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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

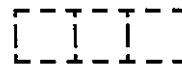


395

To the Registrar of Companies

For official use

Company number



3295929

Name of company

* Thorn Lighting Overseas Limited (the "Chargor")

Date of creation of the charge

13 January 1999

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

Second Guarantee and Debenture dated 13 January 1999 between the Companies listed in Part II of the attached Schedule and Chase Manhattan International Limited as Security Trustee for the Beneficiaries (as defined in the attached Schedule) (the "Second Debenture").

Amount secured by the mortgage or charge

See Part III of the attached Schedule.

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

Chase Manhattan International Limited, Trinity Tower, 9 Thomas More Street, London E1 9YT (as Security Trustee for the Beneficiaries (as defined in the attached Schedule)).

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

Lovell White Durrant
65 Holborn Viaduct
London
EC1A 2DY
Ref: A7/KOT/PRM/MJC/137578
Tel: 0171 236 0066

Time critical reference

For official use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

As specified in Parts IV, V and VI of the attached Schedule.

N.B. The attached Schedule contains covenants by and restrictions on the Chargor which protect and further define the charges and which must be read as part of the charges created.

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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

Shovel Whitehurst
Johnston

Date

20 January 1999

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.

SCHEDULE TO FORM 395 FOR DEBENTURE

Part I

DEFINITIONS

In this Form 395, words or expressions defined in the Facilities Agreement (as defined below) shall, unless otherwise defined herein, bear the same meaning in this Form 395 and, in addition, in this Form 395 so far as the context admits, the following expressions have the following meanings:

"Additional Borrower" has the meaning given to it in the Facilities Agreement;

"Assets" means in relation to the Chargor all its present, future or contingent undertaking, property, assets, rights and revenues, whatever and wherever in the world, present and future, and includes each or any of them;

"Beneficiaries" means collectively the Agent, the Security Trustee, the Lead Arranger, the Arrangers, the Banks, the Underwriters, the Issuing Bank, the Hedging Counterparties and any Bank in its capacity of provider of Foreign Exchange Facilities (but only for so long as it remains a Bank) and includes any one or more of them and **"Beneficiary"** shall be construed accordingly;

"Borrower" any of TLG Holdings plc, Thorn Lighting Group Limited, Thorn Lighting Limited, Thorn Lighting International Limited, Atlas International Limited and any Additional Borrower;

"Charged Property" means the property charged pursuant to clause 3 of the Second Debenture (*Charging Clause*);

"Charged Land" means the Land charged pursuant to clause 3 of the Second Debenture (*Charging Clause*);

"Charging Company" at any time, each of the Chargor, each Company referred to in Schedule II (*Charging Companies*) to the Facilities Agreement after it has entered into the relevant security required by Schedule II to the Facilities Agreement and any other Group Company or Companies which shall have executed a Security Document at that time;

"Collection Account" has the meaning attributed to it by clause 5.1 of the Second Debenture (*Treatment of Receivables*);

"Companies" means the Chargor and the other companies listed in Part II of this Schedule (together with any other entity which becomes an Obligor) and includes each or any of them separately;

"Company" means any one of the Companies;

"Continuing" has the meaning given to it in the Facilities Agreement;

"Derivative Securities" include:

- (a) allotments, rights, money or property arising from the Securities by way of conversion, exchange, redemption, bonus, preference, option or otherwise;
- (b) dividends, distributions, interest and other income from the Securities; and
- (c) stock, shares and securities offered in addition to or substitution for the Securities;

"Document" means any transfer, renunciation, proxy, mandate, legal or other charge, mortgage, assignment, deed or other document in relation to the Securities;

"Event of Default" has the meaning given to it in the Facilities Agreement;

"Facilities Agreement" means the facilities agreement dated 10 September 1998 as amended and restated by the Second Supplemental Agreement and made between the Principal Borrower (1), the other companies listed in Schedule XIII thereto (2), Chase Manhattan plc (as Lead Arranger) (3), Bank of Nova Scotia, Greenwich NatWest Limited and The Governor and Company of the Bank of Scotland (as Arrangers) (4), National Westminster Bank plc, Scotiabank Europe plc, The Chase Manhattan Bank and The Governor and Company of the Bank of Scotland (as Underwriters) (5), The Chase Manhattan Bank (as Issuing Bank) (6), Chase Manhattan International Limited (as Agent) (7) and Chase Manhattan International Limited (as Security Trustee) (8) which expression shall include any amendments, supplements, accessions, variations or additions to such agreement, however fundamental, (including, without limitation, changes to the facilities provided or increases in their maximum amount);

"First Debenture" means the guarantee and debenture executed and delivered on 10 September 1998, given by the Principal Borrower in favour of the Security Trustee;

"Finance Parties" has the meaning given to it in the Facilities Agreement;

"Floating Charge Assets" means, insofar only as it concerns the floating charges created by clause 3.1(p) of the Second Debenture (*Charging Clause*), Assets from time to time comprised within them;

"Foreign Exchange Facilities" means any forward foreign exchange facilities, currency swap, cap, ceiling, floor or financial futures contract or option or any similar treasury transaction which may be provided to the Group by a Bank but only for so long as it remains a Bank;

"Guarantor" means each of the companies listed in Part II of this Schedule insofar only as it covenants under clause 2.1(b) (*Covenant to Pay*) to pay or discharge money due or owing from or liabilities of any other Company to the Beneficiaries and **"Guarantee"** shall be construed accordingly;

"Group" means at any time the Principal Borrower and its Subsidiaries at that time and **"Group Company"** means any of them;

"Hedging Counterparty" has the meaning given to it in the Facilities Agreement and **"Hedging Counterparties"** shall be construed accordingly;

"Intellectual Property Rights" means in relation to the Chargor all patents (including but not limited to the Patents), utility models, trade marks (including but not limited to the Trademarks), service marks (and all goodwill associated with them), rights in passing off, all brands and trade names, all copyrights (including copyright in computer software) and rights in the nature of copyright, semiconductor topography rights, design rights and registered designs, all documented trade secrets and know-how and all other intellectual property rights now or in the future, registered or unregistered, owned or enjoyed by the Chargor, including the right to apply for all applications for the protection of the foregoing in any part of the world and the benefit of all agreements, licences and permissions now or in the future entered into or enjoyed by the Chargor relating to the use or exploitation of any such rights, and includes each or any of them;

"Land" includes freehold and leasehold land and (outside England and Wales) immovable property and in each case all buildings and structures upon and all things affixed to Land;

"Material Trade Marks" has the meaning attributed by clause 17 of Part V of this Schedule;

"Obligors" the Borrowers, the Guarantors and the Charging Companies and **"Obligor"** means each or any of them;

"Patents" means the patents and patent applications listed in Part 2 of the Fourth Schedule to the Second Debenture;

"Permitted Encumbrances" has the meaning given to it in the Facilities Agreement;

"Principal Borrower" means TLG Holdings plc (formerly Pampasbright plc) (company number 3588036);

"Realisation Account" has the meaning given to it in the Facilities Agreement;

"Receivables" means in relation to the Chargor all sums of money receivable by the Chargor now or in the future consisting of or payable under or derived from any of its Assets referred to in clause 3.1 of the Second Debenture (*Charging Clause*);

"Relevant System" has the meaning given to that term by the Regulations and includes any other system or facility (in the United Kingdom or elsewhere) providing for the deposit of, and clearance of transactions in, the Securities;

"Regulations" means the Uncertificated Securities Regulations 1995;

"Second Supplemental Agreement" means the supplemental agreement dated 13 January 1999 amending and restating the Facilities Agreement and made between the Principal Borrower (1), the other companies listed in Schedule I thereto (2), Chase Manhattan plc (as Lead Arranger) (3), Bank of Nova Scotia, Greenwich NatWest Limited and The Governor and Company of the Bank of Scotland (as Arrangers) (4), National Westminster Bank plc, Scotiabank Europe plc, The Chase Manhattan Bank and The Governor and Company of the Bank of Scotland (as Underwriters) (5), The Chase Manhattan Bank (as Issuing Bank) (6), Chase Manhattan International Limited (as Agent) (7) and Chase Manhattan International Limited (as Security Trustee) (8);

"Secured Sums" means in relation to the Chargor all money and liabilities covenanted and/or guaranteed to be paid or discharged by the Chargor to the Beneficiaries under clause 2.1 (*Covenant to Pay*) of the Second Debenture (referred to in Part III of this Schedule);

"Securities" means all stocks, shares, debentures and loan stocks issued by any company or person and all other investments (whether or not marketable) now or in the future owned at law or in equity by the Chargor, including all interests in investment funds and all Derivative Securities and including all Securities owned by the Chargor in another Company, and including all rights, benefits and sums now or in the future accruing to the Chargor as a result of any Securities being held in a Relevant System (including the Chargor's rights against the operator of, or any participant in, the Relevant System) ;

"Security Documents" the First Debenture, Second Debenture, the Subordination Agreement and (upon its being executed), the other security listed in Schedule II (*Charging Companies*) to the Facilities Agreement and shall include any substituted or additional security entered into by any of the Obligors in favour of the Finance Parties;

"Security Trustee" means Chase Manhattan International Limited in its capacity as security trustee for, amongst others, the Beneficiaries and any successor security trustee appointed under the terms of the Facilities Agreement;

"Senior Finance Documents" has the meaning given to it in the Facilities Agreement;

"Subordination Agreement" has the meaning given to it in the Facilities Agreement;

"Subsidiary" has the meaning given to it in the Facilities Agreement;

"Trade Marks" means all registered trade marks and all brand, trade and/or business names listed in Part 1 of the Fourth Schedule of the Second Debenture;

"United Kingdom" and "U.K." means the United Kingdom of Great Britain and Northern Ireland;

"writing" includes telex, facsimile transmission and any other mode of representing or reproducing words in a legible and non-transitory form, except in relation to any certificate, notice or other document which is expressly required by this Second Debenture to be signed, and "written" has a corresponding meaning.

Part II

The Companies

Company Name	Company Number
TLG Holdings plc (formerly known as Pampasbright plc)	3588036
Thorn Lighting Group Limited (formerly known as TLG plc)	2815212
Thorn Lighting International Limited	2816411
Thorn Lighting Limited	263866
Thorn Lighting Overseas Limited	3295929
Atlas International Limited	3121110

Part III

Amount secured by Mortgage or Charge

1. Subject to clause 2.7 of the Second Debenture, all money and liabilities due, owing or incurred on or after the date of the Second Debenture, by the Chargor:
 - (a) under or pursuant to the Senior Finance Documents:
 - (i) to Chase Manhattan International Limited; and
 - (ii) to each Beneficiary; and
 - (b) to each Bank under or pursuant to the Foreign Exchange Facilities.
2. Subject to clause 2.7 of the Second Debenture, all money and liabilities due, owing or incurred on or after the date of the Second Debenture, by any other Company:
 - (a) under or pursuant to the Senior Finance Documents:
 - (i) to Chase Manhattan International Limited; and
 - (ii) to each Beneficiary; and
 - (b) to each Bank under or pursuant to the Foreign Exchange Facilities.

in either case whether on or after demand, whether actually or contingently, whether solely or jointly with any other person, whether as principal or surety and whether or not the relevant Beneficiary was an original party to the relevant transaction and so that interest shall be computed and compounded in accordance with the Senior Finance Documents (and where appropriate the terms of the Foreign Exchange Facilities) and clause 21.3 of the Second Debenture (*Overdue Amounts*) (after as well as before any demand or judgment).

3. By clause 2.7 of the Second Debenture, the Chargor agreed to exclude from all of the covenants and guarantees contained in clause 2.1 (*Covenant to Pay*) of the Second Debenture any liability or sum outstanding under the Term Facilities or the Acquisition Tranche of the Revolving Credit Facility and any other liability or sum (including any liability or sum outstanding under the Working Capital Tranche of the Revolving Credit Facility) which would, but for that proviso, cause such covenants and guarantees or the security which would otherwise be constituted by the Second Debenture for such liability or sum to constitute unlawful financial assistance prohibited by Section 151 of the Companies Act 1985.

