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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

12

3141672

Name of company

* THE HAY HALL GROUP LIMITED ("the Company")

Date of creation of the charge

30 January 1996

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

Composite Debenture dated 30 January 1996 (the "Debenture") made between the Company (1) and Mithras Investment Trust plc (as security trustee for itself and the other Secured Parties (as defined

Amount secured by the mortgage or charge

Please see Appendix 1 attached

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

Mithras Investment Trust plc

Temple Court, 11 Queen Victoria Street

London

Postcode

EC4N 4TP

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

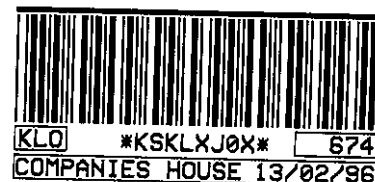
Macfarlanes
10 Norwich Street
London EC4A 1BD

DPB/538465

Time critical reference

For official use
Mortgage Section

Post room



Please see Appendix 2 attached

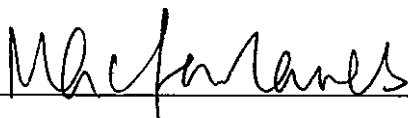
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Particulars as to commission allowance or discount (note 3)

Nil

Signed



Date

12 February 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.

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binding margin

Particulars of a mortgage or charge (continued)

Continuation sheet No 1
to Form No 395 and 410 (Scot)

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Please complete
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bold block lettering

Company Number

3141672

Name of Company

THE HAY HALL GROUP LIMITED

~~limited~~*

* delete if
inappropriate

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

herein))(the "Facility Agent")(2).

1

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

Company Name: The Hay Hall Group Limited

Company Number: 3141672

Appendix 1 to Form 395

All and any of all obligations and liabilities (whether owed jointly or severally or in any capacity whatsoever) of the Company (the "Secured Liabilities") to any of the Facility Agent, and Mithras Investment Trust plc, Mithras Investments Limited and Group Development Capital Trust plc (the "Lenders"), (together the "Secured Parties"), under or in connection with any of the mezzanine loan agreement dated the same date as the Debenture made between the Company (1), the Lenders (2) and the Facility Agent (3) (the "Mezzanine Loan Agreement"), and the guarantee and indemnity dated 30 January 1996 made between the Company (1) and the Facility Agent (2), the Debenture, the assignments, executed or to be executed by the Company in favour of, inter alia, the Facility Agent, relating to the keyman life assurance policies maintained by the Company in respect of the death and disability of each of Philip Baldrey, Anthony Rodger and Robert Marshall pursuant to the Mezzanine Loan Agreement, and any other guarantee, indemnity or security documents or trust arrangement executed and delivered to the Facility Agent after 30 January 1996 by the Company (together the "Mezzanine Documents") to be paid or discharged on the due date therefor in the manner provided in the relevant Mezzanine Documents. Any amount not paid under the Debenture when due shall bear interest (as well after as before judgement) at 11% per annum from the due date until the date such amount is unconditionally and irrevocably paid and discharged in full.

Company Name: The Hay Hall Group Limited

Company Number: 3141672

Appendix 2 to Form 395

1. The Company, with full title guarantee, as continuing security for the payment and discharge of the Secured Liabilities charges in favour of the Facility Agent:

1.1 by way of second legal mortgage all estates or interests in the freehold, leasehold and other immovable property described in Schedule 1 attached hereto and all buildings and trade and other fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery from time to time on any such property belonging to or charged to the Company (the "Fixtures") and all the proceeds of sale thereof (the "Legally Mortgaged Property");

1.2 by way of second legal mortgage:

1.2.1 the bearer warrants or bearer shares issued by Desford Tubes Limited (Company Number 336937), Hollow Extrusions Limited (Company Number 62731) and Matrix Engineering Limited (Company Number 356189) (the "Bearer Warrants"); and

1.2.2 all dividends paid or payable after the date of the Debenture on the Bearer Warrants and all stocks, shares, rights, moneys or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option or otherwise to or in respect of the Bearer Warrants or in substitution or exchange for it (including all dividends, interest and other income payable in connection therewith) **PROVIDED THAT** all such dividends, interest and other income paid or payable as aforesaid shall, until the security constituted by the Debenture becomes enforceable in accordance with Clause 11 of the Debenture, be paid directly to such separate and denominated current account(s) in the Company's name with The Governor and

Company of the Bank of Scotland (excluding any overdraft accounts) which are denominated in the currency of the relative Debts (as defined herein) as may be specified from time to time by the Facility Agent (which may be denominated in Sterling or any other foreign currency) or if so directed by the Facility Agent into a special or specifically designated account with the Facility Agent or any other Secured Party either in the name of the Company or in the joint names of the Company and the Facility Agent or other Secured Party or into such other account as the Facility Agent may direct (the "Accounts");

1.3 by way of second fixed charge all estates or interests in any freehold, leasehold and other immovable property now or at any time during the continuance of the security constituted by the Debenture belonging to the Company (other than the Legally Mortgaged Property) and the proceeds of sale thereof and all buildings and trade and other Fixtures from time to time on any such property belonging to or charged to the Company (the "Equitably Charged Property");

1.4 by way of second fixed charge all plant, machinery, vehicles, computers and office and other equipment owned by the Company both present and future;

1.5 by way of second fixed charge all book and other debts, revenues and claims (including without limitation (i) the benefit of all insurance policies which may give rise to any debt, revenue or claim; and (ii) loan capital, indebtedness or liabilities on any account or in any manner owing to the Company in (and from) any company other than any such charged pursuant to paragraph 1.7 below) at the date of the Debenture or at any time thereafter due, owing, payable to, purchased by or otherwise assigned to the Company and (subject to the provisions of Clause 2 below) all moneys which the Company receives in respect thereof together with the full benefit of all rights, guarantees, securities and indemnities of any nature whatsoever at the date of the Debenture or at any time thereafter enjoyed or held by it in relation to any of the foregoing (the "Debts");

1.6 by way of second fixed charge (but subject to the provisions of paragraph 2 below) all balances standing to the credit of any current, deposit or other account of the Company with the Facility Agent or any other Secured Party (including, inter alia, any account designated a realisations account for the proceeds of disposals of any of the assets of the Company) or with other bankers, financial institutions or similar third parties (the "Credit Balances");

1.7 by way of second fixed charge:-

1.7.1 all stocks, shares (other than Bearer Warrants), debentures, bonds and notes at any time during the continuance of the security constituted by the Debenture belonging to the Company;

1.7.2 the full benefit of all stocks, shares and securities (other than Bearer Warrants) belonging to the Company which, or the certificates of which, are at the date of the Debenture or may at any time thereafter be lodged with or held by or transferred to or registered in the name of the Facility Agent or the Facility Agent's nominees (the "Nominees");

1.7.3 all rights in respect of or incidental to the premises described at 1.7.1 and 1.7.2 above (the premises 1.7.1 to 1.7.3 inclusive hereby charged being hereinafter called the "Securities"); and

1.7.4 all stocks, shares, rights, moneys, or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option or otherwise to or in respect of any of the Securities or in substitution or exchange for any of them, including all dividends, interest and other income payable in connection therewith (the "Interests in Securities") **PROVIDED THAT** all such dividends, interest and other income paid or payable as aforesaid may, until the security constituted by the Debenture becomes enforceable in accordance with Clause 11 of the Debenture, be paid

directly to the Accounts;

but so that the Facility Agent shall not in any circumstances incur any liability whatsoever in respect of any calls, instalments or otherwise in connection with the Securities or the Interests in Securities;

1.8 by way of second fixed charge the goodwill of the Company and its uncalled capital at the date of the Debenture or at any time thereafter in existence;

1.9 by way of second fixed charge all copyrights, patents, patent applications, licences, trade marks (together with all the goodwill of the Company's business to which the trade marks relate and any other rights which arise from, relate to, or are associated with the trade marks or with their use in the business of the Company), trade names, rights in and in the nature of trade marks, service marks, know-how, designs, business names, rights in confidential information, exploitation rights and inventions or other rights of every kind deriving therefrom at the date of the Debenture or at any time thereafter belonging to the Company (together the "Intellectual Property") and all fees, royalties, and other rights of every kind deriving from the Intellectual Property;

1.10 by way of second fixed charge the benefit of all future licences (statutory or otherwise) held in connection with its trade, business or assets or the use of any of the property, assets and income of the Company mortgaged, assigned or charged to the Facility Agent (whether by way of second legal mortgage, assignment, second fixed or second floating charge) by or pursuant to the Debenture and each and every part thereof and the right to recover and receive compensation which may at any time become payable to it in respect thereof; and

1.11 by way of second floating charge the whole of the Company's undertaking and all its property, assets, inventory and rights, whatsoever and wheresoever, present and future, other than any property or assets from time to time or for the time being effectively mortgaged, assigned or charged to the Facility Agent by way of fixed charge by Clause 3.1 and Clause 3.2 of the Debenture including for the

avoidance of doubt heritable property situate in Scotland (hereinafter collectively referred to as the "Floating Charge Property").

