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COMPANIES FORM NO. 395

395

Particulars of a mortgage or charge

Pursuant to section 395 of the Companies Act 1985

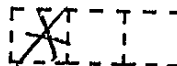
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Please complete
legibly, preferably
in black type or
bold black
lettering

*Insert full name
of company

To the Registrar of Companies

For official use Company number



2854405

Name of company

* NORTH EAST SLAG CEMENT LIMITED ("the Company")

Date of creation of the charge

9th November 1993

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

COMPOSITE GUARANTEE AND DEBENTURE between inter alia the Company
(1) and the Agent (2) ("the Debenture")

Amount secured by the mortgage or charge

- (i) all indebtedness, liabilities and obligations which are as at 9th November 1993 or may at any time thereafter be due, owing or incurred in any manner whatsoever to the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty by any Group Company whether actually or contingently and whether solely or jointly with any other person and whether as principal or surety and whether or not the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty shall have been an original party to the relevant transaction and Cont/d

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

THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND

THE MOUND
EDINBURGH

Postcode

EH1 1YZ

Swaps
(Counterparty)

Presentor's name, address and
reference (if any) -2652.656/mcs

AJSOP WILKINSON
6 DOWGATE HILL
LONDON EC4R 2SS

For official use
Mortgage section

REGISTERED

23 NOV 1993

Post room



Time critical reference

Short particulars of all the property mortgaged or charged

The Company charges to the Agent by way of first fixed charge:

1. all its future freehold and leasehold property together with all buildings, fixtures (excluding in the case of leasehold property landlord's fixtures but including trade fixtures and excluding in the case of freehold property and leasehold property which is let or sub-let to a third party, tenant's and trade fixtures and fittings of such third party) and fixed plant and machinery at any time thereon;

Cont'd

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)

N/A

Signed

Alfred Wilkinson

Date

19 November 1993

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

*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.

FOR THE REGISTRAR
THE REGISTRAR
FOR THE REGISTRAR

Please do not
write in this
margin

Particulars of a mortgage or charge (continued)

Continuation sheet No. _____
to Forms Nos 395 and 410 (Scot)

Company number

2854405

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

Name of company

NORTH EAST SLAG CEMENT LIMITED ("the Company")

Limited*

*Delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

COMPOSITE GUARANTEE AND DEBENTURE ("the Debenture")

Please do not
write in this
margin

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

in whatever currency denominated including all liabilities from time to time assumed or incurred by the Banks, the Overdraft Bank and/or the Swap Counterparty at the request of any Group Company in connection with foreign exchange transactions, acceptances, discounting or otherwise or under guarantees, bonds, indemnities, documentary or other credits or any instruments whatsoever and including interest, discount, commission and other lawful charges or reasonable expenses which the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty may in the course of its business charge in respect of any facilities or accommodation or service provided by the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty or for keeping any Group Company's account;

- (ii) on a full indemnity basis all costs and reasonable expenses incurred by the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty in relation to the Debenture and all costs and expenses properly incurred by the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty in relation to the protection and enforcement of the rights of the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty under the Debenture;
- (iii) interest to the date of discharge on all sums payable and all liabilities and obligations to be discharged under sub-clauses (i) and (ii) above. Such interest shall be computed and compounded as agreed between the parties from time to time or in the absence of such agreement compounded monthly and computed according to the usual practice for the time being of the Banks, the Overdraft Bank and/or the Swap Counterparty as the case may be and shall be payable as well after as before any demand or judgment on the relevant Group Company;

- 1.2 all estates and interests (including for the avoidance of doubt the British Steel Agreements for Leases) not previously effectively charged as at 9th November 1993 or thereafter belonging to the Company in or over land wheresoever situate or the proceeds of sale of land and all licences as at 9th November 1993 or thereafter held by the Company to enter upon or use land and the benefit of all other agreements relating to land to which the Company is or may become a party or otherwise entitled and all trade and tenants' fixtures, plant and machinery owned by the Company as at 9th November 1993 or thereafter annexed to all freehold and leasehold property its estate or interest in which stands charged under the Debenture;
- 1.3 all stocks, shares (including but not limited to shares in any subsidiary), debentures, loan capital, right to subscribe for, convert other securities into or otherwise acquire any stocks, shares, debentures or loan capital of any other body corporate as at 9th November 1993 or at any time thereafter belonging to the Company, together with all dividends (unless such dividends are or are to be paid in satisfaction of any of the Secured Obligations), interest and other income and all other rights of whatsoever kind deriving from or incidental to any of the foregoing;
- 1.4 the goodwill of the Company and its uncalled capital as at 9th November 1993 or at any time thereafter in existence and future calls (whether made by the directors of the Company or by a Receiver or a liquidator);
- 1.5 all copyrights, patents and registered designs (including applications and rights to apply therefor), inventions, rights in trademarks and service marks whether registered or not (including applications and rights to apply therefor), confidential information and know-how and fees, royalties and other rights of every kind deriving from copyright, patents or inventions as at 9th November 1993 or at any time thereafter belonging to the Company;
- 1.6 all plant and machinery as at 9th November 1993 or at any time thereafter belonging to the Company (excluding however plant and machinery for the time being forming part of its stock in trade or work in progress);
- 1.7 all chattels as at 9th November 1993 or at any time thereafter hired, leased or rented by the Company to any other person together in each case subject to and with the benefit of the related hiring, leasing or rental contract and any guarantee, indemnity or other security for the performance of the obligations of any person under or in respect of such contract;
- 1.8 all book debts and other debts both present and future (except those charged under the VAT Recovery Deposit Account Charges) due or owing to the Company and the benefit of all rights relating thereto including, without limitation, negotiable instruments, legal and equitable charges, reservation of proprietary rights, bank accounts (including without limitation each and every account with any bank which is designated as a collection account for book and other debts), rights of tracing and unpaid vendor's liens and similar associated rights;

- 1.9 the benefit of all licences consents and authorisations (statutory or otherwise) held in connection with its business or the use of any Charged Property specified in any other paragraph or sub-paragraph hereof and the right to recover and receive all compensation which may be payable to it in respect of them;
- 2 The Company charges to the Agent by way of first floating charge all its undertaking and all its property and assets whatsoever and wheresoever situated both present and future (except those charged under the VAT Recovery Deposit Account Charges), including (without prejudice to the generality of the foregoing) heritable property and all other property and assets in Scotland other than any property or assets from time to time or for the time being effectively charged by way of fixed charge under or pursuant to the Debenture.
- 3 The Company covenants that it shall not without the consent in writing of the Agent:-
 - 3.1 create, extend or permit to subsist any Encumbrance (other than a Permitted Encumbrance) upon any of its present or future property assets or revenues to secure any liability, actual or contingent;
 - 3.2 save as permitted or required under the Debenture or under the Facilities Agreement, sell, discount, factor, transfer, lease, lend or otherwise dispose of, whether by means of one or a number of transactions related or not and whether at one time or over a period of time, the whole or, save in the normal course of trading, any part of its undertaking or assets.

DEFINITIONS

"The Agent" means The Governor and Company of the Bank of Scotland (as agent and trustee for the Banks, the Overdraft Bank and the Swap Counterparty);

"Appleby Calumite" means Appleby Calumite Limited, a company registered in England under number 948298 whose issued share capital is owned as to 51 per cent by the Borrower and as to 49 per cent by Calumite International Limited;

"Approved Company" means the companies listed in Schedule 8 to the Facilities Agreement and any other Group Company (other than the Company) from time to time which has been approved in writing by the Overdraft Bank and which has executed and delivered to the Overdraft Bank a deed of accession in the form of Schedule 9 to the Facilities Agreement and "Approved Companies" means all or any of them;

"Bank of Scotland" means The Governor and Company of the Bank of Scotland;

"Banking Documents" means any one or more of the Facilities Agreement, the Working Capital Facility Letter, the Security Documents, the Interest Rate Swap Documents, the Deed of Compliance and any documents supplemental thereto including without limitation any documents pursuant to which any Group Company becomes subject to the provisions thereof;

"Banks" means the banks whose names are set out in Schedule 1 to the Facilities Agreement and (subject to Clause 28 thereof) their respective successors, assignees and Transferees (and "Bank" shall be construed accordingly);

"British Steel Agreements for Leases" means together:

- (i) an agreement for lease dated 9th November 1993 and made between British Steel plc (1) and the Company (2) relating to all that leasehold land at British Steel plc's works at Teeside containing 10.72 acres or thereabouts;
- (ii) an agreement for lease dated 9th November 1993 and made between British Steel plc (1) and Appleby Group Limited (2) relating to all that piece or parcel of land at the east side of Brigg Road, Scunthorpe in the County of Humberside containing 14.95 acres or thereabouts;

"Charged Property" means the property referred to in Clause 4 of the Debenture and all other property of whatsoever nature from time to time charged by or pursuant to the Debenture;

"Deed of Compliance" means a deed of compliance in the agreed terms between (1) Mr. Uren, (2) the Company and (3) Bank of Scotland (as Agent for the Lenders);