Part IV

Particulars of Property Mortgaged or Charged

1. By clause 3.1 of the Second Debenture, the Chargor with full title guarantee charged to the Security Trustee with the payment or discharge of all Secured Sums:

- (a) by way of first legal mortgage, all freehold and leasehold Land in England and Wales vested in the Chargor and registered at H.M. Land Registry at the date of the Second Debenture (including all rights and interests of the Chargor (if any) in the land set out in Part A of Part VI of this Schedule);
- (b) by way of first legal mortgage, all other freehold and leasehold Land in England and Wales vested in the Chargor and not registered at H.M. Land Registry (including all rights and interests of the Chargor (if any) in the Land set out in Part B of Schedule VI of this Schedule), at the date of the Second Debenture;
- (c) by way of first fixed charge, all Land, at the date of the Second Debenture or thereafter, becoming the property of the Chargor (except Land charged under the charges referred to above);
- (d) by way of first fixed charge, all interests in Land or the proceeds of sale of Land at the date of the Second Debenture or thereafter belonging to the Chargor which have not already been charged under the charges referred to above and all licences at the date of the Second Debenture or thereafter held by the Chargor to enter upon, use or exploit Land and the benefit of all options, easements, agreements for lease and other agreements relating to the acquisition, use, exploitation or disposal of Land to which the Chargor was on the date of the Second Debenture or may in the future become entitled;
- (e) by way of first fixed charge, all plant and machinery of the Chargor attached to any Land on or after the date of the Second Debenture which, or an interest in which, is charged under the charges referred to above and all rights and interests of the Chargor under all present and future agreements for the purchase, maintenance or use of plant and machinery so attached;
- (f) by way of first fixed charge, all rental and other income and all debts and claims at the date of the Second Debenture or thereafter due or owing to the Chargor under or in connection with any lease, agreement or licence relating to Land;
- (g) by way of first fixed charge, all Securities belonging to the Chargor;
- (h) by way of first fixed charge, all contracts and policies of insurance and assurance held by or otherwise benefiting the Chargor on or after the date of the Second Debenture and all rights and interests of the Chargor in every such contract and policy (including the benefit of all claims arising and all money payable under such contracts and policies);
- (i) by way of first fixed charge, all the goodwill and uncalled capital for the time being of the Chargor;
- (j) (subject to any necessary third party consents being obtained) by way of first fixed charge, all Intellectual Property Rights of the Chargor capable of being validly charged by way of fixed charge;
- (k) by way of first fixed charge, all book and other debts owing to the Chargor and all rights and claims of the Chargor against third parties, present and future, capable of being satisfied by the payment of money (except rights and claims effectively charged under the charges referred to above);

- (l) by way of first fixed charge, the benefit of all negotiable instruments, guarantees, bonds, Second Debentures, legal or equitable charges and all other security, reservation of proprietary rights, rights of tracing, unpaid vendor's liens and all other rights and remedies on the date of the Second Debenture or thereafter available to the Chargor as security for any Receivable or for the performance by any third party of any obligation on the date of the Second Debenture or thereafter owed to the Principal Borrower;
 - (m) by way of first fixed charge, all money at any time standing to the credit of any Collection Account relating to the Chargor, including the proceeds of all Receivables of the Chargor, which proceeds shall, for the avoidance of doubt, on payment into such Collection Account cease to be subject to the charges referred to above but shall be subject to the fixed charge contained in this paragraph (m);
 - (n) by way of first fixed charge, all money at any time standing to the credit of any Realisation Account;
 - (o) by way of first fixed charge, all money at any time standing to the credit of any other bank account relating to the Chargor;
 - (p) by way of floating charge:
 - (i) all Assets owned by the Chargor on or after the date of the Second Debenture except to the extent that such Assets are for the time being effectively charged by any fixed charge referred to above, including any Assets comprised within a charge which is reconverted under clause 3.6 of the Second Debenture (*Decrystallisation of Floating Charge*); and
 - (ii) without exception all Assets insofar as they are for the time being situated in Scotland;
- but in each case so that the Chargor shall not create any Encumbrance over any Floating Charge Asset (whether having priority over, or ranking *pari passu* with or subject to, this floating charge) or take any other step referred to in clause 6.1 of the Second Debenture (*Negative Pledge and other Restrictions*) with respect to any Floating Charge Asset and the Chargor shall not, without the prior written consent of the Security Trustee, sell, transfer, part with or dispose of any Floating Charge Asset save as permitted by clause 15.4 (*Restriction on Disposals*) of the Facilities Agreement;
2. By clause 3.2 of the Second Debenture the Chargor with full title guarantee agreed to assign (insofar as they were capable of being assigned by way of security and subject to any necessary third party consents being obtained) to the Security Trustee as continuing security for the payment, discharge and performance of the Secured Sums:
- (a) all claims of the Chargor against all persons who are on or after the date of the Second Debenture the lessees, sub-lessees or licensees of its Land and all guarantors and sureties for the obligations of such persons;
 - (b) the benefit of all guarantees, warranties and representations given or made to the Chargor by, and any rights or remedies against, all or any of the manufacturers, suppliers or installers of any fixtures on or after the date of the Second Debenture attached to such Land;

- (c) the benefit of all rights and claims to which the Chargor on or after the date of the Second Debenture is entitled under any agreement for lease, agreements for sale, contracts, options or undertakings relating to any estate, right or interest in or over such Land;
- (d) all rights and claims to which the Chargor is on or after the date of the Second Debenture entitled against any builder, contractor or professional adviser engaged in relation to such Land or property development or works, including, without limitation, under any collateral warranty or similar agreement; and
- (e) the benefit of all rights and claims to which the Chargor is on or after the date of the Second Debenture entitled under or in respect of any joint venture, partnership or similar arrangement or agreement;

provided that until the security constituted by the Second Debenture becomes enforceable in accordance with the terms of the Second Debenture the Chargor is entitled to exercise all rights assigned under clause 3.2 of the Second Debenture subject to the terms of the Senior Finance Documents and the Security Trustee will reassign any such rights to the extent necessary to enable it to do so.

Part V

Covenants and Restrictions

1. By clause 3.3 of the Second Debenture, the Chargor agreed that each floating charge created by the Chargor in clause 3.1(p) (*Charging Clause*) of the Second Debenture may be crystallised into a fixed charge by notice in writing by the Security Trustee to the Chargor given:
 - (a) at any time whilst an Event of Default is Continuing; or
 - (b) in any case in respect of any Charged Property whilst the security over it is in jeopardy or which is in danger of seizure.

Such crystallisation shall take effect over such Floating Charge Assets or class or classes of Floating Charge Assets owned by the Chargor as shall be specified in the notice. If no Floating Charge Assets are so specified, it shall take effect over all Floating Charge Assets owned by the Chargor.

2. By clause 3.4 of the Second Debenture the Chargor agreed that, without the Security Trustee's prior written consent and save as permitted under the Facilities Agreement, it resolves to take or takes any step to charge (whether by way of fixed or floating charge) or otherwise encumber any of its Floating Charge Assets or to create a trust over any such Floating Charge Asset or to dispose of any such Floating Charge Asset except by way of sale or other disposition in the ordinary course of the Chargor's business, or if any person resolves to take or takes any step to levy any distress, execution, sequestration or other process against any such Floating Charge Asset, then the relevant floating charge created by clause 3.1(p) (*Charging Clause*) of the Second Debenture shall be automatically crystallised (without the necessity of notice) into a fixed charge over such Floating Charge Asset instantly on the occurrence of such event.

3. By clause 3.5 of the Second Debenture the Chargor agreed that except as otherwise stated in any notice given under clause 3.3 (*Crystallisation of Floating Charge*) of the Second Debenture or unless such notice relates to all Floating Charge Assets owned by the Chargor, Floating Charge Assets acquired by the Chargor after crystallisation has occurred under clause 3.3 (*Crystallisation of Floating Charge*) or 3.4 (*Automatic Crystallisation*) of the Second Debenture shall continue subject to the relevant floating charge created by clause 3.1(p) (*Charging Clause*) of the Second Debenture, so that the crystallisation shall be effective only as to its Floating Charge Assets in existence at the date of crystallisation.
4. By clause 3.6 of the Second Debenture the Chargor agreed that any charge by the Chargor which has crystallised under clause 3.3 (*Crystallisation of Floating Charge*) or 3.4 (*Automatic Crystallisation*) of the Second Debenture may, by notice in writing given at any time by the Security Trustee to the Chargor, be reconverted into a floating charge in relation to the Assets or class or classes of Assets specified in such notice.
5. By clause 3.7 of the Second Debenture the Chargor agreed that any mortgage, fixed charge or other fixed security whenever and however created by the Chargor and subsisting in favour of the Security Trustee shall (save as the Security Trustee may otherwise declare at or after the time of its creation) have priority over the relevant floating charge created by clause 3.1(p) (*Charging Clause*) of the Second Debenture.
6. By clause 3.9 of the Second Debenture the Chargor agreed that save for Permitted Encumbrances, any Second Debentures, mortgages or charges (fixed or floating) created after the date of the Second Debenture by the Chargor (except those in favour of the Security Trustee) shall be expressed to be subject to the Second Debenture and shall rank in order of priority behind the charges created by the Second Debenture.
7. By clause 4.1 of the Second Debenture the Chargor agreed that subject to the rights of any prior mortgagee and, except as otherwise expressly agreed by the Security Trustee, it shall:
 - (a) deposit with the Security Trustee, and the Security Trustee shall be entitled to retain, all deeds and documents of title relating to all Assets charged by way of fixed charge under clause 3.1 (*Charging Clause*) of the Second Debenture but (unless the Security Trustee requests any further title documents to which the Chargor is entitled to possession and is reasonably able to deliver) the Chargor shall only be required to deliver title documents in respect of Charged Land or Securities charged under clause 3.1 of the Second Debenture or, to the extent it is required to deliver the same to comply with its obligations relating to insurance or assurance in the Senior Finance Documents, insurance and assurance policy documents prior to the occurrence of an Event of Default;
 - (b) in relation to all Securities, execute and deliver to the Security Trustee such documents and transfers and give such instructions and perform such other acts as the Security Trustee may require at any time to constitute or perfect an equitable or legal charge (at the Security Trustee's option) over registered Securities or a pledge over bearer Securities, including any Securities eligible to participate in any paperless transfer and settlement system or held in a clearing system.
8. By clause 4.2 of the Second Debenture the Chargor agreed that unless and until the Second Debenture becomes enforceable or (following the occurrence of an Event of Default and for so long as it is Continuing) the Security Trustee otherwise directs in any case and:
 - (a) for so long as the Chargor remains the registered owner of the Securities:

- (i) all voting and other rights (including the right to receive dividends) attaching to Securities shall continue to be exercised by the Chargor for so long as it remains their registered owner, provided that the Chargor undertakes not to exercise any voting or other rights in a way which is likely to prejudice the value of the Securities or otherwise jeopardise the security constituted by the Second Debenture; and
 - (ii) the Chargor shall be free to deal with all dividends and interest paid thereon, subject to the provisions of the Facilities Agreement;
 - (b) if Securities are registered in the name of the Security Trustee or its nominee:
 - (i) all voting and other rights attaching to them shall be exercised by the Security Trustee or its nominee in accordance with instructions in writing from time to time received from the Chargor, Provided that the Chargor undertakes not to give any instructions to exercise any voting or other rights in a way which is in the reasonable opinion of the Security Trustee likely to prejudice the value of the Securities or otherwise jeopardise the security created by the Second Debenture; in the absence of any such instructions, the nominee shall refrain from exercising any such rights; and
 - (ii) all dividends, distributions, interest and other moneys paid on and received by the Security Trustee in respect of the Securities shall be collected by the Security Trustee as agent for the Chargor and paid to such Chargor to such account as it may from time to time specify;
 - (c) the Chargor shall duly and promptly pay all costs, instalments or other payments which from time to time become due in respect of any Securities.
9. By clause 4.3 of the Second Debenture the Chargor agreed that at any time after the Second Debenture has become enforceable:
- (a) the Security Trustee may (in the name of the Chargor or otherwise and without any further consent or authority on the part of Chargor) exercise all voting and other rights attaching to the Securities and any rights attaching to the Securities to nominate or remove a director as if the Security Trustee was the sole beneficial owner of the Securities;
 - (b) all Derivative Securities shall, if received by the Chargor or its nominee, be held on trust for and forthwith paid or transferred to the Security Trustee; and
 - (c) the Chargor shall (and shall procure that its nominees shall) accept short notice for and attend any meeting of the holders of any Securities, appoint proxies and exercise voting and other rights and powers exercisable by the holders of the Securities as the Security Trustee may direct from time to time.
10. By clause 5.1 of the Second Debenture the Chargor agreed that it shall collect and realise all Receivables and shall pay into such account as the Security Trustee may, in its absolute discretion, direct (a "Collection Account") all money which it may receive in respect of them immediately on receipt. The Chargor shall, pending such payment, hold all money so received upon trust for the Security Trustee and shall not, without the prior written consent of the Security Trustee, charge, factor, discount, assign, postpone, subordinate, release or waive its rights in respect of any Receivable in favour of any other person or purport to do

