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in black type, or
bold block lettering

*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



03075502

Name of company

* CPL Distribution Limited (the "Company")

Date of creation of the charge

2nd June, 1997

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

Second Supplemental Debenture (the "Second Supplemental Debenture") dated 2nd June, 1997 between Coal Products Holdings Limited, Coal Products Limited, Thomas Ness Limited, National Smokeless Fuels Limited, CPL Carbons Limited, LCP Fuels Limited, CPL Distribution Limited, Hargreaves Industrial Services Limited, (see Continuation Sheet No. 1)

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 the Lenders (or any of them) under each or any of the Senior Finance Documents and the Senior Mezzanine Finance Documents in respect of or pursuant to any of the New Additional Facilities, in each case, together with all costs, charges and expenses incurred by any Lender in connection with the protection, preservation or enforcement of its respective rights under the Senior Finance Documents or the Senior Mezzanine Finance Documents (as the case may be) or any other document evidencing or securing any such liabilities,

(see Continuation Sheet No. 1)

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

National Westminster Bank PLC of 135 Bishopsgate, London EC2M 3UR
(the "Security Agent")

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

Allen & Overy
One New Change
London
EC4M 9QQ

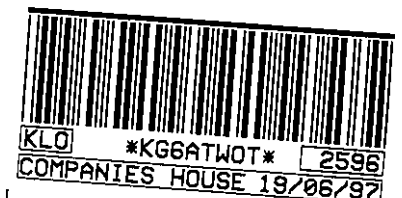
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Time critical reference

For official use

Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

1. The Company as beneficial owner and with full title guarantee as security for the payment, discharge and performance of all the New Additional Secured Liabilities pursuant to the terms of the Debenture (as supplemented by the Supplemental Debenture and Second Supplemental Debenture) charges in favour of the Security Agent (as agent and trustee for itself and each of the Lenders):

(see Continuation Sheet No. 1)

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

Particulars as to commission allowance or discount (note 3)

NIL

Signed

Allen & Overy

Date

18th June, 1997

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.

COMPANY: CPL DISTRIBUTION LIMITED
COMPANY NO: 03075502

CONTINUATION SHEET: 1

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

J. Saunders & Sons Limited, CPL Environmental Limited, CPL Environmental Engineering Limited, F. Banham Limited, Palco Shipping & Trading Limited, Bonded Carbon Filters Limited, CPL Energy Limited and National Westminster Bank Plc (the "Security Agent") as agent and trustee for itself and each of the Lenders.

Amount secured by the mortgage or charge

(together the "New Additional Secured Liabilities")

PROVIDED THAT no obligation or liability shall be included in the definition of "New Additional Secured Liabilities" to the extent that, if it were so included, the Debenture (or any part thereof) would constitute unlawful financial assistance within the meaning of Sections 151 and 152 of the Companies Act 1985.

Short Particulars of all the property mortgaged or charged

- (a) by way of a legal mortgage all the property (if any) now belonging to it and specified in Schedule A to this Companies Form 395, together with all buildings and Fixtures thereon, the proceeds of sale of all or any part thereof and the benefit of any covenants for title given or entered into by any predecessor in title and any moneys paid or payable in respect of such covenants subject, in the case of any leasehold properties, to any necessary third party's consent to such mortgage being obtained;
- (b) by way of legal mortgage all estates or interests in any freehold or leasehold property and any rights under any licence or other agreement (including a railway sidings agreement) or document which gives any Chargor a right to occupy or use property (except any Security Assets specified in paragraph (a) above) wheresoever situate now belonging to it together with all buildings and Fixtures thereon, the proceeds of sale of all or any part thereof and the benefit of any covenants for title given or entered into by any predecessor in title and any moneys paid or payable in respect of such covenants subject in the case of any leasehold properties, to any necessary third party's consent to such mortgage being obtained;
- (c) by way of fixed charge:
 - (i) (to the extent that the same are not the subject of a mortgage under paragraphs (a) and/or (b) above) or under Clause 4.4 of the Debenture all present and future estates or interests in any freehold or leasehold property and any rights under any licence or other agreement (including a railway sidings agreement) or document which gives any Chargor a right to occupy or use property, wheresoever situate now or hereafter belonging to it together with all buildings and Fixtures thereon, the proceeds of sale of all or any part thereof and the benefit of any covenants for title given or entered into by any predecessor in title and any moneys paid or payable in respect of such covenants, subject, in the case of any leasehold properties, to any necessary third party's consent to such charge being obtained;

COMPANY: CPL DISTRIBUTION LIMITED
COMPANY NO: 03075502

CONTINUATION SHEET: 2

- (ii) all plant, machinery, computers and vehicles now or in the future owned by it and its interest in any plant, machinery, computers or vehicles in its possession other than any for the time being part of its stock in trade or work in progress;
- (iii) all moneys (including interest) from time to time standing to the credit of each of its present and future accounts (including, without limitation, the Security Accounts) with any bank, financial institution or other person and the debts represented thereby, provided that without prejudice to any other provision of Clause 4 of the Debenture any such monies paid out of such accounts without breaching the terms of the Finance Documents and not paid into another such account in its name shall be released from the fixed charge referred to in this paragraph (iii) upon the proceeds being so paid out;
- (iv) (to the extent not included in the assignment comprised in Clause 4.3 of the Debenture) all benefits in respect of the Insurances and all claims and returns of premiums in respect thereof;
- (v) all of its present and future book and other debts, all other moneys due and owing to it or which may become due and owing to it at any time in the future and the benefit of all rights, securities and guarantees of any nature whatsoever now or at any time enjoyed or held by it in relation to any of the foregoing including in each case the proceeds of the same, provided that without prejudice to any other provision of Clause 4 of the Debenture (and in particular but without limitation to the provision referred to in paragraph (iii) above) such proceeds shall be released automatically from the fixed charge referred to in this paragraph (v) upon those proceeds being credited to any Security Account;
- (vi) (to the extent that the same do not fall within any other sub-paragraph of this paragraph (c) or under Clause 4.3 of the Debenture) all of its rights and benefits under each of the Relevant Agreements, all bills of exchange and other negotiable instruments held by it and (subject to any necessary third party's consent to such charge being obtained), any distributorship or agreement for the licensing of Intellectual Property Rights or similar agreements entered into by it and any letters of credit issued in its favour;
- (vii) any beneficial interest, claim or entitlement of it to any assets of any pension fund;
- (viii) its present and future goodwill;
- (ix) the benefit of all present and future licences, permissions, consents and authorisations (statutory or otherwise) held in connection with its business or the use of any of the Security Assets specified in paragraphs (a) and (b) and sub-paragraph (i) above and the right to recover and receive all compensation which may at any time become payable to it in respect thereof;
- (x) its present and future uncalled capital; and

COMPANY: CPL DISTRIBUTION LIMITED
COMPANY NO: 03075502

CONTINUATION SHEET: 3

- (xi) all its present and future Intellectual Property Rights (including, without limitation, those patents, trademarks and designs, if any, specified in Schedule C to this Companies Form 395) owned by it, subject to any necessary (as at the date of the Debenture) third party's consent to such charge being obtained. To the extent that any such Intellectual Property Rights are not capable of being charged (whether by reason of lack of any such consent as aforesaid or otherwise) the charge thereof described in this paragraph (xi) shall operate as an assignment of any and all damages, compensation, remuneration, profit, rent or income which any Chargor may derive therefrom or be awarded or entitled to in respect thereof, as continuing security for the payment, discharge and performance of the New Additional Secured Liabilities.

Provided that any property or assets situate in Scotland and any property or assets the rights in and to which are governed by the laws of Scotland shall be excluded from the mortgages and charges referred to in paragraphs (a) to (c) inclusive above.

2. In the Debenture (as supplemented by the Supplemental Debenture and by the Second Supplemental Debenture) and in the Second Supplemental Debenture by its incorporation of the terms of the Debenture, the Company as beneficial owner and with full title guarantee as continuing security for the payment, discharge and performance of all the New Additional Secured Liabilities:
- (a) mortgages and charges and agrees to mortgage and charge to the Security Agent (as agent and trustee for the benefit of itself and each of the Lenders) all Group Shares held now or in the future by it and/or any nominee on its behalf, the same to be a security by way of a first mortgage;
- (b) mortgages and charges and agrees to mortgage and charge to the Security Agent (as agent and trustee for the benefit of itself and the Lenders) all the Related Rights accruing to all or any of the Group Shares held now or in the future by it and/or any nominee on its behalf, the same to be a security by way of a first mortgage or charge.
3. (a) In the Debenture (as supplemented by the Supplemental Debenture and by the Second Supplemental Debenture) and in the Second Supplemental Debenture by its incorporation of the terms of the Debenture, the Company as beneficial owner and with full title guarantee, as continuing security for the payment, discharge and performance of the New Additional Secured Liabilities assigns and agrees to assign to the Security Agent (as agent and trustee for itself and each of the Lenders) all its right, title and interest (if any) in and to:
- (i) the Insurances;
- (ii) the Acquisition Agreements;
- (iii) the Interest Protection Agreements;
- (iv) the Subscription Agreement; and

COMPANY: CPL DISTRIBUTION LIMITED
COMPANY NO: 03075502

CONTINUATION SHEET: 4

- (v) the Warranty Agreements dated 3rd February, 1995, made between Coal Products Holdings Limited (formerly Broomco (853) Limited and Posford Duvivier Limited in relation to the CPL Environmental Report.
- (b) The Debenture (as supplemented by the Supplemental Debenture and by the Second Supplemental Debenture) and the Second Supplemental Debenture by its incorporation of the terms of the Debenture, provides that to the extent that any such right, title and interest described in paragraph 3(a) above is not assignable or capable of assignment, the assignment thereof described in paragraph 3(a) above shall operate as:
 - (i) in the case of the Insurances, an assignment of any and all proceeds of the Insurances received by the Company; and
 - (ii) in the case of the other Relevant Agreements, an assignment of any and all damages, compensation, remuneration, profit, rent or income which the Company may derive therefrom or be awarded or entitled to in respect thereof,

in each case as continuing security for the payment, discharge and performance of the New Additional Secured Liabilities.

- 4. (a) In the Debenture (as supplemented by the Supplemental Debenture and by the Second Supplemental Debenture) and the Second Supplemental Debenture by its incorporation of the terms of the Debenture, the Company as beneficial owner and with full title guarantee, as security for the payment, discharge and performance of the New Additional Secured Liabilities, charges in favour of the Security Agent (as agent and trustee for itself and the Lenders) by way of a first floating charge all its undertaking and assets whatsoever and wheresoever both present and future (including, without limitation, any undertaking and assets situated in Scotland (whether or not the same may be mortgaged or charged by way of standard security)) not otherwise effectively mortgaged or charged or to the extent not otherwise effectively mortgaged or charged by way of legal mortgage or fixed charge by Clause 4 of the Debenture, subject in the case of the Excluded Shares (so long as the shares concerned shall remain within the definition of such term) to any necessary consent of any other party to the applicable Joint Venture Agreement; and
- (b) In the Debenture (as supplemented by the Supplemental Debenture and by the Second Supplemental Debenture) and the Second Supplemental Debenture by its incorporation of the terms of the Debenture, the Company undertakes to each Lender that, save as expressly permitted under the terms of the Debenture, the Senior Facility Agreement, the Senior Mezzanine Facility Agreement and the Mezzanine Facility Agreement, it will not:
 - (i) create or permit to subsist any Encumbrance over all or any of the Security Assets other than pursuant to the Debenture or any other Security Document; or

COMPANY: CPL DISTRIBUTION LIMITED
COMPANY NO: 03075502

CONTINUATION SHEET: 5

- (ii) part with, lease, sell, transfer or otherwise dispose of or agree to part with, lease, sell, transfer or otherwise dispose of all or any part of the Security Assets or any interest therein.

The following terms used in this Companies Form No. 395 have the meanings set out below:

"Accession Agreement" means the Borrower Accession Agreements and/or the Guarantor Accession Agreements as referred to in the Senior Facility Agreement, the Senior Mezzanine Facility Agreement and the Mezzanine Facility Agreement;

"Account Bank" means each of the banks or financial institutions with whom the Security Accounts are maintained from time to time pursuant to Clause 11 of the Debenture;

"Acquisition Agreements" means the CPL Acquisition Agreements, the Anglo Acquisition Agreements and the Heptagon Acquisition Agreements;

"Ancillary Bank" means National Westminster Bank Plc and any other Bank which becomes an Ancillary Bank by operation of Clause 6.1 of the Senior Facility Agreement;

"Ancillary Facility" means an ancillary facility made available by the Ancillary Bank pursuant to Clause 2.1(c) of the Senior Facility Agreement;

"Anglo Acquisition Agreements" means the agreement of even date with the Supplemental Facility Agreement made between Anglo United plc, Anglo Coal Limited, Coal Products Holdings Limited and CPL Distribution Limited for the sale and purchase of all the shares in the capital of Hargreaves Industrial Services Limited, LCP Fuels Limited and J. Saunders & Sons Limited and of certain of the assets and liabilities of Anglo Coal Limited, together with any related tax deed of covenant and any other ancillary agreement;

"Bank" has the meaning given to that term in the Senior Facility Agreement;

"Chargor" means Broomco (853) Limited (now Coal Products Holdings Limited) and Coal Products Limited, Thomas Ness Limited, Ness Roofing Limited (now CPL Carbons Limited), Coal Processing Consultants Limited (now CPL Environmental Engineering Limited) and National Smokeless Fuels Limited, together with each company (including the Company) which becomes a party to the Debenture by executing a Deed of Accession;

"Collateral Account" means each account maintained from time to time by a Chargor at such branch of the Account Bank as the Security Agent may from time to time approve being, at the date hereof, those accounts with such Account Bank identified in a letter from Coal Products Holdings Limited for itself and as agent for the other Chargors to the Security Agent and countersigned by the Security Agent for the purposes of identification;

"CPL Acquisition Agreements" means (a) the Sale and Purchase Agreement and all transfers and other instruments made pursuant thereto to which Coal Products Holdings Limited, the Vendor (as defined therein) or Coal Products Limited was a party and (b) the Tax Deed (as defined in the Sale and Purchase Agreement);

COMPANY: CPL DISTRIBUTION LIMITED
COMPANY NO: 03075502

CONTINUATION SHEET: 6

"CPL Environmental Report" has the meaning given thereto in the Second Senior Supplemental Agreement;

"Debenture" means the Debenture (as supplemented and amended from time to time including, without limitation, by the Second Supplemental Debenture) originally granted by Broomco (853) Limited (now Coal Products Holdings Limited), Thomas Ness Limited, Ness Roofing Limited (now CPL Carbons Limited), Coal Processing Consultants Limited (now CPL Environmental Engineering Limited) and National Smokeless Fuels Limited to the Security Agent (as agent and trustee for itself and each of the Lenders) dated 3rd February, 1995;

"Deed of Accession" means a deed substantially in the form of Schedule 7 to the Debenture executed, or to be executed, by a Chargor;

"Encumbrance" means any standard security, assignation in security, bond and floating charge, mortgage, pledge, lien, charge, assignment for the purpose of providing security, hypothecation, right in security, security interest or trust arrangement for the purpose of providing security, and any other security agreement or other arrangement (except for retention of title) having the effect of providing security (including, without limitation, the deposit of monies or property with a person with the primary intention of affording such person a right of set-off or lien);

"Excluded Shares" has the meaning given to it in the Debenture;

"Facility Agent" means National Westminster Bank Plc;

"Finance Documents" means each of the Senior Finance Documents and the Mezzanine Finance Documents and the Senior Mezzanine Finance Documents;

"Fixtures" means, in relation to any freehold or leasehold property charged by or pursuant to this security, all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery from time to time thereon owned by any Chargor;

"Group" means Coal Products Holdings Limited and each of its subsidiaries from time to time;

"Group Shares" means all shares specified in Schedule 4 of the Debenture or in the Schedule to any Deed of Accession and in Schedule B to this Companies Form 395, or, when used in relation to a particular Chargor, such of those shares as are specified against its name in Schedule 4 of the Debenture or in the Schedule to any Deed of Accession and in Schedule B to this Companies Form 395, together in each case with all other stocks, shares, debentures, bonds, warrants, coupons or other securities and investments now or in the future owned by any or (when used in relation to a particular Chargor) that Chargor other than the Excluded Shares from time to time;

"Hedging Banks" has the meaning given to that term in the Priority Agreement;

"Heptagon Acquisition Agreements" means:

- (a) the Heptagon Sale and Purchase Agreement and all transfers and other instruments made pursuant thereto to which Coal Products Holdings Limited, the Vendors or Heptagon Limited is a party; and
- (b) the Vendor Loan Documents;

COMPANY: CPL DISTRIBUTION LIMITED
COMPANY NO: 03075502

CONTINUATION SHEET: 7

"Heptagon Sale and Purchase Agreement" means the agreement for the sale and purchase of all the share capital of Heptagon Limited made between the Vendors and Coal Products Holdings Limited and dated on or before the date of the Second Senior Supplemental Agreement;

"Increased Senior Facilities" means an increase in the amount of the Tranche 1 Facility by an amount of £28,000,000 and an increase in the revolving credit facility by an amount of £36,000,000, on and subject to the terms of the Senior Facility Agreement (as supplemented and amended by the Second Senior Supplemental Agreement);

"Insurances" means all contracts and policies of insurance (including, for the avoidance of doubt all cover notes) of whatever nature which are from time to time taken out by or on behalf of any Chargor or (to the extent of such interest) in which any Chargor has an interest;

"Intellectual Property Rights" means all know-how, patents, trade marks, service marks, designs, business names, topographical or similar rights, copyrights and other intellectual property rights and any interests (including by way of licence) in any of the foregoing (in each case whether registered or not and including all applications for the same);

"Interest Protection Agreements" means any and all interest rate swap and/or interest cap and/or other hedging agreements entered into or committed to be entered into by any member of the Group in relation to the Group's floating rate interest exposure under the Senior Finance Documents as have been heretofore (and/or as may hereafter be) agreed in writing between Broomco (853) Limited (now Coal Products Holdings Limited) and the Facility Agent to constitute the Interest Protection Agreements;

"Joint Venture Agreements" means each of the documents, contracts and agreements between Coal Products Limited and its subsidiaries and any Joint Venture or any third party which is a member of or partner or otherwise interested in any Joint Venture, which document, contract or agreements establishes or controls the management or operation of any Joint Venture or relates to the funding or financial or other support to be provided by Coal Products Limited or any of its subsidiaries to any Joint Venture;

"Joint Ventures" has the meaning given to it in the Senior Facility Agreement and/or the Mezzanine Facility Agreement and/or the Senior Mezzanine Facility Agreement (as the case may be);

"L/C Guarantee Bank" means National Westminster Bank Plc;

"Lender" means each of the Senior Agent, the Security Agent, National Westminster Bank Plc as Arranger, certain banks and financial institutions as Banks, the L/C Guarantee Bank and the Hedging Banks parties to or having an interest under the Senior Finance Documents from time to time and each of the Security Agent, Legal & General Ventures Ltd as Arranger, the Senior Mezzanine Agent and the Senior Mezzanine Lenders parties to or having an interest under the Senior Mezzanine Finance Documents from time to time and each of the Security Agent, the Arranger, the Junior Mezzanine Agent and the Mezzanine Lenders party to or having an interest under the Mezzanine Finance Documents from time to time (together the **"Lenders"**);

"Junior Mezzanine Agent" means Legal & General Ventures Ltd as agent for the Mezzanine Lenders under the Mezzanine Facility Agreement and any of its permitted successors or assigns;

COMPANY: CPL DISTRIBUTION LIMITED
COMPANY NO: 03075502

CONTINUATION SHEET: 8

"Mezzanine Facility Agreement" means the facility agreement dated 3rd February, 1995 between Broomco (853) Limited (now Coal Products Holdings Limited) as Borrower, Coal Products Limited, Thomas Ness Limited, Ness Roofing Limited, National Smokeless Fuels Limited and Coal Processing Consultants Limited as Guarantors, Legal & General Ventures Ltd as Arranger, certain financial institutions, the Junior Mezzanine Agent and the Security Agent, together with each Accession Agreement and Substitution Certificate relating thereto and any and each other agreement or instrument supplementing or amending it including, without limitation, by the Second Supplemental Mezzanine Agreement;

"Mezzanine Finance Documents" means the Senior Mezzanine Facility Agreement, the Junior Mezzanine Finance Documents as defined in the Mezzanine Facility Agreement and any and each other agreement or instrument supplementing or amending any of such documents;

"Mezzanine Lenders" means each of the banks or financial institutions party to the Mezzanine Facility Agreement as a lender or to whom any rights and/or obligations are from time to time novated, transferred or assigned by any lender under the Mezzanine Facility Agreement;

"New Additional Facilities" means the Increased Senior Facilities and the Senior Mezzanine Facility;

"Obligor" means the Company and each Obligor (as defined in the Senior Facility Agreement or the Mezzanine Facility Agreement or the Senior Mezzanine Facility Agreement (as the case may be)) and any member of the Group which has been required to enter into (whether or not it has yet entered into) any Accession Agreements and/or Security Document pursuant to Clauses 19.1 or 19.2 of the Senior Facility Agreement or Clauses 19.1 or 19.2 of the Mezzanine Facility Agreement or Clauses 19.1 or 19.2 of the Senior Mezzanine Facility Agreement;

"Priority Agreement" means an agreement dated 2nd June, 1997 made between the Obligors, the Banks, the Hedging Banks, the Senior Mezzanine Lenders, the Mezzanine Lenders, the Senior Mezzanine Agent, the Junior Mezzanine Agent, the Senior Agent and the Security Agent and others providing for the ranking and relative priorities of certain obligations of (inter alios) the Chargors;

"Realisations Account" means each account maintained from time to time by or in the name of the Chargors or any of them for the purposes of Clause 13.2 of the Debenture at such branch or branches of an Account Bank as the Security Agent may from time to time approve;

"Related Rights" means, in relation to the Group Shares, all dividends and other distributions paid or payable after the date hereof on all or any of the Group Shares and all stocks, shares, securities (and the dividends or interest thereon), rights, money or property accruing or offered at any time by way of redemption, bonus, preference, option rights or otherwise to or in respect of any of the Group Shares or in substitution or exchange for any of the Group Shares;

"Relevant Agreements" means each agreement or instrument assigned or purported to be assigned pursuant to Clause 4.3 of the Debenture and/or any Deed of Accession, together with any and each other agreement or instrument supplementing or amending any such agreement or contract;

COMPANY: CPL DISTRIBUTION LIMITED
COMPANY NO: 03075502

CONTINUATION SHEET: 9

"Sale and Purchase Agreement" means the agreement for the sale and purchase of all the share capital of Coal Products Limited made between the British Coal Corporation and Coal Products Holdings Limited;

"Second Senior Supplemental Agreement" means the supplemental agreement dated 9th May, 1997 between, inter alia, Coal Products Holdings Limited, certain Borrowers and Guarantors, the Banks, National Westminster Bank Plc as Arranger, Facility Agent and Security Agent, amending and restating the Senior Facility Agreement;

"Second Supplemental Debenture" means the deed dated 2nd June, 1997 executed by, inter alia, Coal Products Holdings Limited, the other Chargors named therein and National Westminster Bank plc as Security Agent, which supplements the Debenture (as supplemented by the Supplemental Debenture);

"Second Supplemental Mezzanine Agreement" means the supplemental agreement dated 9th May, 1997 between, inter alios, Coal Products Holdings Limited, the Lenders (as defined therein), Legal and General Ventures Limited as Arranger and the Security Agent amending and restating the Mezzanine Facility Agreement;

"Security Accounts" means the Collateral Accounts and the Realisations Accounts;

"Security Assets" means all assets, rights and property of the Chargors or any of them the subject of any security created hereby or pursuant hereto and includes, for the avoidance of doubt each Chargor's rights to or interests in any chose in action and the Security Shares;

"Security Documents" means the Debenture, the Supplemental Debenture and each Deed of Accession and every other document entered into by Broomco (853) Limited (now Coal Products Holdings Limited) or any Subsidiary thereof pursuant to the Debenture and/or Clause 19.3 of the Senior Facility Agreement or Clause 19.3 of the Mezzanine Facility Agreement or Clause 19.3 of the Senior Mezzanine Facility Agreement;

"Security Shares" means the Group Shares and the Related Rights and, in the case of each Chargor, means such of the Group Shares as are held by it at the relevant time, together with all Related Rights in respect thereof;

"Senior Agent" means National Westminster Bank PLC in its capacity as facility agent under the Senior Facility Agreement and its permitted successors and assigns (as amended and restated by the Second Senior Supplemental Agreement);

"Senior Facility Agreement" means the facility agreement dated 3rd February, 1995 originally between Broomco (853) Limited (now Coal Products Holdings Limited) and Coal Products Limited as Borrowers, Broomco (853) Limited (now Coal Products Holdings Limited), Coal Products Limited, Thomas Ness Limited, Ness Roofing Limited, National Smokeless Fuels Limited and Coal Processing Consultants Limited as Guarantors, National Westminster Bank Plc as Arranger, certain financial institutions and banks as Banks, the Senior Agent and the Security Agent, together with each Accession Agreement and Substitution Certificate relating thereto and any and each other agreement or instrument supplementing or amending it including, without limitation, the Second Senior Supplemental Agreement;

COMPANY: CPL DISTRIBUTION LIMITED
COMPANY NO: 03075502

CONTINUATION SHEET: 10

"Senior Finance Documents" means the Senior Facility Agreement, any documents evidencing or constituting an Ancillary Facility, the Security Documents, the Priority Agreement and the Interest Protection Agreements and any other document designated as such by the Facility Agent or Coal Products Holdings Limited;

"Senior Mezzanine Agent" means Legal & General Ventures Ltd as agent for the Senior Mezzanine Lenders under the Senior Mezzanine Facility Agreement and any of its permitted successors or assigns;

"Senior Mezzanine Facility" means the term facility in an aggregate principal amount of £14,500,000 made available to Coal Products Holdings Limited pursuant to the Senior Mezzanine Facility Agreement;

"Senior Mezzanine Facility Agreement" means the Facility Agreement dated 9th May, 1997 between Coal Products Holdings Limited, the Borrowers, the Guarantors, the Arranger, certain financial institutions, the Senior Mezzanine Agent and the Security Agent, together with each Accession Agreement and Substitution Certificate relating thereto and any and each other agreement or instrument supplementing or amending it;

"Senior Mezzanine Finance Documents" means the Senior Mezzanine Finance Documents as defined in the Senior Mezzanine Facility Agreement;

"Senior Mezzanine Lenders" means the Lenders as defined in the Senior Mezzanine Facility Agreement;

"Subscription Agreement" means an agreement dated on or about the 3rd February, 1995 made between Coal Products Holdings Limited, the Managers and the Investors (both as defined therein) pursuant to which the Investors and the Managers subscribe and have issued to them shares in the capital of Coal Products Holdings Limited as supplemented and amended by the Supplemental Subscription Agreement;

"Substitution Certificate" means a duly completed certificate substantially in the form of Schedule D to the Senior Facility Agreement and/or the Mezzanine Facility Agreement and/or the Senior Mezzanine Facility Agreement (as the case may be);

"Supplemental Debenture" means the deed dated 24th August, 1995 executed by, inter alia, Coal Products Holdings Limited, which supplements the Debenture;

"Supplemental Facility Agreement" means the supplemental agreement dated 24th August, 1995 made between Coal Products Holdings Limited, the Guarantors, the Junior Mezzanine Lenders and the Junior Mezzanine Agent (each term as defined therein);

"Supplemental Subscription Agreement" means an agreement dated 24th August, 1995 made between the Investors, the Managers (each as defined therein) and Coal Products Holdings Limited which supplements and amends the Subscription Agreement;

"Tranche 1 Facility" has the meaning given thereto in the Senior Facility Agreement (as supplemented and amended);

"Vendors" means APAX Partners & Co. Ventures Ltd. and each of the other vendors identified in Schedule 1 of the Heptagon Sale and Purchase Agreement;

COMPANY: CPL DISTRIBUTION LIMITED
COMPANY NO: 03075502

CONTINUATION SHEET: 11

"Vendor Loan Documents" means the instrument constituting £625,800 nominal Variable Rate Guaranteed Unsecured Loan Notes 2000 executed by Coal Products Holdings Limited and National Westminster Bank plc on 2nd June, 1997 and each of the Notes issued by Coal Products Holdings Limited in favour of the Vendors (or any of them) pursuant thereto.

COMPANY: CPL DISTRIBUTION LIMITED
COMPANY NO: 03075502

CONTINUATION SHEET: 12

SCHEDULE A
Real Property

Part I
Freehold Property

All that property at the Phurnacite Plant, Aberaman, Aberdare comprised as to part in a conveyance dated 2nd February, 1867 between Crawshaw Bailey (1), George Elliott (2) and The Powell Duffryn Steam Coal Company Limited (3) and as to the remaining part a conveyance dated 8th May, 1909 between Sir William Thomas Lewis (1) and The Powell Duffryn Steam Coal Company Limited (2) currently in the course of registration at H M Land Registry under title number WA 724951.

All that property at the Phurnacite Plant, Aberaman, Aberdare comprised in a conveyance dated 6th January, 1995 between the Welsh Development Agency (1) and Coal Products Limited (2) currently in the course of registration at H M Land Registry under title number WA 739897.

All that property known as Cwm Cokeworks, Beddau, Pontypridd, Taff-ely registered at HM Land Registry under title number WA 689252.

All that property forming part of the Harold Wilson Industrial Estate, Caerphilly, Rhymney Valley, Mid Glamorgan comprised in a conveyance dated 5th March, 1991 between Thomas Ness Limited (1) and Coal Products Limited (2).

All that property known as part of the Homefire Plant (and adjoining land) Bennetts Road, North Keresley End, Coventry, Warwickshire registered at HM Land Registry under title number WM 603740.

All that property known as part of the Homefire Plant (and adjoining land), Bennetts Road, North Keresley End, Coventry, Warwickshire comprised in a conveyance dated 20th July, 1977, made between National Smokeless Fuels Limited (1) and National Coal Board (2).

All that property known as The Avenue Plant, Wingerworth comprised in a conveyance dated 21st March, 1991 between British Coal Corporation (1) and Coal Products Limited (2).

Part II
Leasehold Property

All that leasehold property known as Abercwmboi Pumping Station, Abercwmboi, Cynon Valley, Mid Glamorgan comprised in a lease dated 27th March, 1992 between Cynon Valley Borough Council (1) and British Coal Corporation (2).

All that leasehold property on the west side of Immingham Dock, Immingham registered at H M Land Registry with title absolute under title number HS 164061.

All that leasehold property on the south side of Western Accessway, Immingham Dock, Immingham registered at H M Land Registry under title number HS 230719.

All that leasehold property lying to the north of West Haven Way, Immingham Dock, Immingham registered at H M Land Registry under title number HS 238052.

COMPANY: CPL DISTRIBUTION LIMITED
COMPANY NO: 03075502

CONTINUATION SHEET: 13

SCHEDULE B

Group Shares

Chargor	Name of Company in which Shares are held	Name of Nominee (if any) by whom Shares are held	Class of Shares held	Number of Shares held
Coal Products Holdings Limited	Coal Products Limited	David Foster	ordinary shares of £1 each	75,000,000
Coal Products Limited	Thomas Ness Limited	Coal Products Holdings Limited	ordinary shares of £1 each	1,000
Coal Products Limited	Ness Roofing Limited	Coal Products Holdings Limited	ordinary shares of £1 each	400,000
Coal Products Limited	National Smokeless Fuels Limited	Coal Products Holdings Limited	ordinary shares of £1 each	70,000,000
Coal Products Limited	Coal Processing Consultants Limited	Coal Products Holdings Limited	"A" ordinary shares of £1 each	18,750 'A'
			"B" ordinary shares of £1 each	18,750 'B'
Coal Products Limited	CPL/Miller (Environmental) Limited	Coal Products Holdings Limited	"A" ordinary shares of £1 each	300,000
Coal Products Limited	Palco Shipping and Trading Limited	Coal Products Holdings Limited	"A" ordinary shares of £1 each	60
Coal Products Limited	Aveley Methane Limited	Coal Products Holdings Limited	"A" ordinary shares of £1 each	1,500,000
Coal Products Limited	Methane Development Company Limited	Coal Products Holdings Limited	"A" ordinary shares of £1 each	500

COMPANY: CPL DISTRIBUTION LIMITED
 COMPANY NO: 03075502

CONTINUATION SHEET: 14

Coal Products Limited	Bidston Methane Limited	Coal Products Holdings Limited	"A" ordinary shares of £1 each	299,000
Coal Products Limited	Arpley Gas Limited	Coal Products Holdings Limited	Preferred ordinary shares of 10p each	143
			"A" ordinary shares of 10p each	143
Coal Products Holdings Limited	Hargreaves Industrial Services Limited	N/A	Ordinary Shares of £1 each	5,250,000
Coal Products Holdings Limited	LCP Fuels Limited	N/A	Ordinary Shares of £1 each	778,910
Coal Products Holdings Limited	J. Saunders & Sons Limited	N/A	Ordinary Shares of £1 each	2,012
Coal Products Holdings Limited	F. Banham Limited	N/A	'A' Ordinary Shares of £1 each	200,000
Coal Products Holdings Limited	CPL Distribution Limited	N/A	Ordinary Shares of £1 each	2
Coal Products Holdings Limited	Heptagon Limited	-	Ordinary Shares of 1p each	7,500,000
Coal Products Holdings Limited	Heptagon Limited	-	Redeemable cumulative preference shares of 10p each	9,500,000

COMPANY: CPL DISTRIBUTION LIMITED
COMPANY NO: 03075502

CONTINUATION SHEET: 15

SCHEDULE C

Part I
Intellectual Property Rights

A. Patents

Country	Title	Appln. No.	Patent No.
GB	Ceramic Welding: Improved Material / Silicon Only	2 256 865 A	
GB	Ceramic Welding: Silicon & Magnesium	2 256 864 A	
GB	Ceramic Welding: New F (G)	2 256 866 A	
ARGENTINA	Ceramic Welding: Silicon Only / New F (G)	322 585	
AUSTRALIA	Ceramic Welding: Silicon Only / New F (G)	18441/92	
BRAZIL	Ceramic Welding: Silicon Only / New F (G)	PI 92.02.318	
CANADA	Ceramic Welding: Silicon Only / New F (G)	2 071 675	
CHILE	Ceramic Welding: Silicon Only / New F (G)	624-92	
CHINA	Ceramic Welding: Silicon Only / New F (G)	92 - 108829.9	
CZECH REP.	Ceramic Welding: Silicon Only / New F (G)	PV 1909-92	
SLOVAK REP.	Ceramic Welding: Silicon Only / New F (G)	PV 1909-92	
EUROPE	Ceramic Welding: Silicon Only / New F (G)	92.305.632.92	0 519 730
HUNGARY	Ceramic Welding: Silicon Only / New F (G)	P 92 02057	
INDIA	Ceramic Welding: Silicon Only / New F (G)	537/Del/92	
JAPAN	Ceramic Welding: Silicon Only / New F (G)	04-161007	
SOUTH	Ceramic Welding:	10635/92	

COMPANY: CPL DISTRIBUTION LIMITED
 COMPANY NO: 03075502

CONTINUATION SHEET: 16

Country	Title	Appln. No.	Patent No.
KOREA	Silicon Only / New F (G)		
MEXICO	Ceramic Welding: Silicon Only / New F (G)	92.3080	174962
NORWAY	Ceramic Welding: Silicon Only / New F (G)	92.2448	
PAKISTAN	Ceramic Welding: Silicon Only / New F (G)	286/92	
POLAND	Ceramic Welding: Silicon Only / New F (G)	P294975	
SOUTH AFRICA	Ceramic Welding: Silicon Only / New F (G)	92/4435	
TAIWAN	Ceramic Welding: Silicon Only / New F (G)	81105230	64309
TURKEY	Ceramic Welding: Silicon Only / New F (G)	37 140/92	
USA	Ceramic Welding: Silicon Only / New F (G)	899 679	5380563
YUGOSLAVIA	Ceramic Welding: Silicon Only / New F (G)	P-639/92	
GB	Ceramic Slip Agent		2 238 537B
GB	Smoke Emission Test		2 221 299B
EURO	Smoke Emission Test		0 352 922
EURO/BEL	Smoke Emission Test		0 352 922
EURO/FRA	Smoke Emission Test		0 352 922
EURO/GER	Smoke Emission Test		Validation No. P 689 11 409.5-08
IRE	Smoke Emission Test	2406/89	61315
GB	Improved Silica Welding Machine		2 173 715B
GB	Environmental Monitor		2 153 525B
GB	Silica Welding Apparatus		2 103 959B
BEL	Silica Welding Apparatus		894 075
BRAZIL	Silica Welding Apparatus		PI 82 04714

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COMPANY: CPL DISTRIBUTION LIMITED
COMPANY NO: 03075502

CONTINUATION SHEET: 17

Country	Title	Appln. No.	Patent No.
GER	Silica Welding Apparatus		P 32 29 781.5 09
JAP	Silica Welding Apparatus		1 568 758
USA	Varnish for Glass Cloth Laminates		4 408 003
USA	High Temperature Resin		4 276 408
USA	Phenolic Board Laminates		4 233 357
USA	Lute for Self-Sealing Doors		4 251 413
USA/DIV	Lute for Self-Sealing Doors		4 277 568
CAN	Metal Insert Heat Shrink Closures		1 032 881
USA	Neoprene Roofing Sheets		4 080 350
CHINA	Sugar Solution Briquetting		1020747
CHINA			1022845
GB	Briquette Treatment		2 198 451B
GB	Briquetting Process		2 187 754B
GB	Froth Flotation (Power Station Coals)		2 124 518B
USA	Froth Flotation (Power Station Coals)		4 528 107
USA	Improved Froth Flotation Collector		4 476 013

COMPANY: CPL DISTRIBUTION LIMITED
 COMPANY NO: 03075502

CONTINUATION SHEET: 18

B. Trademarks

Country	Title	Class No.	TM Regn. No.	Status
GB	Anthrasorb	Class 1	995 369	
IT	Anthrasorb	Class 1	355 157	
GB	B & B	Class 1	723 615	
GB	Ness	Class 1	1 013 518	
GB	Ness	Class 2	1 013 519	
GB	Ness	Class 17	1 013 521	
GB	Ness	Class 19	1 059 467	
GB	Phurnacine	Class 4	868 111	
GB	Phurnacite (word only)	Class 4	573 717	
GB	Phurnacite (word only)	Class 50	573 718	
Benelux	Phurnacite (word only)	Class 4	1868	
Benelux	Phurnacite (word only)	Class 4	1869	
FRA	Phurnacite (word only)	Class 4	1538799	
GER	Phurnacite (word only)	Class 4	914 734	
GER	Phurnacite (word only)	Class 4	914 733	
IRE	Phurnacite (word only)	Class 4	55 123	
IT	Phurnacite (word only)	Class 4	355 159	
IT	Phurnacite (word only)	Class 4	355 160	
Newfoundland	Phurnacite (word only)	Class 4	2 364	
SWITZ	Phurnacite (word only)	Class 4	346 791	
SWITZ	Phurnacite (word only)	Class 4	302690	
USA	Phurnacite (word only)	Class 4	1 252 674	
GB	Phurnacite (word & device)	Class 4	626 079	
AUS	Phurnacite (word & device)	Class 4	A 95 033	
CAN	Phurnacite (word & device)	Class 4	UCA20342	
DEN	Phurnacite (word & device)	Class 4	1548	
Guernsey	Phurnacite (word & device)	Class 4	626 079	
IRE	Phurnacite (word & device)	Class 4	30 308	
Jersey	Phurnacite (word & device)	Class 4	TM 2243	
Newfoundland	Phurnacite (word & device)	Class 4	2 541	
Norway	Phurnacite (word & device)	Class 4	34 128	
South Africa	Phurnacite (word & device)	Class 4	966/48	
Sweden	Phurnacite (word & device)	Class 4	60 904	
GB	Phurnod	Class 4	511 039	
FRANCE	Presomet	Class 1	1 331 721	
IRELAND	Presomet	Class 1	88 280	
ITALY	Presomet	Class 1	329 465	
GB	Starflame	Class 4	819 977	
GB	Synthaflex	Class 19	823 604	
AUS	Synthaprufe	Class 1	113 293	
AUSTRIA	Synthaprufe	Class 13	55 375	
CANADA	Synthaprufe		117 640	

COMPANY: CPL DISTRIBUTION LIMITED
 COMPANY NO: 03075502

CONTINUATION SHEET: 19

Country	Title	Class No.	TM Regn. No.	Status
FINLAND	Synthaprufe	Class 1	47 122	
FRANCE	Synthaprufe	Class 29	1 340 610	
NORWAY	Synthaprufe	Class 1	66 938	
SA	Synthaprufe	Class 1	65/0673	
USA	Synthaprufe	Class 12	381 212	
GB	Warmco	Class 4	518 967	
FRA	Warmco	Class 4	1 214 399	
ITALY	Warmco	Class 4	355158	
BENELUX	Multi-Plas	Class 19	373 785	
ITALY	Multi-Plas	Class 19	337 586	
FINLAND	Fyreprufe	Class 1	70 683	
GB	Epodil	Class 1	1 037 950	
GB	Epodil	Class 2	1 037 951	
Benelux	Epodil	Class 1	329 080	
Benelux	Epodil	Class 2		
DEN	Epodil	Class 1	246-1976	
DEN	Epodil	Class 2		
FRA	Epodil	Class 1	1 287 837	
FRA	Epodil	Class 2		
IRE	Epodil	Class 1	85229	
IRE	Epodil	Class 2	85230	
IT	Epodil	Class 1	308 709	
IT	Epodil	Class 2		
USA	Epodil	Class 1	1 096 384	
GB	Sunbrite	Class 4	1 143 668	
AUS	Sunbrite	Class 4	A363 571	
Benelux	Sunbrite	Class 4	376 023	
FRA	Sunbrite	Class 4	1711631	
GER	Sunbrite	Class 4	1 029 804	
IRE	Sunbrite	Class 4	100 259	
IT	Sunbrite	Class 4	396 957	
SPA	Sunbrite	Class 4	981 421	
SWITZ	Sunbrite	Class 4	317 759	
USA	Sunbright	Class 4	1 279 539	
GB	Homefire	Class 4	1 143 667	
AUS	Homefire	Class 4	363 570	
Benelux	Homefire	Class 4	376 022	
FIN	Homefire	Class 4	86645	
FRA	Homefire	Class 4	1711632	
IT	Homefire	Class 4	396 958	
Portugal	Homefire	Class 4	212 753	
SPA	Homefire	Class 4	981 420	
SWE	Homefire	Class 4	185 353	
SWITZ	Homefire	Class 4	318 231	
USA	Homefire	Class 4	1 284 888	
GB	Beacon Beans	Class 4	1 247 478	

COMPANY: CPL DISTRIBUTION LIMITED
COMPANY NO: 03075502

CONTINUATION SHEET: 20

Country	Title	Class No.	TM Regn. No.	Status
GB	Nontoxol	Class 4	1 252 007	
GB	Hytak	Class 19	1 370 659	
GB	Ventak	Class 19	1 370 657	
GB	Roomheat	Class 4	1 473 636	
IRE.	Roomheat	Class 4	B 149 017	
GB	Phurnacite Plus	Class 4	1 540 578	Pending
GB	Homefire Ovals	Class 4	1 540 820	
GB	Homefire (D & W)	Class 4	1 543 846	Pending
GB	Homefire Ovals (D & W)	Class 4	1 543 849	Pending
GB	Wildfire	Class 4	1 574 445	Pending
GB	Phurnacite +	Class 4	1 576 794	Pending

C. Registered Design

Title	Class No.	TM Regn. No.	Status
Sealant Gun		1 034 531	TN

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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. 03075502

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SECOND SUPPLEMENTAL DEBENTURE DATED THE 2nd JUNE 1997 AND CREATED BY CPL DISTRIBUTION LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY AND/OR ALL OR ANY OTHER COMPANIES NAMED THEREIN TO NATIONAL WESTMINSTER BANK PLC (THE "SECURITY AGENT") UNDER THE TERMS OF EACH OF THE SENIOR FINANCE DOCUMENTS AND THE SENIOR MEZZANINE FINANCE DOCUMENTS (AS DEFINED IN THE DEBENTURE) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 19th JUNE 1997.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 23rd JUNE 1997.

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

PHIL DAVIES

for the Registrar of Companies

157
23.6



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