"Encumbrance" includes any mortgage, pledge, lien, charge, assignment by way of security, hypothecation, security interest, title retention, preferential right or trust arrangement or any other security agreement or arrangement having the effect of security;

"Facilities" means the Term Loan Facility and the Working Capital Facility and the Interest Rate Swap Facility;

"the Facilities Agreement" means the facilities agreement dated 9th November 1993 between the Company (1) the Companies named in Schedule 8 thereto (2) the Agent (3) the Overdraft Bank as defined therein (4) the Banks named therein (5) and the Swap Counterparty as defined therein (6);

"Group" means at any time the Company and its Subsidiaries other than:

(i) Appleby Calumite for so long as the Company and/or any of its Subsidiaries beneficially holds less than 75% of the voting rights exercisable at a general meeting of the members of Appleby Calumite or the directors of Appleby Calumite include a director or directors who have been appointed by a shareholder who is not a Group Company under the provisions of any joint venture arrangements applying thereto for the time being; and

(ii) Appleby Poland Sp. Z.O.O.;

and "Group Company" means any of them;

"Interest Rate Swap Documents" means the Swap Counterparty's standard form agreement (including the schedules thereto) to be entered into by the Swap Counterparty (or such other counterparty as the Swap Counterparty shall nominate) and the Company relating to the interest rate swap arrangements to be implemented under the Interest Rate Swap Facility;

"Interest Rate Swap Facility" means the interest rate swap facility made available for the purposes of the interest rate hedging arrangements referred to in Clause 6.1 of the Facilities Agreement;

"Lenders" means the Banks, the Overdraft Bank and the Swap Counterparty and "Lender" means any one or more of them;

"Mr Uren" means Mr Michael Uren of Priory Farm House Appledore Road Tenterden Kent TN30 7DD;

"Overdraft Bank" means the Bank of Scotland its successors and assignees;

"Permitted Encumbrances" means:-

- (i) a lien or right of set-off arising in the ordinary course of business solely by operation of law;
- (ii) an Encumbrance which the Agent has at any time in writing agreed shall be a Permitted Encumbrance;
- (iii) Encumbrances arising under the Banking Documents or under any further security provided by any Group Company in connection with the Facilities; and
- (iv) any Encumbrances arising solely as a result of a title retention clause in a supply agreement entered into by any Group Company or arising under conditional sale or hiring agreements in respect of goods supplied to the Group in the ordinary course of business;
- (v) the VAT Recovery Deposit Account Charges;

"Receiver" means any receiver or manager or receivers and managers appointed by the Agent under or by virtue of the Debenture and references to a receiver or receivers shall include references to an administrative receiver or administrative receivers;

"Security Documents" means all or any documents entered into from time to time by any Group Company to secure in favour of the Agent for itself and as trustee for the Banks, the Overdraft Bank and the Swap Counterparty the Secured Obligations or any of them;

"Sterling Amount" means on any particular day the principal amount outstanding in Sterling;

"Subsidiary" means:-

- (i) a subsidiary as defined in Section 736 of the Companies Act, 1985; and
- (ii) a subsidiary undertaking as defined in Section 258 of the Companies Act 1985;

"the Swap Counterparty" means the Bank of Scotland and its successors and assigns;

"Term Loan Facility" means the medium-term loan facility in the maximum aggregate principal Sterling Amount of £9,000,000 granted to the Company by the Banks pursuant to Clause 2 of the Facilities Agreement;

"Transferee" means a bank or other financial institution to which a Bank seeks to transfer all or part of its rights and obligations under the Facilities Agreement in accordance with Clause 28.3 thereunder;

"VAT Recovery Deposit Account Charges" means together:

- (i) the VAT recovery deposit account charge in the agreed terms between (1) the Company and (2) East Coast Slag Products Limited creating security over a fixed deposit account as therein specified; and
- (ii) the VAT recovery deposit account charge in the agreed terms between Appleby Group Limited (1) and East Coast Slag Products Limited creating security over a fixed deposit account as therein specified;

"Working Capital Facility" means the working capital facility made available by the Overdraft Bank to the Company and any Approved Company up to an aggregate maximum principal amount of £500,000 as the same may be increased or reduced from time to time at the sole discretion of the Overdraft Bank;

FILE COPY



**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

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

I hereby certify that a mortgage or charge dated the 9th NOVEMBER 1993
and created by NORTH EAST SLAG CEMENT LIMITED

for securing all moneys due or to become due from THE COMPANY AND/OR ALL
OR ANY OF THE OTHER COMPANIES NAMED THEREIN to THE GOVERNOR AND COMPANY OF
THE BANK OF SCOTLAND (AS AGENT AND TRUSTEE FOR THE BANKS, THE OVERDRAFT
BANKS, AND THE SWAP COUNTERPARTY) under the terms of THIS CHARGE AND THE
FACILITIES AGREEMENT OF EVEN DATE

was registered pursuant to Chapter I Part XII of the Companies Act
1985, on the 23rd NOVEMBER 1993

Given under my hand at the Companies Registration Office,
Cardiff the 25th NOVEMBER 1993

No. 2854405

M. J. [Signature]
M. J. [Signature]

an authorised officer

C.69

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Please do not
write in
this margin

COMPANIES FORM No. 395

Particulars of a mortgage or charge

Pursuant to section 395 of the Companies Act 1985

395

24/11

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

Name of company

M27c.

X102

2854405

* NORTH EAST SLAG CEMENT LIMITED

Date of creation of the charge

9 NOVEMBER 1993

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

VAT RECOVERY DEPOSIT ACCOUNT CHARGE

Amount secured by the mortgage or charge

all monies

VAT (IF ANY) PAYABLE PURSUANT TO CLAUSE 21 OF AN AGREEMENT
DATED 9 NOVEMBER 1993 BETWEEN NORTH EAST SLAG COMPANY
LIMITED AND EAST COAST SLAG PRODUCTS LIMITED ("THE OBLIGATION")

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

EAST COAST SLAG PRODUCTS LIMITED, MILLFIELDS ROAD,

ETTINGSHALL, WILVERHAMPTON, WEST MIDLANDS,

Postcode WV4 6JV

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

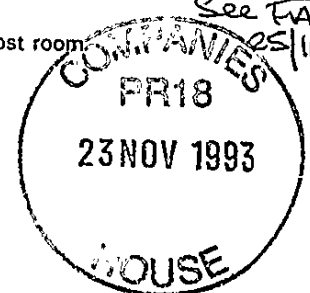
EVERSHEDS HEPWORTH & CHADWICK
CLOTH HALL COURT
INFIRMARY STREET
LEEDS
LS1 2JB

For official use
Mortgage section

REGISTERED

25 NOV 1993

Post room



Time critical reference

Short particulars of all the property mortgaged or charged

Please do not
write in
this margin

MONEY RECOVERED FROM HM CUSTOMS & EXCISE AS A RESULT OF
THE OBLIGATION

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

ALL MONIES which may from time to time
constitute the balance standing to the credit
of a sterling fixed deposit account including
interest if any arising on such monies and all
right, title and interest therein as security for
all monies and liabilities which are at any time
due to EAST COAST SHOPS PRODUCTS as a result of the
obligation.

Particulars as to commission allowance or discount (note 3)

NIL

Signed

Bob [Signature]

Date 22/11/93

On behalf of ~~[Company Name]~~ [chargee]*

*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.

Page 2

Cloth Hall Court
Infirmary Street
Leeds
LS1 2JB
Telex
557917
Facsimile
0532 456188
DX 12027 Leeds.1



EVERSHEDS
HEPWORTH & CHADWICK

Date 25 November 1993

Mrs Grandon
Registrar of Companies
Companies House
DX 33050
CARDIFF
CF4 3UZ

Your Reference

Our Reference C2.JDS.MAE

BY FAX - 0222 380827

Dear Madam

APPLEBY GROUP LIMITED - COMPANY NO. 499594
NORTH EAST SLAG CEMENT LIMITED - COMPANY NO. 2854405

We refer to our telephone conversation of today's date relating to the charges created on 9th November 1993 in respect of the above companies.

We confirm that on both forms 395 the words on the front sheet "VAT if any" can be substituted by the words "all monies". In relation to the Appleby Group Limited form 395 only we confirm that the words "and Supplemental Settlement Deed dated 9th November 1993" should be inserted after the reference to the Settlement Deed dated 9th November 1993.

On the reverse side of the form 395 in relation to North East Slag Cement Limited the following wording may be inserted in substitution for the current wording "all monies which may from time to time constitute the balance standing to the credit of a sterling fixed deposit account including interest if any arising on such monies and all right, title and interest therein as security for all monies and liabilities which are at any time or times due to East Coast Slag Products Limited" as a result of the Obligation.

We confirm that the same amendment may be made in relation to the form 395 filed in relation to Appleby Group Limited.

If you have any further queries please speak to John Shinwell at this office.

Many thanks for your assistance.

Yours faithfully

Partners
D. E. L. Sykes
J. P. Mulgrew
J. H. Bryan
J. H. Fiddgen
P. J. S. Thompson
D. A. Ambro
R. M. Pottier
P. G. A. Winter
R. Chapman

A. W. Litchmore
F. R. P. Chadwick
R. C. Davis
D. J. Gray
J. R. Hoyle
J. M. Potter
J. R. Guest
R. M. Austin
P. A. Smith

D. J. Horne
A. N. Brown
J. A. Richardson
D. M. Sturges
A. J. Stanforth
S. M. Hopkins
N. D. Crocker
P. H. Scrivener
D. Davis

J. J. O. Sutcliffe
J. M. Sinclair
P. B. Atkinson
R. K. Hutchinson
M. W. Harrison
S. D. Orell

Offices of
Eversheds' firms at
Birmingham, Cardiff,
Derby, Ipswich, London,
Manchester, Middlesbrough,
Newcastle, Norwich,
Nottingham, Warrington

Associated offices in
Brussels and in over
20 countries worldwide.
Regulated by The Law
Society in the conduct
of investment business
*Notary Public

FILE COPY



**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

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

I hereby certify that a mortgage or charge dated the 9th NOVEMBER 1993
and created by NORTH EAST SLAG CEMENT LIMITED

for securing all moneys due or to become due from the Company to EAST
COAST SLAG PRODUCTS LIMITED PURSUANT TO CLAUSE 21 OF A NA AGREEMENT DATED
9 NOVEMBER 1993.

was registered pursuant to Chapter I Part XII of the Companies Act
1985, on the 25th NOVEMBER 1993

Given under my hand at the Companies Registration Office,
Cardiff the 29th NOVEMBER 1993

No. 2854405

P. Jones
P. JONES

an authorised officer

C.69

Post
29/11
5/

M

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this margin

COMPANIES FORM No. 395

25/11

395

Particulars of a mortgage or charge

Pursuant to section 395 of the Companies Act 1985

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

*Insert full name
of company

To the Registrar of Companies

For official use Company number

Name of company

* NORTH EAST SLAG CEMENT LIMITED ("the Company")

2854405

Date of creation of the charge

9TH NOVEMBER 1993

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

DEED OF ASSIGNMENT OF MATERIAL CONTRACTS ("the Deed")

Amount secured by the mortgage or charge

(i) all indebtedness, liabilities and obligations which are as at 9th November 1993 or may at any time thereafter be due, owing or incurred in any manner whatsoever to the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty by any Group Company whether actually or contingently and whether solely or jointly with any other person and whether as principal or surety and whether or not the Agent, the Banks, the Overdraft Bank and/or the Swap

/CONT'D

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

THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND AS Agent and
THE MOUND TRUSTEE for the Banks, the OVERDRAFT BANK and
EDINBURGH the SWAP Counterparty Postcode EH1 1YZ

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

PMB/F-2734.655/MCS

ALSOP WILKINSON
6 DOWGATE HILL
LONDON EC4R 2SS

For official use

Mortgage section

RECEIVED

25 NOV 1993

Post room



Time critical reference

Short particulars of all the property mortgaged or charged

- 1 The Company as beneficial owner assigns to the Agent under the Deed all its right, title, benefit and interest whatsoever whether present or future, proprietary, contractual or otherwise, arising out of or in, to or under the Assigned Contracts including (but without prejudice to the generality of the foregoing) all claims for damages or other remedies in respect of any breach of the Assigned Contracts, all monies whatsoever which are as at 9th November 1993 or may at any time thereafter be or become due or owing to the Company under or arising out of the Assigned Contracts or in connection with the rights of the Company evidenced thereby and all rights and remedies for enforcing the Assigned
- /CONT'D

Please do not
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Please complete
legibly, preferably
in black type or
bold block
lettering

Particulars as to commission allowance or discount (note 3)

N/A

Signed

Asop Wilkin

Date 24 November 1993

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

*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.

Page 2

**Particulars of a mortgage or charge
(continued)**

Please do not
write in this
margin

Continuation sheet No. 1
to Forms Nos 395 and 410 (Scot)

Company number

2854405

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

Name of company

NORTH EAST SLAG CEMENT LIMITED ("the Company")

Limited*

*Delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

DEED OF ASSIGNMENT OF MATERIAL CONTRACTS

Counterparty shall have been an original party to the relevant transaction and in whatever currency denominated including all liabilities from time to time assumed or incurred by the Banks, the Overdraft Bank and/or the Swap Counterparty at the request of any Group Company in connection with foreign exchange transactions, acceptances, discounting or otherwise or under guarantees, bonds, indemnities, documentary or other credits or any instruments whatsoever and including interest, discount, commission and other lawful charges or reasonable expenses which the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty may in the course of its business charge in respect of any facilities or accommodation or service provided by the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty or for keeping any Group Company's account;

- (ii) on a full indemnity basis all reasonable costs and expenses incurred by the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty in relation to the Deed and all costs and expenses properly incurred by the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty in relation to the protection and enforcement of the rights of the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty under the Deed;
- (iii) interest to the date of discharge on all sums payable and all liabilities and obligations to be discharged under sub-clauses (i) and (ii) above. Such interest shall be computed and compounded as agreed between the parties from time to time or in the absence of such agreement compounded monthly and computed according to the usual practice for the time being of the Banks, the Overdraft Bank and/or the Swap Counterparty as the case may be and shall be payable as well after as before any demand or judgment on the relevant Group Company;

Contracts in the name of the Company or otherwise and all present and future right, title, benefit and interest in all guarantees, indemnities, mortgages, charges and other security of whatsoever nature as at 9th November 1993 or thereafter held by the Company in respect of all or any of the foregoing and all monies from time to time becoming due or owing thereunder or in connection therewith together with all rights and remedies for enforcing any such guarantees, indemnities, mortgages, charges and other security (or any of them) in the name of the Company or otherwise;

- 2 The Company covenants that it shall not create, attempt to create or permit to arise or subsist any Encumbrance (other than a Permitted Encumbrance) (as defined in the Facilities Agreement) on or over the assets assigned under the Deed or assign or purport to assign the same in favour of any person.

THE SCHEDULE
Assigned Contracts

- 1 A Supply Contract of even date herewith between East Coast Slag Products Limited (1) and the Assignor (2) for the supply of slag from the Teeside Works (as therein defined)
- 2 A Supply Contract of even date herewith between East Coast Slag Products Limited (1) and the Assignor (2) for the supply of slag from the Scunthorpe Works (as defined therein)
- 3 A Supply Contract of even date herewith between British Steel plc (1) and the Assignor (2) for the supply of slag from the Teeside Works (as defined therein)
- 4 A Supply Contract of even date herewith between British Steel plc (1) and the Assignor (2) for the supply of slag from the Scunthorpe Works (as defined therein)
- 5 An agreement in the form of a letter relating to the quality of Slag Supply between North East Slag Cement Limited (1) British Steel plc (2) and East Coast Slag Cement Limited (3)
- 6 An agreement in the form of a comfort letter from British Steel plc to North East Slag Cement Limited
- 7 An agreement in the form of a letter relating to the exclusive purchase of GCBS Cement by Tarmac Quarry Products Limited from North East Slag Cement Limited
- 8 A Slag Handling Agreement of even date herewith between Tarmac Roadstone Holdings Limited (1) East Coast Slag Products Limited (2) and North East Slag Cement Limited (3) relating to the use of certain equipment at the Teeside works (as therein defined)
- 9 A Deed of Assignment of Goodwill of even date hereof between East Coast Slag Products Limited (1) and the Borrower (2)
- 10 A Deed of Assignment of Plant and Equipment of even date hereof between East Coast Slag Products Limited (1) and the Borrower (2)
- 11 A Deed of Assignment of Third Party Rights of even date hereof between East Coast Slag Products Limited (1) and the Borrower (2)

DEFINITIONS

"The Agent" means The Governor and Company of the Bank of Scotland (as agent and trustee for the Banks, the Overdraft Bank and the Swap Counterparty);

"Assigned Contracts" means the contracts more particularly described in the Schedule hereto and all and any other contracts entered into by the Company from time to time which the Agent requires to be assigned to it pursuant to the Deed;

"Banks" means the banks whose names are set out in Schedule 1 to the Facilities Agreement and (subject to Clause 28 thereof) their respective successors, assignees and Transferees (and "Bank" shall be construed accordingly);

"the Facilities Agreement" means the facilities agreement dated 9th November 1993 between the Company (1) the Companies named in Schedule 8 thereto (2) the Agent (3) the Overdraft Bank as defined therein (4) the Banks named therein (5) and the Swap Counterparty as defined therein (6);

"Group" means at any time the Company and its Subsidiaries other than:

(i) Appleby Calumite for so long as the Company and/or any of its Subsidiaries beneficially holds less than 75% of the voting rights exercisable at a general meeting of the members of Appleby Calumite or the directors of Appleby Calumite include a director or directors who have been appointed by a shareholder who is not a Group Company under the provisions of any joint venture arrangements applying thereto for the time being; and

(ii) Appleby Poland Sp. Z.O.O.;

and "Group Company" means any of them;

"Overdraft Bank" means the Bank of Scotland its successors and assignees;

"the Swap Counterparty" means the Bank of Scotland and its successors and assigns;



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

I hereby certify that a Deed of Assignment of Material Contracts created by NORTH EAST SLAG CEMENT LIMITED and dated 9th November 1993 for securing all monies due or to become due from the Company to THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND (as Agent and Trustee for the Banks) The Overdraft Bank and The Swap Counterparty) as defined in the Facilities Agreement on any account whatsoever under the terms of this Deed (as defined) was registered pursuant to Chapter I Part XII of the Companies Act 1985, on the 25th November 1993.

Given under my hand at the Companies Registration Office,
Cardiff the 29th November 1993.

No. 2854405

P. Jones
P. JONES

an authorised officer

C.69d(Rev)

Post
29/11



Please do not
write in
this margin

Particulars of a mortgage or charge

Pursuant to section 395 of the Companies Act 1985

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

Name of company

* NORTH EAST SLAG CEMENT LIMITED ("the Company")

2854405

Date of creation of the charge

9TH NOVEMBER 1993

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

DEED OF ASSIGNMENT OF WARRANTIES AND INDEMNITIES ("the Deed")

Amount secured by the mortgage or charge

(i) all indebtedness, liabilities and obligations which are as at 9th November 1993 or may at any time thereafter be due, owing or incurred in any manner whatsoever to the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty by any Group Company whether actually or contingently and whether solely or jointly with any other person and whether as principal or surety and whether or not the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty shall have been an original party to the cont/d

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

THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND
The Mound
Edinburgh

Postcode EH1 1YZ

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

PMB/F-2729.656/mcs

ALSOP WILKINSON
6 DOWGATE HILL
LONDON EC4R 2SS

Time critical reference

For official use
Mortgage section

Post room

REGISTERED

25 NOV 1993

COMPANIES

25 NOV 1993

HOUSE

Short particulars of all the property mortgaged or charged

- 1 The Company as beneficial owner assigns to the Agent under the Deed all its rights, titles, interests and benefits in and to any sums payable to any of the Assignors pursuant to any of:-

- (i) the representations, warranties and undertakings to and agreements on the part of the Share Vendors contained or referred to in the Share Acquisition Agreement including without prejudice to the foregoing those contained or referred to in Clauses 5, 15, 16, 17 and Schedules V, VI, VIII, and IX of the Share Acquisition Agreement;

Cont'd

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)

N/A

Signed

Alsep Withman

Date

24 November 1993

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

*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.

Page 2

Please do not
write in this
margin

Particulars of a mortgage or charge (continued)

Continuation sheet No. 1
to Forms Nos 395 and 410 (Scot)

Company number

2854405

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

Name of company

NORTH EAST SLAG CEMENT LIMITED ("the Company")

Limited*

*Delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

DEED OF ASSIGNMENT OF WARRANTIES AND INDEMNITIES ("the Deed")

relevant transaction in whatever currency denominated including all liabilities from time to time assumed or incurred by the Banks, the Overdraft Bank and/or the Swap Counterparty at the request of any Group Company in connection with foreign exchange transactions, acceptances, discounting or otherwise or under guarantees, bonds, indemnities, documentary or other credits or any instruments whatsoever and including interest, discount, commission and other lawful charges or reasonable expenses which the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty may in the course of its business charge in respect of any facilities or accommodation or service provided by the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty or for keeping any Group Company's account;

- (ii) on a full indemnity basis all reasonable costs and expenses incurred by the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty in relation to the Deed and all costs and expenses properly incurred by the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty in relation to the protection and enforcement of the rights of the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty under the Deed;
- (iii) interest to the date of discharge on all sums payable and all liabilities and obligations to be discharged under sub-clauses (i) and (ii) above. Such interest shall be computed and compounded as agreed between the parties from time to time or in the absence of such agreement compounded monthly and computed according to the usual practice for the time being of the Banks, the Overdraft Bank and/or the Swap Counterparty as the case may be and shall be payable as well after as before any demand or judgment on the relevant Group Company.

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

- (ii) the covenants on the part of the Share Vendors contained in the Deed of Covenant;
- (iii) the indemnity covenants on the part of the Share Vendors contained in the Deed of Indemnity;
- (iv) the representations, warranties and undertakings to and agreement on the part of the Asset Vendor contained or referred to in the Asset Acquisition Agreement including without prejudice to the foregoing those contained in Clauses 5, 9, 10, 12 and 21 and Schedule I of the Asset Acquisition Agreement;
- (v) the indemnity given by British Steel plc under the Environmental Protection Deed.

2 The Company irrevocably and unconditionally undertakes to the Agent that it will at all times while there shall subsist any security constituted by or pursuant to the Deed not create, attempt to create or permit to arise or subsist any Encumbrance (other than a Permitted Encumbrance (as defined in the Facilities Agreement)) on or over the Warranties and Indemnities or assign or purport to assign the same in favour of any person.

DEFINITIONS

"The Agent" means The Governor and Company of the Bank of Scotland (as agent and trustee for the Banks, the Overdraft Bank and the Swap Counterparty);

"Asset Acquisition Agreement" means the agreement in the agreed terms entered into or to be entered into between the Asset Vendor and the Company, providing for the acquisition of the assets and undertaking of the cement substitute making business of the Asset Vendor situated at Teesport as more particularly set out therein together with all other documents executed or delivered or to be executed or delivered in accordance with the terms thereof or in connection therewith (including without limitation the Disclosure Letters referred to therein);

"Asset Vendor" means East Coast Slag Products Limited (CRN 330538) in its capacity as vendor under the Asset Purchase Agreement;

"Banks" means the banks whose names are set out in Schedule 1 to the Facilities Agreement and (subject to Clause 28 thereof) their respective successors, assignees and Transferees (and "Bank" shall be construed accordingly);

"the Facilities Agreement" means the facilities agreement dated 9th November 1993 between the Company (1) the Companies named in Schedule 8 thereto (2) the Agent (3) the Overdraft Bank as defined therein (4) the Banks named therein (5) and the Swap Counterparty as defined therein (6);

"Group" means at any time the Company and its Subsidiaries other than:

(i) Appleby Calumite for so long as the Company and/or any of its Subsidiaries beneficially holds less than 75% of the voting rights exercisable at a general meeting of the members of Appleby Calumite or the directors of Appleby Calumite include a director or directors who have been appointed by a shareholder who is not a Group Company under the provisions of any joint venture arrangements applying thereto for the time being; and

(ii) Appleby Poland Sp. Z.O.O.;

and "Group Company" means any of them;

"Overdraft Bank" means the Bank of Scotland its successors and assignees;

"Share Acquisition Agreement" means the agreement in the agreed terms entered into or to be entered into between British Steel Plc (1) Clugston Group Limited (2) Faber Prest Public Limited Company (3), J G Eccles Limited (4) and the Company (5) providing for the acquisition by the Company of the entire issued share capital of Appleby together with all other documents executed or delivered or to be executed or delivered in accordance with the terms thereof or in connection therewith (including without limitation the Disclosure Letters referred to therein);;

"Share Vendors" means British Steel Plc, Clugston Group Limited, Faber Prest Public Limited Company and J G Eccles Limited;

"the Swap Counterparty" means the Bank of Scotland and its successors and assigns;



**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

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

I hereby certify that a mortgage or charge dated the 9th NOVEMBER 1993
and created by NORTH EAST SLAG CEMENT LIMITED

for securing all moneys due or to become due from THE COMPANY AND/OR ALL
OR ANY OF THE OTHER COMPANIES NAMED THEREIN to THE GOVERNOR AND COMPANY OF
THE BANK OF SCOTLAND (AS AGENT AND TRUSTEE FOR THE BANKS, THE OVERDRAFT
BANK, AND THE SWAP COUNTERPARTY under the terms of THIS CHARGE AND
FACILITIES AGREEMENT OF EVEN DATE

was registered pursuant to Chapter I Part XII of the Companies Act
1985, on the 25th NOVEMBER 1993

Given under my hand at the Companies Registration Office,

Cardiff the 29th NOVEMBER 1993

No. 2854405

A handwritten signature in dark ink, appearing to read 'P. Davies'.

