

M

COMPANIES FORM No. 395

180992/13

Particulars of a mortgage or charge

395

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

CHFP025

Please do not write in this margin

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

*insert full name of Company

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number

[] [] [] [] [] [] [] [] [] []

03479383

Name of company

* AGM Batteries Limited (the "Chargor")

Date of creation of the charge

26 May 2009

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

A security agreement between the Chargor and the Lender (as defined below) relating to a £1,800,000 term facility dated 26 May 2009 (the "Security Agreement").

Amount secured by the mortgage or charge

4
+
10
All present and future moneys, debts, liabilities and obligations due, owing or incurred by the Chargor or ABSL Power Solutions Limited to the Lender under or in connection with any Finance Document (in each case whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently and whether as principal, surety or otherwise) (the "Secured Liabilities").

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

CIP Industries L.P Incorporated a Guernsey Limited Partnership with registered number 538 and registered address at PO Box 225, Trafalgar Court, Les Banques, St Peter Port, Guernsey (the "Lender").

Postcode C.I. GY1 3QL

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

Simmons & Simmons
CityPoint
One Ropemaker Street
London
EC2Y 9SS

66384-4/AFXL/RKS

Time critical reference

For official Use (06/2005)
Mortgage Section

MONDAY



A17

ABGY2AJU

08/06/2009

COMPANIES HOUSE

52

Short particulars of all the property mortgaged or charged

Please see the attached schedule.

Please do not
write in
this margin

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

Particulars as to commission allowance or discount (note 3)

None

Signed *Simmons & Simmons*

Date *4 June 2009*

On behalf of [company] ~~XXXXXX~~ [chargee] †

*A fee is payable
to Companies
House in
respect of each
register entry
for a mortgage
or charge.
(See Note 5)*

*† 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.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

AGM Batteries Limited,
a limited company registered in England
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SCHEDULE

Short Particulars of all the Property Mortgaged or Charged

1. Fixed Charge

To secure the complete and timely payment, performance and discharge in full, as the case may be, of all of the Secured Liabilities, the Chargor hereby, unconditionally and irrevocably charges by way of first fixed charge:

1.1 Real property

(A) The Chargor charges:

- (1) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it; and
- (2) (to the extent that they are not the subject of a mortgage under paragraph (A)(1) above) by way of first fixed charge all estates or interests in any freehold or leasehold property now or in the future owned by it.

(B) A reference in the Security Agreement to a mortgage or charge of any freehold or leasehold property includes:

- (1) each and every part of that property, including the buildings, structures, fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery now or in the future on that property and all easements and rights attaching to it; and
- (2) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

1.2 Investments

(A) The Chargor charges by way of a first fixed charge all of its rights and interests in the Investments.

(B) A reference in the Security Agreement to any mortgage or charge of any Investment includes:

- (1) any dividend or interest paid or payable in relation to it;
- (2) any right, money or property accruing or offered at any time in relation to it by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise; and
- (3) any right under any custodian or other agreement in relation to it.

1.3 Plant and machinery

The Chargor charges:

(A) by way of first legal mortgage:

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- (1) the Equipment and the Equipment Documents;
 - (2) the benefit of all Authorisations, contracts and agreements (including all conditions and warranties) entered into at any time relating to the title, merchantable quality, fitness for purpose, description, condition, operation, use, servicing, maintenance or repair of the Equipment;
 - (3) any money payable to the Chargor or ABSL Power Solutions for, or in connection with, a disposal by way of sale or otherwise of the Equipment, including any deposit, sum on account or instalment; and
- (B) (to the extent that they are not the subject of a mortgage under paragraph (A) above) by way of a first fixed charge all fixed and moveable plant and machinery now or in the future owned by it, its interest in any plant or machinery in its possession and the benefit of all related Authorisations, agreements and warranties.

1.4 Credit balances

The Chargor charges by way of a first fixed charge all of its rights in respect of any amount standing to the credit of any account (including but not limited to, any account contemplated by the Facility Agreement or the Security Agreement) it has in its name (or to which it is beneficially entitled) with any person and the debt represented by such account.

1.5 Debts etc.

The Chargor charges by way of a first fixed charge:

- (A) all of its book and other debts;
- (B) all other moneys due and owing to it; and
- (C) the benefit of all rights, securities or guarantees of any nature enjoyed or held by it in relation to any item under paragraphs (A) and (B) above.

1.6 Intellectual Property

The Chargor charges by way of first fixed charge all:

- (A) patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests, whether registered or unregistered;
- (B) the benefits of all applications and rights to use such assets; and
- (C) all fees, royalties and other rights of every kind deriving from such assets.

1.7 Authorisations

The Chargor charges by way of first fixed charge the benefit of all Authorisations held by it in relation to any Charged Property, together with the right to recover and receive compensation which may be payable to it in respect of any Authorisation.

1.8 Pension fund

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The Chargor charges by way of first fixed charge any beneficial interest, claim or entitlement it has in any pension fund.

1.9 Goodwill

The Chargor charges by way of first fixed charge its goodwill.

1.10 Stock and inventory

The Chargor charges by way of first fixed charge all of its stock and inventory.

1.11 Uncalled capital

The Chargor charges by way of first fixed charge its uncalled capital.

2. Floating Charge

2.1 To secure the complete and timely payment, performance and discharge in full, as the case may be, of all of the Secured Liabilities, the Chargor hereby, unconditionally and irrevocably charges by way of first floating charge its undertaking and assets, both present and future. This floating charge created by the Chargor is a "qualifying floating charge" for the purposes of paragraph 14.2(a) of Schedule B1 to the Insolvency Act. Paragraph 14 of Schedule B1 to the Insolvency Act shall apply to the Security Agreement and the Lender may appoint an administrator to the Chargor pursuant to that paragraph.

2.2 Conversion by notice

The Lender may convert the floating charge created by the Security Agreement over all or any of the Charged Property into a fixed charge by notice to the Chargor's assets specified in that notice (either specifically or generally):

- (A) while an Enforcement Event is continuing; and/or
- (B) if the Lender considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process.

2.3 Automatic conversion

If:

- (A) the Chargor takes any step to create any Security in breach of the Security Agreement over any of the Charged Property not subject to a fixed charge;
- (B) an administrator is appointed or the Lender receives notice of an intention to appoint an administrator in respect of the Chargor; or
- (C) any person takes any step to effect any expropriation, attachment, sequestration, distress or execution against any of the Charged Property,

the floating charge over the relevant Charged Property shall automatically and immediately be converted into a fixed charge.

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3. Restrictions on dealing

3.1 **Negative pledge**

- (A) The Chargor shall not (and shall ensure that no other member of the Group will) create or permit to subsist any Security over any of its assets.
- (B) The Chargor shall not (and shall ensure that no other member of the Group will):
 - (1) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by the Chargor for any other member of the Group);
 - (2) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
 - (3) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (4) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.
- (C) Paragraphs (A) and (B) above do not apply to:
 - (1) [Security listed in (Existing Security) except to the extent the principal amount secured by that Security exceeds the amount stated in that Schedule;]
 - (2) any netting or set-off arrangement entered into by a member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
 - (3) any lien arising by operation of law and in the ordinary course of trading
 - (4) any Security over or affecting any asset acquired by a member of the Group after the 26 May 2009 if:
 - (a) the Security was not created in contemplation of the acquisition of that asset by a member of the Group;
 - (b) the principal amount secured has not been increased in contemplation of, or since the acquisition of that asset by a member of the Group; and
 - (c) the Security is removed or discharged within three months of the date of acquisition of such asset;
 - (5) any Security over or affecting any asset of any company which becomes a member of the Group after the date of this Agreement, where the Security is created prior to the date on which that company becomes a member of the Group, if:
 - (a) the Security was not created in contemplation of the acquisition of that company;

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- (b) the principal amount secured has not increased in contemplation of or since the acquisition of that company; and
- (c) the Security is removed or discharged within three months of that company becoming a member of the Group; and
- (6) any Security entered into pursuant to any Finance Document.

3.2 Disposals

- (A) The Chargor shall not (and ABSL Power Solutions Limited shall ensure that no other member of the Group will), enter into a single transaction or a series of transactions (whether or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset.
- (B) Paragraph (A) above does not apply to any sale, lease, transfer or other disposal:
 - (1) made in the ordinary course of trading of the disposing entity;
 - (2) of assets in exchange for other assets comparable or superior as to type, value and quality; or
 - (3) with the Lender's prior written consent.

4. Definitions

In this Form 395, the following words and expressions have the following meanings:

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London.

"Charged Property" means all of the assets of the Chargor which from time to time are, or are expressed to be, subject to the Security created or expressed to be created in favour of the Lender pursuant to the Security Agreement.

"Disruption Event" means either or both of:

- (A) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (B) the occurrence of any other event which results in a disruption (of a technical or systems related nature) to the treasury or payments operations of a Party preventing that, or the other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with the other Party in accordance with the terms of the Finance Documents,

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and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

"**Enforcement Event**" means an Event of Default occurs.