so. In the event that any Collection Account is operated by a bank other than the Security Trustee, such Collection Account shall be operated by the bank with which it is maintained as trustee for the Security Trustee.

11. By clause 5.3 of the Second Debenture the Chargor agreed that if the Security Trustee releases, waives or postpones its rights in respect of any Receivables for the purpose of enabling the Chargor to factor or discount them to a third party, the charges created by the Second Debenture shall in all other respects remain in full force and effect. In particular all amounts becoming due to the Chargor from the third party and any Receivables re-assigned, or due to be re-assigned, by the third party to the Chargor shall be subject to the relevant fixed charge created by clause 3.1 (*Charging Clause*) of the Second Debenture, subject only to any defences or rights of set-off which the third party may have against the Chargor.
12. By clause 6.1 of the Second Debenture the Chargor shall not, without the prior written consent of the Security Trustee (and save for the Chargor's rights in respect of Permitted Encumbrances and the terms of clause 15.4 (*Restriction on disposals*) of the Facilities Agreement):
 - (a) create, or agree or attempt to create, or permit to subsist, any Encumbrance (including any security conferring power to convert a floating charge into a fixed charge in relation to any of its Assets) or any trust over any of its Assets or permit any lien (other than a lien arising by operation of law in the ordinary course of its business) to arise or subsist over any of its Assets;
 - (b) sell, assign, lease, license or sub-license, or grant any interest in, its Land, Securities, Receivables or Intellectual Property Rights, or purport to do any such act, or part with possession or ownership of them, or allow any third party access to them or the right to use a copy of any such Intellectual Property Rights; or
 - (c) permit any person other than one of the companies listed in Part II of this Schedule, the Security Trustee or its nominee to be registered as holder of any Securities or any part thereof; or
 - (d) not do or cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the market value of Securities or their value to the Security Trustee or the Beneficiaries.
13. By clause 9.2 of the Second Debenture the Chargor agrees that, save as permitted by clause 15.6 (*Factoring and Loans*) of the Facilities Agreement, it shall not, without the prior written consent of the Security Trustee, seek to charge, factor, discount, assign, encumber or sell or otherwise dispose or compromise, compound, discharge, postpone, release, set-off, settle or subordinate any of its Receivables or waive its rights of action in connection with them, or do or omit to do anything which may delay or prejudice their full recovery.
14. By clause 10.4 (*Permitted Uses and Acts*) of the Second Debenture the Chargor agreed not to do or omit to be done anything which could reasonably be expected to render any policy of insurance hereby charged void or voidable.
15. By clause 11.2 (*Negative Property Covenants*) of the Second Debenture the Chargor agreed that it shall not, without the prior written consent of the Security Trustee (such consent not to be unreasonably withheld or delayed where it would not cause a breach of the Facilities Agreement) at any time:

