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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

121

3092243

Name of company

* KENAL SERVICES HOLDINGS LIMITED (the "Company")

Date of creation of the charge

27 February 1998

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

Composite guarantee and debenture made between Hillbridge Investments Limited (1), the Company (2), Kenal Services Ltd (3), Castle Oils Limited (4) and NatWest Ventures (Nominees) Limited (the "Security Trustee") (5) (the "Debenture")

Amount secured by the mortgage or charge

All monies, obligations and liabilities on the part of each of the Company, Hillbridge Investments Limited, Kenal Services Limited and Castle Oils Limited to any of the Beneficiaries to be paid, performed or discharged under the Instrument or the notes constituted by the Instrument and/or the Debenture, whether at the date of the Debenture or at any time thereafter and whether actual or contingent, whether alone or jointly and in whatever name, firm or style and whether as principal or surety, together with all Expenses (the "Secured Obligations").

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

NATWEST VENTURES (NOMINEES) LIMITED of Fenchurch Exchange, 8 Fenchurch Place, London EC2M 4TE

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

Travers Smith Braithwaite
10 Snow Hill
London
EC1A 2AL

For official use
Mortgage Section



Ref: SXB/ENK - 631049

Time critical reference

Short particulars of all the property mortgaged or charged

(A) By the Debenture, the Company with full title guarantee and as a continuing security for the payment and discharge of the Secured Obligations charged to the Security Trustee:-

(i) by way of equitable mortgage its Property;

(ii) by way of specific charge and agreed to mortgage to the Security Trustee its Investments;

(iii) by way of specific charge its Debts, its Intellectual Property, its Licences and all deeds and documents from time to time relating to its Charged Assets;

(iv) by way of specific charge the goodwill (including, without limitation, all brand names) and the uncalled capital both present and future of the Company;

(v) by way of specific charge all the rights, title and interest of the Company in and to the Policies and to the Compensation Monies;

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Particulars as to commission allowance or discount (note 3)

N/A

Signed

Travis Smith

Date

9th March 1998

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.

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(vi) by way of specific charge all the rights, title and interest of the Company in and to all chattels from time to time hired, leased or rented by the Company to any other person together, in each case, with the benefit of the related hiring, leasing or rental contract and any guarantee, indemnity or other security for the performance of the obligation of any person under or in respect of such contract;

(vii) by way of specific charge the benefit of any covenants for title given or entered into by any predecessor in title of the Company to its Property, all proceeds of a capital nature in relation to the disposal of its Property, the benefit of any contract for the sale, letting or other disposal of its Property and all present and future options to renew all leases or purchase all reversions (whether or not freehold) from time to time in relation to its Property;

(viii) by way of specific charge the benefit of all rights and claims of the Company against all lessees from time to time of the whole or any parts of its Property and all guarantors and sureties for the obligations of such lessees and against all persons who are under any obligation to the Company in respect of any works of design, construction, repair or replacement to, on or about its Property;

(ix) by way of specific charge all the Company's fixed plant, machinery and equipment from time to time in or on its Property (and not comprised in its Property) and the benefit of all the Company's rights and claims against any person in respect of the design, construction, repair or replacement of the same; and

(x) so far as permitted under the relevant document, by way of specific charge all the Company's rights, title and interest in and to all contracts, agreements or warranties affecting its Property with building contractors, architects, quantity surveyors, structural and mechanical engineers and other like professionals.

(xi) by way of floating charge the undertaking and all property, assets and rights of the Company, whatsoever and wheresoever, both present and future (save insofar as any of the same shall for the time being be effectively mortgaged or charged by way of specific charge under the provisions of paragraphs A(i) - A(x) above).

(B) The Debenture also contains a negative pledge whereby the Company agrees that it will not without the prior consent of the Security Trustee:-

(i) create or permit to subsist any encumbrance on or over its Charged Assets or any interest therein ranking in priority to, *pari passu* with or subsequent to the security constituted or intended to be constituted by the Debenture other than a Permitted Encumbrance; or

(ii) sell, transfer, assign, lease out, lend or otherwise dispose of (whether outright, by a sale and repurchase or sale and leaseback arrangement or otherwise), or grant any rights (whether of pre-emption or otherwise) over its Charged Assets or any interest therein nor enter into any agreement to do any of the same other than where such agreement is conditional upon the consent of the Security Trustee being obtained (save in the ordinary course of its operations in the case of assets of the Company charged by the Debenture by way of floating charge only or as permitted by the NatWest Facility Agreement).