2. Prior to the security created by the Debenture becoming enforceable, in the absence of any written directions to the contrary from the Facility Agent, any moneys in respect of the Debts received by the Company and paid into any of the Accounts in accordance with the requirements of Clause 6.1 of the Debenture shall upon being paid into such Account be released from the fixed charge described in paragraph 1.5 above and shall become subject to the floating charge described in paragraph 1.11 above. Such release from the fixed charge shall not affect and shall be entirely without prejudice to the continuance of the said fixed charge on all other Debts of the Company outstanding from time to time and on all moneys which the Company receives in respect thereof.

3. The Company has, in the Debenture, covenanted with the Facility Agent that without the prior consent of the Facility Agent it shall not nor shall it agree or purport to:

3.1 create or permit to subsist any mortgage, charge, assignment for the purpose of security, pledge, lien, right of set-off, retention of title provision, hypothecation or other security interest of any kind whatsoever, any preferential right, trust or other arrangement for the purpose of or which has the effect of, granting security and any agreement, whether conditional or otherwise, to create or grant any of the same ("Encumbrance") other than an Encumbrance permitted under the terms of the Mezzanine Loan Agreement ("Permitted Encumbrance" as defined in the Mezzanine Loan Agreement) over any of its assets; or

3.2 sell (whether by sale, by consignment or otherwise), transfer, lease, factor, discount, lend or otherwise dispose of or enter into any agreement under which it may be or become obliged to sell, transfer, lease, factor, discount, lend or dispose of any of its assets (whether in a single transaction or a series of connected transactions) save as permitted under the terms of the Mezzanine Loan Agreement.

SCHEDULE 1

The Legally Mortgaged Property

All that freehold property at Hay Hall Works, Redfern Road, Tyseley, Birmingham as the same is comprised:

1. as to part (and registered with absolute title) under title numbers WM15583, WM325960 and WM589256;
2. as to part contained in a Conveyance dated 12th February 1918 between W H Deykin Esq & Others (1) and the Patent Butted Tube Company Limited (2);
3. as to part contained in a Conveyance dated 23rd July 1936 between the Great Western Railway Company (1) and Reynolds Tube Company Limited (2);
4. as to part contained in a Conveyance dated 10th March 1938 between the Great Western Railway Company (1) and Reynolds Tube Company Limited (2);
5. as to part contained in a Deed of Exchange dated 3rd December 1935 made between Reynolds Tube Company Limited (1) and the Rover Company (2);
6. as to part contained in a Deed of Release dated 25th January 1980 made between the County Council of West Midlands (1) and TI Reynolds Limited (2);
7. such other estate, right and title to property as is transferred to the Company by a land registry transfer of the same date as the Debenture made between TI Reynolds Limited (1) and the Company (2).

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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. 03141672

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A COMPOSITE DEBENTURE DATED THE 30th JANUARY 1996 AND CREATED BY THE HAY HALL GROUP LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO MITHRAS INVESTMENT TRUST PLC AS AGENT FOR ITSELF AND THE OTHER SECURED PARTIES (AS DEFINED) UNDER THE TERMS OF OR IN CONNECTION WITH ANY OF THE MEZZANINE LOAN AGREEMENTS DATED THE SAME DATE AS THE DEBENTURE, THE GUARANTEE AND INDEMNITY DATED 30TH JANUARY 1996, THE DEBENTURE, THE ASSIGNMENTS AND ANY OTHER GUARANTEE, INDEMNITY OR SECURITY DOCUMENTS OR TRUST ARRANGEMENT WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 13th FEBRUARY 1996.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 15th FEBRUARY 1996.

RICHARD NEIL OWENS

for the Registrar of Companies

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

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