"**Equipment**" means the goods or chattels, whether already acquired or hereafter to be acquired, including all engines, appliances, parts, spare parts, components, instruments, appurtenances, accessories and other equipment of any kind installed in them or on them, and any and all substitutions, replacements, renewals and additions hereafter from time to time made for, in, or to them, including but not limited to:

Number	Location	Description	Serial Number	Supplier
00001	Coating	Hirano Coating Plant	RDB #5601	GS Battery Finance UK Ltd
00002	Mixing	Asada Planetary Mixer 9406MX	R94013	GS - Melcotec
00003	Mixing	Asada Planetary Mixer 9405MX	R94012	GS - Melcotec
00004	Mixing	Asada Nano Mill Mixer & vessel	'0000431	GS - Melcotec
00005	Mixing	Asada slow speed mixer 9402 MX	M94005	Included in 00002 & 00003
00006	Coating	Webb Calender Machine	99/7504	Webb
00007	Oxidiser plant	Oxidiser Plant		Megtec
00008	Coating	Slitting Machine	475 -81616	Dusenbury
00009	Dry Room	Vacuum Drying Oven - 1	IF1974507961	Energizer
00010	Dry Room	Vacuum Drying Oven - 2	IF1974551596	Energizer
00011	Dry Room	Winding Machine - 1	899-1	Montena
00012	Dry Room	Winding Machine - 2	899-2	Montena
00013	Dry Room	Hibar Filling Machine	5047012198	Hi-Tech
00014	Dry Room	Dry Rm assembly station A-Conveyors	2802A	Marlin
00015	Dry Room	Dry Rm assembly station B-negative tag welder	2802B	Marlin
00016	Dry Room	Dry Rm assembly station C-positive cap fusion welder	2802C	Marlin
00017	Dry Room	Dry Rm assembly station D-laser welder	2802D	Marlin
00018	Dry Room	Dry Rm assembly station E - Insulation Tester	2802E	Marlin
00019	Coating	Negative Cap Welder	2802F	Marlin
00020	Formation	Quinn Shrink wrap tunnel & conveyor	R002301	Quinn
00021	Formation	Inkjet printer	LP78959	Linx
00022	Formation	Formation System, grade station & load station		Bitrode

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00023	Goods Inwards	Forklift truck	H2X335K01209	Lansing Linde
00024	Stores	Mix Vessel Hydraulic lift truck		Included in 00001
00025	Coating	Kantoh Coil Lift Truck	DW60810	Included in 00002
00026	Coating	Aztech Roll Runner Coil Lifter	MH - X036	Jarshire
00027	Coating	Aztech Roll Runner Reel Lifter	MH - X035	Jarshire
00028	Coating	Aztech Roll Runner Reel Lifter	MH - X040	Jarshire
00029	Dry Room	Aztech Roll Runner Reel Lifter	MH- X034	Jarshire
00030	Coating	Aztech Calender Coil Loader Lift Truck	MH-X041	Jarshire
00031	Coating	Hirano Tecspeed coil Rewinder	23782	Included in 00001
00032	Workshop	WBJ Workshop Surface Table		Included in workshop
00033	Workshop	Meddings Pedestal Grindstone		Total workshop cost
00034	Workshop	Lion Vertical Miller		Included in workshop
00035	Workshop	Meddings Pedestal Drill		Included in workshop
00036	Workshop	Harrison M300 Lathe		Included in workshop
00037	Formation	Okura Belcon Mini Conveyor (Printer)		Calder Engineering
00038	QA	Edwards Spectron 300E Leak Detector		O C Edwards
00039	QA	Walton RP305 Shadow Graph		Allen
00040	QA	Karl Fischer Moisture Meter		Anachem Ltd
00041	Solvent Store	Solvent Store racking System		
00042	Ageing	Age Store racking system		
00043	Stores	Main Stores Racking System	3599	
00044	Stores	Man access cage attachment for forlift	12325	S & J Wright (Tydesley) Ltd
00045	Stores	Barrel lift attachment for forklift	12347	S & J Wright (Tydesley) Ltd
00046	Goods Inwards	Chloride 21 super forklift battery charge system	LB0591888	Included in 00023
00047	Oxidiser plant	Ammonia storage tank		Included in 00007
00048	Dry Room	Dry room Cathode reel rack		Calder Engineering
00049	Dry Room	Dry room Anode reel rack		Calder Engineering
00051	Mixing	Pnumatic Vacuum - mix room	993200016	Nilfisk