(C) Throughout this Form 395 the following words and phrases shall have the following meanings:-

Beneficiaries: the Noteholders and the Security Trustee;

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Charged Assets: all of the Company's property or properties and/or other assets and, where the context so admits, each of them and any part thereof and the proceeds of the disposal of the same and all rights, title and interest in and to the same, in each such case as may at the date of the Debenture or at any time thereafter be the subject of the security constituted or intended to be constituted by the Debenture;

Compensation Monies: the amount of any statutory or other compensation (including the proceeds of any defective title, restrictive covenant or other indemnity policy or covenant relating to its Property, but excluding insurance monies received in relation to its Property or its Charged Assets) arising for the benefit of the Company for interference with the use and/or enjoyment of its Property or the curtailment of any easement, right or benefit relating thereto and all other compensation monies from time to time received by it in respect of its Property without prejudice to any rights, claims and/or obligations having priority to the obligations imposed by the Debenture;

Debts: (i) all book debts, both present and future, due or owing to the Company and all other monetary debts and claims, choses in action and other rights and benefits both present and future (including, in each such case, the proceeds thereof and all damages and dividends in relation thereto) due or owing to the Company and the benefit of all related rights and remedies (including under negotiable or non-negotiable instruments, guarantees, indemnities, legal and equitable charges, reservation of proprietary rights, rights of tracing and liens) and (ii) all sums, both present and future, due or owing to the Company by way of grant, subsidy or refund by any statutory, legal or governmental body, authority or institution or by any body, authority or institution of the European Union;

Derivative Assets: all assets deriving from any of the Securities owned by the Company including all allotments, accretions, offers, rights, dividends, interest, income, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to any of the Securities and all stocks, shares, rights, money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, exchange, purchase, substitution, option, interest or otherwise in respect thereof;

Expenses: all banking, legal and other costs, charges, expenses and/or liabilities (including any VAT thereon) paid or, if earlier, incurred by or on behalf of the Security Trustee or any Receiver in each case on a full indemnity basis in relation to any of the Charged Assets or in protecting, preserving, improving, considering the enforcement or exercise of or enforcing or exercising or attempting to enforce or exercise, any rights arising under or pursuant to any finance document and/or in procuring the payment, performance or discharge of any of the Secured Obligations and including, without limitation, the principal amount of any borrowings together with interest thereon and all other expenses and/or liabilities of the Security Trustee or any Receiver paid or incurred from time to time in relation to the exercise of any right or power on the part of the Security Trustee or any Receiver;

Intellectual Property: all patents, patent applications, trade marks, trade names, service marks, service mark applications, registered designs, copyrights, other protectable rights and assets, know-how, trade secrets and other confidential information and all related licences and connected rights at the date of the Debenture or at any time thereafter belonging to or held by the Company or any nominee of the Company;

Instrument: the instrument dated with the date of the Debenture executed by the Company constituting £2,400,000 7.0 per cent. secured loan notes 2003-2005;

Investments: the Company's Securities and the Derivative Assets relating to such Securities;

Licences: all licences, consents and authorisations (statutory or otherwise) at the date of the Debenture or at any time thereafter held or acquired by the Company, or held by a nominee of the Company, in connection with any business carried on by the Company or the use of any of the Charged Assets of the Company;

Life Policies: the policies of life assurance in which the Company may have an interest at the date of the Debenture or at any time thereafter;

NatWest Facility Agreement: the facility agreement dated 27 February 1998 made between Hillbridge Investments Limited and National Westminster Bank PLC under which a term loan acquisition and guarantee facility of £3,500,000, a term loan capital expenditure facility of £650,000 and a working capital facility of £1,000,000 are made available by National Westminster Bank PLC;

Noteholders: the holders from time to time of the notes constituted by the Instrument;

Permitted Encumbrance: any encumbrance which is permitted by the NatWest Facility Agreement and/or which is subject to the Priority Agreement;

Policies: the policies of insurance in which the Company may at the date of the Debenture or at any time thereafter have an interest including the Life Policies in which the Company is interested;

Priority Agreement: the priority and subordination agreement dated 27 February 1998 made between Hillbridge Investments Limited, National Westminster Bank Plc, the Investors, the Loan Stock Holders and the Loan Note Holders (each as defined therein);

Property: all freehold and leasehold properties and other real property both present and future of the Company including all buildings and other structures from time to time erected thereon and all fixtures (trade or otherwise) from time to time thereon or therein;

Receiver: a receiver and/or manager (including, as the context admits, an administrative receiver) appointed under the Debenture;

Securities: all shares, stocks, debentures, debenture stock, bonds and securities of any kind whatsoever owned by the Company (including rights to subscribe for, convert into or otherwise acquire the same) whether marketable or otherwise, and all other interests (including loan capital) of the Company both present and future in any company, firm, consortium or entity wherever situate including the one hundred ordinary shares of £1 each in Kenal Services Limited;

VAT: value added tax or any similar tax substituted therefor.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03092243

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A COMPOSITE GUARANTEE AND DEBENTURE DATED THE 27th FEBRUARY 1998 AND CREATED BY KENAL SERVICES HOLDINGS LTD FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY AND/OR ALL OR ANY OTHER COMPANIES NAMED THEREIN (EACH AN "OBLIGOR") TO NATWEST VENTURES (NOMINEES) LIMITED (THE "SECURITY TRUSTEE") UNDER THE TERMS OF THE INSTRUMENT OR THE NOTES CONSTITUTED BY THE INSTRUMENT AND/OR THE DEBENTURE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 11th MARCH 1998.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 13th MARCH 1998.

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

PHIL DAVIES

for the Registrar of Companies



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