PHIL DAVIES

an authorised officer

C.69



COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Please do not
write in
this margin

Pursuant to section 395 of the Companies Act 1985

14/12
M128C
CG

To the Registrar of Companies

For official use

Company number

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

1 1 1 1 1 1 1 1 1 1

2854405

Name of company

* NORTH EAST SLAG CEMENT LIMITED ("the Company")

* insert full name
of company

Date of creation of the charge

3 DECEMBER 1993

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

LEGAL CHARGE ("the Legal Charge")

Amount secured by the mortgage or charge

(i) all indebtedness, liabilities and obligations which are as at 3 December 1993 or may at any time thereafter be due, owing or incurred in any manner whatsoever to the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty by any Group Company (all as defined in a facilities agreement dated 9th November 1993 made between inter alia the Company and the Governor and Company of the Bank of Scotland ("the Facilities Agreement") whether actually or contingently and whether solely or jointly with any other person and whether as principal or surety and whether or /cont'd

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

THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND
THE MOUND
EDINBURGH

Postcode

EH1 1YZ

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

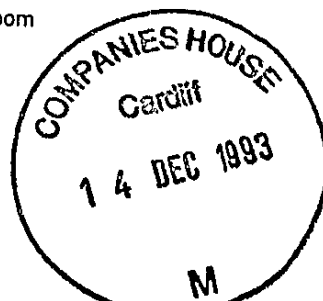
Alsop Wilkinson Fm-2801.659/JSC

For official Use
Mortgage Section

Post room

REGISTERED

14 DEC 1993



Time critical reference

- (1) The Company as beneficial owner charges with the payment and discharge of all obligations secured under the Legal Charge by way of first legal mortgage all estates or interests in the leasehold and other immovable property described in the Schedule hereto or the proceeds of sale thereof together with all buildings fixtures (excluding landlord's fixtures but including trade fixtures and excluding in the case of leasehold property which is let or sub-let to a third party, tenant's and trade fixtures and fittings of such third party) and fixed plant and machinery owned by the Company at any time thereon and by way of floating charge all moveable plant machinery implements utensils, furniture, goods and equipment now or from time to time placed on or used in or about the Property;
- Please do not write in margin
Please complete legibly, preferably in black type, or bold block lettering
- /cont'd

Particulars as to commission allowance or discount (note 3)

N/A

December 1993

Signed

Allop Williams

Date

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

† 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.

**Particulars of a mortgage or charge
(continued)**

Please do not
write in this
margin

Continuation sheet No. _____
to Forms Nos 395 and 410 (Scot)

Company number

2854405

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

Name of company

NORTH EAST SLAG CEMENT LIMITED ("the Company")

Limited*

*Delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

LEGAL CHARGE ("the Legal Charge")

not the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty shall have been an original party to the relevant transaction and in whatever currency denominated including all liabilities from time to time assumed or incurred by the Banks, the Overdraft Bank and/or the Swap Counterparty at the request of any Group Company in connection with foreign exchange transactions, acceptances, discounting or otherwise or under guarantees, bonds, indemnities, documentary or other credits or any instruments whatsoever and including interest, discount, commission and other lawful charges or reasonable expenses which the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty may in the course of its business charge in respect of any facilities or accommodation or service provided by the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty or for keeping any Group Company's account;

- (ii) on a full indemnity basis all costs and reasonable expenses incurred by the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty in relation to the Legal Charge and all costs and expenses properly incurred by the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty in relation to the protection and enforcement of the rights of the Agent, the Banks, the Overdraft Bank and/or the Swap Counterparty thereunder;
- (iii) interest to the date of discharge on all sums payable and all liabilities and obligations to be discharged under sub-clauses (i) and (ii) above. Such interest shall be computed and compounded as agreed between the parties from time to time or in the absence of such agreement compounded monthly and computed according to the usual practice for the time being of the Banks, the Overdraft Bank and/or the Swap Counterparty as the case may be and shall be payable as well after as before any demand or judgment on the relevant Group Company;

(2) The Company covenants that it shall not without the consent in writing of the Agent:

- 2.1 create, extend or permit to subsist any Encumbrance (other than a Permitted Encumbrance) (as defined in the Facilities Agreement) upon any of its present or future property assets or revenues to secure any liability, actual or contingent;
- 2.2 save as permitted or required under the Legal Charge or under the Facilities Agreement, sell, discount, factor, transfer, lease, lend or otherwise dispose of, whether by means of one or a number of transactions related or not and whether at one time or over a period of time, the whole or, save in the normal course of trading, any part of its undertaking or assets.

THE SCHEDULE

The Property

A lease dated 3 December 1993 and made between (1) British Steel plc and (2) the Chargor of all that piece or parcel of land at British Steel plc's works at Teeside containing 10.72 acres or thereabouts shown edged in blue on the plan annexed to the lease for a term commencing on 9 November 1993 and expiring on 31st December 2005.

Please do not
write in this
margin:

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

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02854405

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A LEGAL CHARGE DATED THE 3rd DECEMBER 1993 AND CREATED BY NORTH EAST SLAG CEMENT LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY AND/OR ANY GROUP COMPANY (AS DEFINED) THE THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND AS AGENT AND TRUSTEE FOR THE BANK, THE OVERDRAFT BANK AND THE SWAP COUNTERPARTY (AS DEFINED IN THE FACILITIES AGREEMENT) ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE CHARGE. WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 14th DECEMBER 1993.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 16th DECEMBER 1993.

P. Jones

P. JONES

for the Registrar of Companies



COMPANIES HOUSE

M

COMPANIES FORM No. 403a

**Declaration of satisfaction
in full or in part
of mortgage or charge****403a**Please do not
write in
this margin

Pursuant to section 403(1) of the Companies Act 1985

Please complete
legibly, preferably
in black type or,
bold block letteringTo the Registrar of Companies
(Address overleaf)

For official use

Company number

[] [] [] []

2854405

Name of company

• NORTH EAST SLAG CEMENT LIMITED (the "Company")

* Insert full name
of companyI, JOHN MICHAEL LEAL GREN
of PRIORY FARM, APPLEDOLE ROAD TENTERDEN KENT† delete as
appropriate(a director) ~~the secretary~~ ~~the administrator~~ ~~the administrative receiver~~† of the above company, do
solemnly and sincerely declare that the debt for which the charge described below was given has been
paid or satisfied in [full] ~~part~~†‡ insert a description
of the instrument(s)
creating or
evidencing the
charge, eg
'Mortgage',
'Charge',
'Debenture' etc.Date and Description of charge‡ see attached ScheduleDate of Registrations 23 November 1993§ the date of
registration may be
confirmed from the
certificateName and address of ~~chargee~~ trustee for the debenture holders The Governor and Company
of the Bank of Scotland, The Mound, Edinburgh, EH1 1YZShort particulars of property charged§ see attached Schedule§ insert brief
details of
propertyAnd I make this solemn declaration conscientiously believing the same to be true and by virtue of the
provisions of the Statutory Declarations Act 1835.Declared at 10 SNOW HILL
LONDON EC1A 2AL

Declarant to sign below

the 20th day of DECEMBER
one thousand nine hundred and NINETY FOUR
before me KNESEKELTONA Commissioner for Oaths or Notary Public or Justice of
the Peace or Solicitor having the powers conferred on a
Commissioner for OathsPresenter's name address and
reference (if any):LOVELL WHITE DURRANT
65 Holborn Viaduct
London EC1A 2DY

Ref: A1/RMG/GIH/JG

For official Use
Mortgage Section

Post room



No. 2854405

NORTH EAST SLAG CEMENT LIMITED

SCHEDULE TO FORM 403a

Date and Description of Charge:

COMPOSITE GUARANTEE AND DEBENTURE dated 9 November 1993

Short Particulars of Property Charged:

Fixed and floating charges over the undertaking and all property and assets present and future including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant and machinery.

M

COMPANIES FORM No. 403a

Declaration of satisfaction In full or in part of mortgage or charge

403a

Please do not
write in
this margin

Pursuant to section 403(1) of the Companies Act 1985

Please complete
legibly, preferably
in black type or,
bold block letteringTo the Registrar of Companies
(Address overleaf)

For official use

Company number

2854405

Name of company

* NORTH EAST SLAG CEMENT LIMITED (the "Company")

* insert full name
of companyI, JOHN MICHAEL LEAL GREEN
of PRIORY FARM APPLIEDORE ROAD TENTERDEN KENT† delete as
appropriate[a director][the secretary][the administrator][the administrative receiver]† of the above company, do
solemnly and sincerely declare that the debt for which the charge described below was given has been
paid or satisfied in [full][part]†‡ insert a description
of the instrument(s)
creating or
evidencing the
charge, eg
'Mortgage',
'Charge',
'Debenture' etc.Date and Description of charge‡ see attached ScheduleDate of Registration 25 November 1993§ the date of
registration may be
confirmed from the
certificateName and address of [chargee][trustee for the debenture holders] East Coast Slag Products
LimitedShort particulars of property charged§ see attached Schedule¶ insert brief
details of
propertyAnd I make this solemn declaration conscientiously believing the same to be true and by virtue of the
provisions of the Statutory Declarations Act 1835.Declared at 10 SNOW HILL

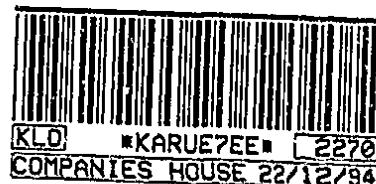
Declarant to sign below

LOWEON ECIA 2ALthe 20th day of DECEMBER
one thousand nine hundred and NINETY FOUR
before me R. N. SKELTONA Commissioner for Oaths or Notary Public or Justice of
the Peace or Solicitor having the powers conferred on a
Commissioner for OathsPresentor's name address and
reference (if any):LOVELL WHITE DURRANT
65 Holborn Viaduct
London EC1A 2DY

Ref: A1/RMG/GIH/JG

For official Use
Mortgage Section

Post room



SCHEDULE TO FORM 403a

Date and Description of Charge:

VAT Recovery Deposit Account Charge dated 9 November 1993

Short Particulars of Property Charged:

All monies which may from time to time constitute the balance standing to the credit of a sterling fixed deposit account including interest if any arising on such monies and all right, title and interest therein as security for all monies and liabilities which are at any time or times due to East Coast Slag Products Limited as a result of the Obligation.

M

COMPANIES FORM No. 403a

Declaration of satisfaction in full or in part of mortgage or charge

403a

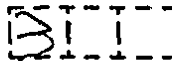
Please do not
write in
this margin

Pursuant to section 403(1) of the Companies Act 1985

Please complete
legibly, preferably
in black type or,
bold block letteringTo the Registrar of Companies
(Address overleaf)

For official use

Company number



2854405

Name of company

NORTH EAST SLAG CEMENT LIMITED (the "Company")

* insert full name
of companyI, JOHN MICHAEL LEAL YREN
of PRIORY FARM, APPLEDORE ROAD TENTERDEN KENT† delete as
appropriate[a director][the secretary][the administrator][the administrative receiver]† of the above company, do
solemnly and sincerely declare that the debt for which the charge described below was given has been
paid or satisfied in [full][part]†‡ insert a description
of the instrument(s)
creating or
evidencing the
charge, eg
'Mortgage',
'Charge',
'Debenture' etc.Date and Description of charge‡ see attached ScheduleDate of Registration 25 November 1993• the date of
registration may be
confirmed from the
certificateName and address of [chargee][trustee for the debenture holders]. The Governor and Company
of the Bank of Scotland, The Mound, Edinburgh, EH1 1YZShort particulars of property charged\$ see attached Schedule\$ insert brief
details of
propertyAnd I make this solemn declaration conscientiously believing the same to be true and by virtue of the
provisions of the Statutory Declarations Act 1835.Declared at 10 SNOW HILL
LONDON EC1A 2AL

Declarant to sign below

the 20th day of DECEMBER
one thousand nine hundred and NINETY FOUR
before me R. N. F. M. L. R. N. E. S. K. E. T. O. NA Commissioner for Oaths or Notary Public or Justice of
the Peace or Solicitor having the powers conferred on a
Commissioner for Oaths22
12 PMPresentor's name address and
reference (if any):LOVELL WHITE DURRANT
65 Holborn Viaduct
London EC1A 2DY

Ref: A1/RMG/GIH/JG

For official Use
Mortgage Section

REGISTERED

22 DEC 1994

Post room



SCHEDULE TO FORM 403a

Date and Description of charge:

Deed of Assignment of Material Contracts (the "Deed") dated 9 November 1993

Short Particulars of Property Charged:

The Company as beneficial owner assigned to the Agent under the Deed all its right, title, benefit and interest arising out of or in, to or under the Assigned Contracts.

M

COMPANIES FORM No. 403a

Declaration of satisfaction in full or in part of mortgage or charge

403a

Please do not
write in
this margin

Pursuant to section 403(1) of the Companies Act 1985

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

To the Registrar of Companies
(Address overleaf)

For official use

Company number

[4]

2854405

Name of company

• NORTH EAST SLAG CEMENT LIMITED (the "Company")

* insert full name
of company

I, JOHN MICHAEL LEAL UREN
of PRIORY FARM, APPLEDORE ROAD, TENTERDEN, KENT

† delete as
appropriate

(a director) ~~(the secretary)~~ ~~(the administrator)~~ ~~(the administrative receiver)~~† of the above company, do
solemnly and sincerely declare that the debt for which the charge described below was given has been
paid or satisfied in [full] [part]†

‡ insert a description
of the instrument(s)
creating or
evidencing the
charge, eg
'Mortgage',
'Charge',
'Debenture' etc.

Date and Description of charge‡ see attached ScheduleDate of Registration§ 25 November 1993

• the date of
registration may be
confirmed from the
certificate

Name and address of ~~(chargee)~~ trustee for the debenture holders, The Governor and Company
of the Bank of Scotland, The Mound, Edinburgh, EH1 1YZ

Short particulars of property charged§ see attached Schedule

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the
provisions of the Statutory Declarations Act 1835.

Declared at 10 SNOW HILL
LONDON EC1A 2AL

Declarant to sign below

the 25th day of DECEMBER
one thousand nine hundred and NINETY FOUR
before me RIVERWILL R NESKELTON

A Commissioner for Oaths or Notary Public or Justice of
the Peace or Solicitor having the powers conferred on a
Commissioner for Oaths

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

LOVELL WHITE DURRANT
65 Holborn Viaduct
London EC1A 2DY

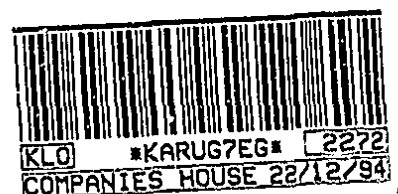
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For official Use
Mortgage Section

REGISTERED

22 DEC 1994

Post room

22
12 AN

SCHEDULE TO FORM 403a

Date and Description of Charge:

Deed of Assignment of Warranties and Indemnities (the "Deed") dated 9 November 1993

Short Particulars of Property Charged:

1. The Company as beneficial owner assigned to the Agent under the Deed all its right, title, interest and benefit in and to any sums payable.

M

COMPANIES FORM No. 403a

Declaration of satisfaction in full or in part of mortgage or charge

403a

Please do not
write in
this margin

Pursuant to section 403(1) of the Companies Act 1985

Please complete
legibly, preferably
in black type or,
bold block letteringTo the Registrar of Companies
(Address overleaf)

For official use

Company number

2854405

Name of company

* NORTH EAST SLAG CEMENT LIMITED (the "Company")

* insert full name
of companyI, JOHN MICHAEL LEAL UREN
of PRIORY FARM, APPELDRE ROAD, TENTERDEN KENT† delete as
appropriate[a director][~~the secretary~~][~~the administrator~~][~~the administrative receiver~~]† of the above company, do
solemnly and sincerely declare that the debt for which the charge described below was given has been
paid or satisfied in [full][~~part~~]‡ insert a description
of the instrument(s)
creating or
evidencing the
charge, eg
'Mortgage',
'Charge',
'Debenture' etc.Date and Description of charge‡ see attached ScheduleDate of Registration§ 14 December 1993§ the date of
registration may be
confirmed from the
certificateName and address of {chargee}{trustee for the debenture holders} The Governor and Company
of the Bank of Scotland, The Mound, Edinburgh, EH1 1YZShort particulars of property charged§ see attached Schedule§ insert brief
details of
propertyAnd I make this solemn declaration conscientiously believing the same to be true and by virtue of the
provisions of the Statutory Declarations Act 1835.Declared at 10 SNOW HILL
LONDON EC1A 2AL

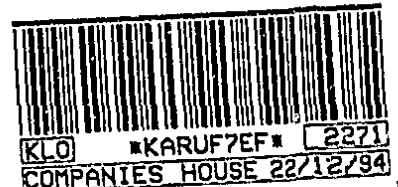
Declarant to sign below

the 20th day of DECEMBER
one thousand nine hundred and NINETY FOUR
before me R. M. E. H. L. B. NESKENTONA Commissioner for Oaths or Notary Public or Justice of
the Peace or Solicitor having the powers conferred on a
Commissioner for OathsPresentor's name address and
reference (if any):LOVELL WHITE DURRANT
65 Holborn Viaduct
London EC1A 2DY

Ref: A1/RMG/GIH/JG

For official Use
Mortgage Section

Post room



SCHEDULE TO FORM 403a

Date and Description of Charge:

Legal Charge (the "Legal Charge") dated 3 December 1993

Short Particulars of Property Charged:

The Company as beneficial owner charged with the payment and discharge of all obligations secured under the Legal Charge by way of first legal mortgage all estates or interests in the leasehold and other immoveable property described in the Schedule hereto or the proceeds of sale thereof together with all buildings, fixtures (excluding landlord's fixtures but including trade fixtures and excluding in the case of leasehold property which is let or sub-let to a third party, tenant's and trade fixtures and fittings of such third party) and fixed plant and machinery owned by the Company at any time thereon and by way of floating charge all moveable plant machinery implements utensils, furniture, goods and equipment now or from time to time placed on or used in or about the Property;

THE SCHEDULE

The Property

A lease dated 3 December 1993 and made between (1) British Steel plc and (2) the Company of all that piece or parcel of land at British Steel plc's works at Teeside containing 10.72 acres or thereabouts shown edged in blue on the plan annexed to the lease for a term commencing on 9 November 1993 and expiring on 31 December 2005.