- (a) erect any building or (save as permitted by clause 11.1(a) of the Second Debenture) make any structural alteration or apply for any planning consent for the development or change of use of any Charged Land, or (save in repair, replacement or improvement) at any time sever or remove or dispose of (other than as permitted in the Facilities Agreement) any fixture on it;
 - (b) enter into onerous or restrictive obligations affecting any Charged Land or create or permit to arise any overriding interest or any easement or right (save as permitted by the terms of the Facilities Agreement) whatever in or over it which in any such case might reasonably be expected to adversely affect its value or the value of the security over it.
- 16. By clause 12.1 (*Intellectual Property Covenants*) of the Second Debenture the Chargor agreed, during the continuance of this security, unless the Security Trustee otherwise agrees in writing that it shall:
 - (a) take all necessary action to protect and maintain the Intellectual Property Rights including the Trade Marks and franchises (wherever situate) which are at any time material to the Chargor's business and contracts and promptly give notice to the Security Trustee (together with reasonable details) of any infringement or alleged infringement or any challenge to the validity of any of the Trade Marks which are at any time material and necessary for the conduct of the Chargor's business substantially as presently conducted or as it may be conducted in the future (subject to the restrictions on the change of business under the Facilities Agreement) (the "**Material Trade Marks**") in the United Kingdom of which the Chargor has notice;
 - (b) maintain an up-to-date record of all Material Trade Marks owned by the Chargor and applications for registration of Trade Marks owned by the Chargor and provide a copy to the Security Trustee on written request;
 - (c) not sell, assign, transfer, licence or agree to license any of the Material Trade Marks owned by the Chargor or any interest therein where to do so would constitute a breach of the Facilities Agreement; and
 - (d) not abandon any of the Material Trade Marks owned by the Chargor or alter any specification for which a trade mark the subject of such Material Trade Marks has been registered where to do so would constitute a breach of the Facilities Agreement.
- 17. By clause 13.1 (*No Leasing etc*) of the Second Debenture the Chargor agreed that it shall not (except to the extent this would not cause a breach of the Facilities Agreement), without the prior written consent of the Security Trustee, exercise any power of leasing or accepting surrenders of leases of, any Land, nor (save where obliged to do so by law) extend, renew or vary any lease or tenancy agreement or give any licence to assign or underlet.
- 18. By clause 13.2 (*No Parting with Possession*) of the Second Debenture the Chargor agreed that it shall not part with possession (except on the determination of any lease, tenancy or licence granted to the Chargor) of any Land or share the occupation of it with any other person, or agree to do so, without the prior written consent of the Security Trustee (except to the extent this would not cause a breach of the Facilities Agreement).

Part VI

Part A - Registered Property

Property	Title	Proprietor	County and District	Title Number
Screen 2, Silverscreens Elstree Way, Borehamwood, Herts WD6 1HZ	Leasehold	Thorn Lighting Group Limited	Herts	HD265352
Unit 8, The Towers, Wilmslow Road, Didsbury, Manchester M20 8SE	Leasehold	Thorn Lighting Group Limited	Manchester	GM589037
3 King George Close Eastern Avenue West Romford Essex RM7 7PP	Leasehold	Thorn Lighting Group Limited	Greater London	EGL248447
Thorn Lighting Limited Merrington Lane Trading Estate Spennymoor County Durham DL16 7UR	Freehold	Thorn Lighting Group Limited	Durham	DU129600

Part B - Unregistered Property

Description	Proprietor	Tenure
Unit 16, Columbus Walk, Court D, Waterfront 2000 Cardiff CF1 5BY	Thorn Lighting Group Limited	Leasehold
Rotherwas Works Holme Lacey Road Hereford Herefordshire HR2 6JS	Thorn Lighting Limited	Freehold
Thorn Lighting Sports Ground Twyford Road Rotherwas Hereford Herefordshire	Thorn Lighting Limited	Freehold
Unit 5 Clarke Hall Farm Aberford Road Wakefield West Yorkshire WF1 4AL	Thorn Lighting Limited	Leasehold

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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. 03295929

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SECOND GUARANTEE AND DEBENTURE DATED THE 13th JANUARY 1999 AND CREATED BY THORN LIGHTING OVERSEAS LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY AND/OR ALL OR ANY OF THE OTHER COMPANIES NAMED THEREIN TO CHASE MANHATTAN INTERNATIONAL LIMITED, AS SECURITY TRUSTEE FOR THE BENEFICIARIES (AS DEFINED) ON ANY ACCOUNT WHATSOEVER UNDER OR PURSUANT TO THE SENIOR FINANCE DOCUMENTS AND THE FOREIGN EXCHANGE FACILITIES (BOTH AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 21st JANUARY 1999.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 25th JANUARY 1999.

M. J. [illegible]
[illegible]

for the Registrar of Companies



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