise becomes due and payable prior to its specified maturity as a result of, an event of default (however described).
- (C) Any commitment for any Financial Indebtedness of any member of the Group is cancelled or suspended by a creditor of any member of the Group as a result of an event of default however described).
- (D) Any creditor of any member of the Group becomes entitled to declare any Financial Indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).
- (E) No Event of Default will occur if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (A) to (D) above is less than GBP200,000 (or its equivalent in any other currency or currencies).

Insolvency

- (A) A member of the Group is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.
- (B) The value of the assets of any member of the Group is less than its liabilities (taking into account contingent and prospective liabilities).

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- (C) A moratorium is declared in respect of any indebtedness of any member of the Group.

Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group other than a solvent liquidation or reorganisation of any member of the Group;
- (B) a composition, compromise, assignment or arrangement with any creditor of any member of the Group;
- (C) the appointment of a liquidator (other than in respect of a solvent liquidation of a member of the Group, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Borrower or any member of the Group or any of its assets: or
- (D) enforcement of any Security over any assets of any member of the Group, or any analogous procedure or step is taken in any jurisdiction.

Creditors' process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of a member of the Group (having an aggregate value of GBP 5,000 (and is not discharged within 14 days).

Unlawfulness

It is or becomes unlawful for The Chargor to perform any of its obligations under the Finance Documents.

Repudiation

The Chargor repudiates a Finance Document or evidences an intention to repudiate a Finance Document.

Material adverse change

Any event or series of events or any circumstances whether related or not occurs or arises which, in the opinion of the Lender, has or would be likely to have a Material Adverse Effect.

"Facility" means the single currency term loan facility in an aggregate amount of £1,800,000 made available under the Facility Agreement to the extent not cancelled, reduced or transferred under the Facility Agreement.

"Facility Agreement" means the facility agreement dated on or about the date of the Security Agreement between ABSL Power Solutions Limited as borrower, AGM Batteries Limited as guarantor and CIP Industries L.P. Incorporated as Lender.

"Finance Document" means the Facility Agreement, a Security Document and any other document designated as such by the Lender and the Chargor.

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"Financial Indebtedness" means any indebtedness for or in respect of:

- (A) moneys borrowed;
- (B) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (C) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (D) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;
- (E) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (F) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (G) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (H) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (I) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (A) to (H) above.

"Group" means the Chargor and its Subsidiaries for the time being.

"IFRS" means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"Investments" the Shares and any other securities and investments of any kind (including shares, stock, debentures, units, depositary receipts, bonds, notes, commercial paper and certificates of deposit), warrants, options or other rights to subscribe for, purchase or otherwise acquire securities and investments now or in the future owned by the Chargor or (to the extent of its interest) in which it now or in the future has any interest.

"Material Adverse Effect" means a material adverse effect on:

- (A) the business, operations, assets or financial condition of any Obligor;
- (B) the ability of the Chargor to perform and comply with its obligations under the Finance Documents; or
- (C) the validity or enforceability of the Finance Documents or the rights and remedies of the Lender under the Finance Documents.

"Shares" means

ABSL Power Solutions Limited,
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- (A) All of the shares in the share capital of AGM Batteries Limited (registered in England and Wales with registered number 03479383, held by, to the order or on behalf of the Chargor at any time, including without limitation 4,064,000 ordinary shares.
- (B) All of the shares in the share capital of ABSL Power Solutions Incorporated (incorporated in the state of Delaware (with tax payer identification number 203905678)), held by, to the order or on behalf of the Chargor at any time, including without limitation 100 ordinary shares.

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Security Document" means:

- (C) the security agreement dated on or about the date of the Facility Agreement entered into between the Chargor and the Lender, securing any liabilities outstanding from the Chargor or AGM Batteries Limited to the Lender under the Finance Documents;
- (D) the security agreement dated on or about the date of the Facility Agreement entered into between the Chargor and the Lender, securing any liabilities whatsoever outstanding from the Chargor or AGM Batteries Limited to the Lender;
- (E) the security agreement dated on or about the date of the Facility Agreement entered into between AGM Batteries Limited and the Lender, securing any liabilities outstanding from the Chargor or AGM Batteries Limited to the Lender under the Finance Documents;
- (F) the security agreement dated on or about the date of the Facility Agreement entered into between AGM Batteries Limited and the Lender securing any liabilities whatsoever outstanding from the Chargor or AGM Batteries Limited to the Lender; and

any other document evidencing or creating Security over any asset of any member of the Group to secure the obligations of the Chargor and AGM Batteries Limited to the Lender under the Finance Documents

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



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

**COMPANY NO. 2840892
CHARGE NO. 9**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A SECURITY AGREEMENT DATED 26
MAY 2009 AND CREATED BY ABSL POWER SOLUTIONS LTD
FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM
THE COMPANY OR AGM BATTERIES LIMITED TO CIP
INDUSTRIES L.P. INCORPORATED ON ANY ACCOUNT
WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1
PART XII OF THE COMPANIES ACT 1985 ON THE 8 JUNE 2009

GIVEN AT COMPANIES HOUSE, CARDIFF THE 12 JUNE 2009

ploult



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES