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* insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number



2870220

Name of company

* The Research Department Limited (the "Company")

Date of creation of the charge

23 May 1996

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

Charge over Intellectual Property (the "Charge")

Amount secured by the mortgage or charge

The Initial Consideration, together with all interest accruing thereon, payable pursuant to the Acquisition Agreement; all money and liabilities now or hereafter due, owing or incurred to the Chargee by the Company under the Development Agreement; and all money and liabilities now or hereafter due, owing or incurred to the Chargee by the Company under the Charge (together the "Indebtedness");

in any currency or currencies whether present or future, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety together with all interest accruing thereon and all costs, charges and expenses incurred in connection therewith.

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

IBM United Kingdom Limited of PO Box 41, North Harbour, Portsmouth, Hants (the
"Chargee")

Postcode

PO6 3AU

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

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

SWL/CY300360.1

Time critical reference

For official use
Mortgage Section

Post room



1. **Fixed Charge:**

- (a) by way of first fixed charge all the Intellectual Property;
- (b) by way of first fixed charge the benefit of all covenants (including for title), licences, consents, agreements and authorisations from time to time enjoyed, received, held or utilised (as the case may be) by the Company in connection with its ownership or use of the Intellectual Property; and
- (c) by way of first fixed charge all monies from time to time standing to the credit of the Deposit Account.

2. **Floating Charge:**

As further continuing security for the payment to the Chargee of the Indebtedness the Company hereby charges with full title guarantee in favour of the Chargee by way of first floating charge all the Intellectual Property whatsoever and wheresoever both present and future not effectively charged by way of first fixed charge pursuant to the provisions of Clause 3.1 of the Charge.

(continued)

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Particulars as to commission allowance or discount (note 3)

N/A

Signed

A. Hunt-Morris Crig

Date 23 May 1996

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

† delete as
appropriate

- 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.

3. Automatic conversion of Floating Charge:

If any of the Intellectual Property which was not effectively charged by way of a first fixed charge under the Charge becomes capable of being so charged the floating charge created by the Charge in respect thereof will automatically (without notice) be converted into a fixed charge over the relevant Intellectual Property immediately upon such event occurring.

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4. Negative Pledge and Disposal Restrictions:

During the continuance of this security the Company will not without the prior consent in writing of the Chargee:-

- (a) create or agree or attempt to create or permit to subsist (in favour of any person other than the Chargee) any Security Interest over the whole or any part of the Intellectual Property or agree to do so other than a Permitted Security Interest; or
- (b) (whether by a single transaction or a number of related or unrelated transactions and whether at the same time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of or cease to exercise direct control over all or any part of the Intellectual Property or any interest therein or the right to receive or to be paid the proceeds arising on the disposal of the same or agree or attempt to do so other than a Permitted Use; or
- (b) dispose of the equity of redemption in respect of all or any part of the Intellectual Property.

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02870220

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A CHARGE OVER INTELLECTUAL PROPERTY DATED THE 23rd MAY 1996 AND CREATED BY THE RESEARCH DEPARTMENT LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO IBM UNITED KINGDOM LIMITED UNDER THE TERMS OF THE DEVELOPMENT AGREEMENT AND/OR UNDER THE TERMS OF THIS CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 24th MAY 1996.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 29th MAY 1996.

M. SAHA

for the Registrar of Companies



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

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