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00056	Dry Room Plant	Atlas Copco GA30 Compressor A11 - 361859 #2		
00057	Dry Room Plant	Atlas Copco GA30 Compressor A11 - 361860 #1		
00068	Mixing	Brookfield Rheometer DV111+	RP56068	
00069	Mixing	Salter SM30 Mix Room Scale	T2796	
00074	Stores	Pallet Truck M25 Ser .2210282 (Stores)	2210282	Lansing Linde
00075	Stores	Pallet Truck M25 with braking system - solvent store	2291401	Lansing Linde
00076	Mixing	Bishamon Pallet Truck (Mix Room) #1	99010377	Paxton
00088	Dry Rm Service C	Vacuum Oven Airdale Water Cooling System		
00077	Mixing	Bishamon Pallet Truck (Mix Room) #2	99010376	Paxton
00089	Dry Rm Service C	Winder Vacuum Pump QR0100 Ser 129981		Included in 00011
00090	Dry Rm Service C	Winder Vacuum Pump QR0100 Ser 129982		Included in 00012
00091	Workshop	Easi Arch 50 - 150amp portable welder		Included in workshop
00095	1st Aid Room	Ellison Purley 1st Aid couch		
00100	Coating	Gamma Coat weight equipment	12152	NDC
00101	Mixing	Island Platform Weigh Scale Bench		Calder Engineering
00102	Waste Compound	Mixer Chiller	1200808062	Euro Cold Energy
00103	Coating	Filler Vac Pump		
00104	Coating	ICS Laser Cooling System		Included in 00017
00105	Dry Room	Stainless Steel Weigh Table		
00106	QA	Stainless Steel Weigh Table		
00107	Workshop	Work Bench & Vice #1		Included in workshop
00108	Workshop	Work Bench & Vice #2		Included in workshop
00109	Workshop	Tool Cabinet		Included in workshop
00110	Workshop	Fluke Meter #1		
00111	Formation	Fluke Meter #2		
00112	Coating	LEL Solvent concentration		LEL

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		monitoring		
00113	Office	Office Furniture		
00114		RJ Macleod		
00115	Coating	Calender Rolls		Webb Proceasing
00116	Coating	Projection Welder	MN3680	Pyramid Engineering
00117	General	General Modifications		General
00118	Coating	Slitter		General
00119	Dry Room	Filler		GS Batteries
00120	Dry Room	Winder		
00121	Coating	Calender		
00122	General	Product Development		
00123	General	Test Equipment		
00124	Formation	Delta Shelving		Dsp Ltd
00125	Formation	Trays and accessories-	14026a	Bitrode
00125	Formation	ICR 36550 Tooling		GS Batteries
00126	Formation	Tooling for 34 K3 cap		GS Batteries
00127	Formation	Magregor welder		MacGregor
00128	Formation	Glue dispenser		Efd Internatioal INC
00129	General	Product Development		GS Batteries
00130	General	Die for Various batterys (invoice af2003-73)		GS Batteries
00131	General / Dry	Hand Held Pincer weld head and power supply including cables		Forward Precision Equipmetn Ltd
00132	General / Dry	1.1KVA Transformer		The Transformer and electrical Co. Ltd
00133	General / Dry	Hand Held Pincer weld head and power supply including cables		Forward Precision Equipmetn Ltd
00134	General / Dry	To convert welding stations		Hi-tech Machinery
00135	General Off-Site	Cell baskets and Tooling		Bitrode
00136	General	Spacers for Slitter Re- winder		GS Battery Finance UK Ltd
00137	General / Dry	Additional Expenditure to convert Welding station		Hi-tech Machinery
00138	General	Tooling for 37650Size cell bakset		Bitrode
00139	General Off-Site	Tooling for 37650Size cell bakset		Bitrode
00140	General / Dry	Installation and programming converting 2 weld stations to filling stations		Hi-Tech Machinery
00141	General Off-	Can tooling for 37560		GS Battery

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	Site	Cell		Finance UK Ltd
00142	General Off-Site	Cap Tooling for 37560cell		GS Battery Finance UK Ltd
00143	General Off-Site	Tooling for 12A PCB		GS Battery Finance UK Ltd
00144	General Off-Site	Handling and evaluation charge		GS Battery Finance UK Ltd
00145	General Off-Site	APC Samples		GS Battery Finance UK Ltd
00146	General	FE36 Firetrace System 1 Server Cabinet		APL
00147	General	FE36 Firetrace System 9 Server Cabinet		APL
00148		Compressor		BRE

"Equipment Documents" means all logbooks, maintenance records, record books, manuals, handbooks, drawings, technical data and all other documents relating to the Equipment.