Please do not
write in
this margin

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

*Insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

Pursuant to section 395 of the Companies Act 1985

395

To the Registrar of Companies

For official use Company number

16

02854495

Name of company

NORTH EAST SLAG CEMENT LIMITED (the "Company")

Date of creation of the charge

20th December, 1994

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

All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to any Security Beneficiary under each Secured Document to which such Obligor is a party except for any obligation which, if it were so included, would result in the Debenture contravening Section 151 of the Companies Act 1985. The term "Secured Document" includes all amendments and supplements. (the "Secured Liabilities")

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

SAMUEL MONTAGU & CO. LIMITED (the "Trustee")
10 Lower Thames Street, London EC3R 6AE

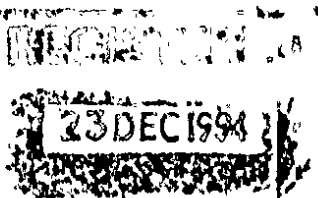
Postcode

Presenter's name, address and
reference (if any):

Allen & Overy
9 Cheapside
London EC2V 6AD
DHM/KSC/B2:26043.1

For official use
Mortgage section

Post room



Time critical reference

Short particulars of all the property mortgaged or charged

See Continuation Sheet No. 1

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)

Signed

Allen & Overly

Date

22-12-94

On behalf of [company] [mortgagee/chargee]*

*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 such 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.

Page 2

NORTH EAST SLAG CEMENT LIMITED (the "Company")
Continuation Sheet No. 1

(a) By way of first legal mortgage:-

- (i) all estates or interests in any freehold or leasehold property now belonging to it; and**
- (ii) all Group Shares held now or in the future by it and/or any nominee on its behalf and all Related Rights accruing to the Group Shares.**

(b) By way of first fixed charge:-

- (i) (to the extent that they are not the subject of a mortgage under paragraph (a) above) all estates or interests in any freehold or leasehold property belonging to it;**
- (ii) all plant and machinery owned by the Company and its interest in any plant or machinery in its possession;**
- (iii) (to the extent that they are not the subject of a mortgage under paragraph (a) above) its interest in all the Shares and their Related Rights;**
- (iv) all moneys standing to the credit of any account (including the Security Accounts) with any person and the debts represented by them;**
- (v) all benefits in respect of the Insurances and all claims and returns of premiums in respect of them;**
- (vi) all of the Company's book and other debts, the proceeds of the same and all other moneys due and owing to the Company and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing;**
- (vii) (to the extent that they do not fall within any other sub-paragraph of this paragraph (b)) all of the Company's rights and benefits under the Relevant Contracts, any distributorship or similar agreements entered into by it, any letters of credit issued in its favour and all bills of exchange and other negotiable instruments held by it;**
- (viii) any beneficial interest, claim or entitlement of the Company in any pension fund;**
- (ix) its goodwill;**

NORTH EAST SLAG CEMENT LIMITED (the "Company")
Continuation Sheet No. 2

- (x) the benefit of all licences, consents and authorisations (statutory or otherwise) held in connection with its business or the use of any Security Assets specified in any other sub-paragraph in this Clause and the right to recover and receive all compensation which may be payable to it in respect of them; and
- (xi) its uncalled capital.

By way of first floating charge all the Company's assets not otherwise effectively mortgaged or charged by way of fixed mortgage or charge by paragraphs (a) and (b) above.

There shall be excluded from the charges created under the Debenture any property and any rights and benefits of the Company under an agreement, the terms of which either preclude absolutely the Company from creating a charge over such property or over such rights and benefits or require the consent of any other party to such agreement before the creation of such charge.

For the purposes of this Form 395:

"Acquisition"

means the acquisition by the Parent from the Vendors of the entire issued share capital of CMSC on the terms and subject to the conditions set out in the Sale and Purchase Agreement and the Uren Sale and Purchase Agreement.

"Acquisition Documents"

means the Sale and Purchase Agreement and any deed of indemnity or other agreement or document implementing the Acquisition or entered into pursuant to the Sale and Purchase Agreement including where appropriate the Uren Sale and Purchase Agreement.

"Additional Guarantor"

means any entity which becomes an additional guarantor by virtue of Clause 2.3 (Mandatory Additional Guarantors) of the Credit Agreement and pursuant to Clause 2.4 (Additional Guarantor Authorisations) of the Credit Agreement executes a guarantee and debenture substantially in the form of the Debenture.

"Approved Companies"

means:

the Parent;
CMSC;
Appleby Group Limited, Registered No. 4999594;
Frodingham Cement Company Limited, Registered No. 691292;
Appleby Abrasives Limited, Registered No. 640478;
Appleby Building Products Limited, Registered No. 1473249.

"Arranger" means Samuel Montagu & Co. Limited

"Bank"

means each of the following:

- (a) each bank and financial institution whose name is set out in Parts II and III of Schedule 1 of the Credit Agreement and they are Samuel Montagu & Co. Limited, The Governor and Company of the Bank of Scotland and Dresdner Bank AG London Branch;
- (b) any bank or financial institution to which rights and/or obligations under the Financing Documents are assigned or transferred in accordance with the provisions of the Credit Agreement; and
- (c) the successor or successors in title of any of the foregoing,

but only for so long as it has any rights or obligations under the Financing Documents (or would have had such rights or obligations but for any breach of any obligation, representation or warranty of any Charging Company or Guarantor under any of the Financing Documents).

"Bank of Scotland Counter Indemnity"

means the counter indemnity dated 28th September, 1994 in favour of the Bank of Scotland Hedging Counterparty Guarantor by the Parent.

"Bank of Scotland Hedging Counterparty Guarantor"

means The Governor and Company of the Bank of Scotland in its capacity as party to the Bank of Scotland Counter Indemnity (which shall include the Governor and Company of the Bank of Scotland in its capacity as party to the Bank of Scotland Guarantee).

"Bank of Scotland Hedging Counterparty"

means the Bank of Scotland Treasury Services plc in its role as a counterparty to the Bank of Scotland Swap.

"Bank of Scotland Guarantee"

means the guarantee dated 28th September, 1994 between the Bank of Scotland Hedging Counterparty and the Bank of Scotland Hedging Counterparty Guarantor.

"Bank of Scotland Swap"

means the ISDA interest rate and currency exchange agreement entered into between the Parent and the Bank of Scotland Hedging Counterparty dated as of 30th December, 1993, and any related confirmations entered into or to be entered into in relation thereto.

"Borrower"

means the Parent and CMSC or either of them.

"Cash Sweep Account"

means the bank account opened pursuant to Clause 18.34(d) (Bank Accounts) of the Credit Agreement

"Charging Company"

means any of the Company, CMSC, Appleby Group Limited (4999594), Frodingham Cement Company Limited (691292) and Appleby Abrasives Limited (640478).

"Commitment"

means, in relation to a Bank, its Facility A Commitment or its Facility B Commitment (as the case may be).

"Credit Agreement"

means the £32,500,000 credit agreement dated 20th December, 1994 between the Parent, CMSC, the Parent and CMSC, the Guarantors, the Banks, Samuel Montagu & Co. Limited as Arranger and Agent.

"CMSC"

means Civil & Marine Slag Cement Limited.

"Deed of Accession"

means a deed, to be executed by each Additional Guarantor under Clause 2.4 (Additional Guarantor Authorisations) of the Credit Agreement substantially in the form of Schedule 8 of the Credit Agreement.

"Facility"

means each of Facility A and Facility B.

"Facility A"

means the term loan facility referred to in Clause 2.1(a) (Statement of Commitments) of the Credit Agreement.

"Facility A Commitment"

means, in respect of each Bank, the amount set against its name in Part II of Schedule 1 to the Credit Agreement, to the extent not cancelled under the Credit Agreement.

"Facility B"

means the revolving credit advance and guarantee facility referred to in Clause 2.1(b) (Statement of Commitments) of the Credit Agreement.

"Facility B Commitment"

means, in respect of each Bank, the amount set against its name in Part III of Schedule 1 to the Credit Agreement, to the extent not cancelled under the Credit Agreement.

"Fee Letter"

means each of the letters dated the date of the Credit Agreement between the Trustee and the Parent setting out the amount of various fees referred to in Clause 22 (Fees) of the Credit Agreement.

"Finance Party"

means a Bank, the Arranger or the Trustee and "Finance Parties" means all of them.

"Financing Documents"

means:

- (a) the Credit Agreement;
- (b) the Fee Letters;
- (c) any Deed of Accession;
- (d) any Novation Certificate;
- (e) any Guarantee;
- (f) the Security Documents;
- (g) the Intercreditor Deed; and
- (h) any other document designated as such by agreement between the Trustee as agent under the Credit Agreement and the Parent.

"Guarantee"

means a guarantee to be issued under the Facility B in accordance with the provisions of Clause 6 (Guarantee Facility) of the Credit Agreement.

"Guarantee and Debenture"

means the composite guarantee and debenture in a form satisfactory to the Agent to be entered into by the Obligors and the Agent with such changes as the Agent may approve.

"Group"

means the Parent and its Subsidiaries other than Appleby Poland Sp. Z.O.O. and Appleby Calumite Limited for as long as the Parent and/or any of its Subsidiaries beneficially holds less than 75% of the voting rights exercisable at a general meeting of the members of Appleby Calumite Limited or the directors of Appleby Calumite Limited include a director or directors who have been appointed by a shareholder who is not a member of the Group under the provisions of any joint venture arrangements applying thereto for the time being.

"Group Shares"

means Shares in any member of the Group.

"Guarantor"

means any of North East Slag Cement Limited, CMSC (2672659), Appleby Group Limited (499594), Frodingham Cement Company Limited (691292) and Appleby Abrasives Limited (640478).

"Hedging Agreement"

means any agreement entered into between either Borrower and a Hedging Counterparty in connection with any Hedging Arrangements.

"Hedging Arrangements"

means any interest rate hedging arrangements approved as hedging arrangements by the Agent (such approval not to be unreasonably withheld and such approval already having been given to any hedging arrangement analogous to the Bank of Scotland Counter Indemnity and the Bank of Scotland Guarantee) in accordance with Clause 18.17 (Hedging Arrangements) of the Credit Agreement entered into by either Borrower with one or more counterparties approved by the Agent in accordance with Clause 18.17 (Hedging Arrangements) of the Credit Agreement.

"Hedging Counterparty"

means any counterparty approved as a Hedging Counterparty by the Trustee (such approval not to be unreasonably withheld) in accordance with Clause 18.17 (Hedging Arrangements) of the Credit Agreement with whom the Borrower enters into any Hedging Arrangements and, if such Hedging Arrangements are to be secured by the Security Documents, which has acceded to the Intercreditor Deed.

"Insurances"

means all contracts and policies of insurance taken out by or on behalf of the Company or (to the extent of such interest) in which the Company has an interest.

"Intercreditor Deed"

means the intercreditor deed dated on the date hereof between the Banks, the Overdraft Bank, the Bank of Scotland Hedging Counterparty Guarantor and the Trustee as agent and trustee thereunder and to which from time to time any Hedging Counterparty may accede, for the purpose of regulating the respective rights and obligations of the parties thereto with respect to the Secured Documents, the security created thereby and the indebtedness expressed to be secured thereby.

"Majority Banks"

means, at any time, Banks:

- (a) whose Commitments then aggregate more than 66 2/3 per cent. of the Total Commitments whether drawn or undrawn; or
- (b) if there are no Credits then outstanding and the Total Commitments have been reduced to nil, whose Commitments aggregated more than 66 2/3 per cent. of the Total Commitments immediately before the reduction.

"Novation Certificate"

has the meaning given to it in Clause 27.2(d) (Transfers by Banks) of the Credit Agreement.

"Obligor"

means the Parent, a Borrower or a Guarantor.

"Overdraft Agreement"

means any agreement providing an Overdraft Facility.

"Overdraft Bank"

means the Bank of Scotland.

"Overdraft Facility"

means the uncommitted overdraft facility made available by the Overdraft Bank to the Approved Companies up to a maximum aggregate of £1,000,000 at any one time (as reduced or reinstated) and in addition, guarantees issued pursuant to such overdraft facility, exposure in relation to BACS facilities and exposure in relation to Business Visa up to a maximum aggregate of £500,000 at any one time.

"Parent"

means North East Slag Cement Limited (Registered No: 2854405).

"Permitted Security Interest"

means:

- (a) any Security Interest constituted or evidenced by a Security Document;
- (b) a lien arising by operation of law in the ordinary course of business;
- (c) Security Interests over assets acquired after the Signing Date or the assets of companies which become Subsidiaries after the Signing Date which, in each case, were in existence prior to the date of acquisition of the asset or Subsidiary concerned and were not created in contemplation of such acquisition provided the amount secured as at the date of acquisition is not thereafter increased (and is amortised or reduced in accordance with scheduled repayments or reductions in effect immediately prior to the date of acquisition); and
- (d) any other Security Interest designated by the Majority Banks as a Permitted Security Interest.

"Related Rights"

means any dividend or interest paid or payable in relation to any Share and any rights, moneys or property accruing or offered at any time in relation to any Shares by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

"Relevant Contracts"

means:

- (a) the Acquisition Documents;

- (b) the Environmental Deed dated 9th November, 1993 from British Steel plc to North East Slag Cement Limited;
- (c) a supply contract dated 9th November, 1993 between East Coast Slag Products Limited and the Parent for the supply of slag from the Teeside Works (as therein defined);
- (d) a supply contract dated 9th November, 1993 between East Coast Slag Products Limited and the Parent for the supply of slag from the Scunthorpe Works (as defined therein);
- (e) a supply contract dated 9th November, 1993 between British Steel plc and the Parent for the supply of slag from the Teeside Works (as defined therein);
- (f) a supply contract dated 9th November, 1993 between British Steel plc and the Parent for the supply of slag from the Scunthorpe Works (as defined therein);
- (g) an agreement in the form of a letter relating to the exclusive purchase of Ground Granulated Blast-furnace Slag Cement by Tarmac Quarry Products Limited from the Parent;
- (h) a slag handling agreement dated 9th November, 1993 between Tarmac Roadstone Holdings Limited, East Coast Slag Products Limited and the Parent relating to the use of certain equipment at the Teeside Works (as therein defined);
- (i) letter dated 6th September, 1989 from Civil & Marine Limited to Blue Circle Industries Plc relating to the purchase of granulated slag as amended by side letters dated 13th January, 1994 and 21st January, 1994;
- (j) letter dated 13th March, 1990 from Civil & Marine Limited to Sidmar NV relating to the purchase of granulated slag as amended by a side letter dated 30th November, 1992, and
- (k) a Supply Contract dated 6th June, 1977 between Usinor S.A. Laitiornor SaRL, Sagamar SA and Civil & Marine Limited as amended by side letters dated 25th June, 1981, 14th December, 1988 and 14th December, 1994.

"Sale and Purchase Agreement"

means the agreement dated the Signing Date between 3i plc, 3i Group plc, CIN Venture Nominees Limited and others and the Parent relating to the Acquisition and includes all Schedules to that agreement.

"Secured Documents"

means:

- (a) the Financing Documents;
- (b) any Overdraft Agreement;
- (c) any Hedging Agreements;
- (d) the Bank of Scotland Counter Indemnity; and

- (e) any guarantee and debenture substantially in the form of the Debenture entered into by an Additional Guarantor.

"Security Account"

means an account established under Clause 9 (Security Accounts) of the Debenture and including all accounts opened pursuant to Clause 18.34 (Bank Accounts) of the Credit Agreement including the Cash Sweep Account.

"Security Assets"

means all assets of the Company the subject of any security created by the Debenture including the whole or any part of the present or future assets or undertaking of the Company.

"Security Beneficiary"

means at any time the Finance Parties, the Overdraft Bank, the Bank of Scotland Hedging Counterparty Guarantor and any Hedging Counterparty.

"Security Documents"

means:

- (a) the Debenture;
- (b) all other documents executed or to be executed in order, inter alia, to guarantee the obligations of one or more of the other Charging Companies and Guarantors or to create a Security Interest in favour of the Finance Parties or otherwise to evidence such a guarantee or the Finance Parties' Security Interest.

"Security Interest"

means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security but excluding retention of title arrangements in standard terms for the provision of goods or services acquired in the ordinary course of business of a member of the Group.

"Shares"

means the Group Shares and any other stocks, shares, debentures, bonds or other securities and investments.

"Signing Date"

means 20th December, 1994.

"Subsidiary"

means a subsidiary within the meaning of Section 736 of the Companies Act 1985 as amended by Section 144 of the Companies Act 1989 and unless the context otherwise requires, a subsidiary undertaking within the meaning of Section 21 of the Companies Act 1989.

"Total Commitments"

means the aggregate of all the Banks' Commitments under all the Facilities or, if so specified, under a particular Facility.

"Uren Sale and Purchase Agreement"

means the agreement dated the Signing Date between John Michael Leal Uren, The JM Uren Trust Corporation Limited and the Parent.

"Vendors"

means John Michael Leal Uren, The JM Uren Trust Corporation Limited, 3i plc, 3i Group plc and CIN Venture Nominees Limited and others (as those terms are defined in the Sale and Purchase Agreement and the Uren Sale and Purchase Agreement as the case may be).

N.B.

The Company will not create or permit any Security Interest on any Security Asset other than a Permitted Security Interest.

FILE COPY



**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

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

COMPANY No. 02854405

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A COMPOSITE GUARANTEE AND DEBENTURE DATED THE 20th DECEMBER 1994 AND CREATED BY NORTH EAST SLAG CEMENT LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY AND/OR ALL OR ANY OTHER COMPANIES NAMED THEREIN TO SAMUEL MONTAGU & CO. LIMITED THE "TRUSTEE" UNDER THE TERMS OF THIS DEED AND EACH OF THE "SECURED DOCUMENTS" AS DEFINED IN THE DEBENTURE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 23rd DECEMBER 1994.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 4th JANUARY 1995.

A handwritten signature in cursive script, reading 'P. Davies'.

PHIL DAVIES

for the Registrar of Companies



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

HC026B