"Event of Default" means each of the events or circumstances set out below:

Non-payment

The Chargor does not pay on the due date any amount payable pursuant to a Finance Document at the place and in the currency in which it is expressed to be payable unless:

- (A) its failure to pay is caused by:
 - (1) administrative or technical error, or
 - (2) a Disruption Event; and
- (B) payment is made within:
 - (1) (in the case of (A)(1) above) 2 Business Days of its due date; or
 - (2) (in the case of (A)(2) above) 5 Business Days of its due date;
- (C) payment is made within 5 Business Days of its due date.

Misrepresentation

Any representation or statement made or deemed to be made by the Chargor in the Finance Documents or any other document delivered by or on behalf of the Chargor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

Other obligations

ABSL Power Solutions Limited does not comply with any provision of the Finance Documents (other than those referred to in under Non payment above).

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Cross default

- (A) Any Financial Indebtedness of any member of the Group is not paid when due nor within any originally applicable grace period.
- (B) Any Financial Indebtedness of any member of the Group is declared or otherwise becomes due and payable prior to its specified maturity as a result of, an event of default (however described).
- (C) Any commitment for any Financial Indebtedness of any member of the Group is cancelled or suspended by a creditor of any member of the Group as a result of an event of default however described).
- (D) Any creditor of any member of the Group becomes entitled to declare any Financial Indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).
- (E) No Event of Default will occur if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (A) to (D) above is less than GBP200,000 (or its equivalent in any other currency or currencies).

Insolvency

- (A) A member of the Group is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness.
- (B) The value of the assets of any member of the Group is less than its liabilities (taking into account contingent and prospective liabilities).
- (C) A moratorium is declared in respect of any indebtedness of any member of the Group.

Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group other than a solvent liquidation or reorganisation of any member of the Group;
- (B) a composition, compromise, assignment or arrangement with any creditor of any member of the Group;
- (C) the appointment of a liquidator (other than in respect of a solvent liquidation of a member of the Group, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Borrower or any member of the Group or any of its assets: or
- (D) enforcement of any Security over any assets of any member of the Group, or any analogous procedure or step is taken in any jurisdiction.

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Creditors' process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of a member of the Group (having an aggregate value of GBP 5,000 (and is not discharged within 14 days).

Unlawfulness

It is or becomes unlawful for The Chargor to perform any of its obligations under the Finance Documents.

Repudiation

The Chargor repudiates a Finance Document or evidences an intention to repudiate a Finance Document.

Material adverse change

Any event or series of events or any circumstances whether related or not occurs or arises which, in the opinion of the Lender, has or would be likely to have a Material Adverse Effect.

"**Facility**" means the single currency term loan facility in an aggregate amount of £1,800,000 made available under the Facility Agreement to the extent not cancelled, reduced or transferred under the Facility Agreement.

"**Facility Agreement**" means the facility agreement dated on or about the date of the Security Agreement between ABSL Power Solutions Limited as borrower, AGM Batteries Limited as guarantor and CIP Industries L.P. Incorporated as Lender.

"**Finance Document**" means the Facility Agreement, a Security Document and any other document designated as such by the Lender and ABSL Power Solutions Limited.

"**Financial Indebtedness**" means any indebtedness for or in respect of:

- (A) moneys borrowed;
- (B) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (C) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (D) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;
- (E) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (F) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (G) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

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- (H) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (I) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (A) to (H) above.

"Group" means ABSL Power Solutions Limited and its Subsidiaries for the time being.

"IFRS" means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"Investments" any securities and investments of any kind (including shares, stock, debentures, units, depositary receipts, bonds, notes, commercial paper and certificates of deposit), warrants, options or other rights to subscribe for, purchase or otherwise acquire securities and investments now or in the future owned by the Chargor or (to the extent of its interest) in which it now or in the future has any interest.

"Material Adverse Effect" means a material adverse effect on:

- (A) the business, operations, assets or financial condition of any Obligor;
- (B) the ability of the Chargor to perform and comply with its obligations under the Finance Documents; or
- (C) the validity or enforceability of the Finance Documents or the rights and remedies of the Lender under the Finance Documents.

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Security Document" means:

- (A) the security agreement dated on or about the date of the Facility Agreement entered into between ABSL Power Solutions Limited and the Lender, securing any liabilities outstanding from the Chargor or ABSL Power Solutions Limited to the Lender under the Finance Documents;
- (B) the security agreement dated on or about the date of the Facility Agreement entered into between ABSL Power Solutions Limited and the Lender, securing any liabilities whatsoever outstanding from the Chargor or ABSL Power Solutions Limited to the Lender;
- (C) the security agreement dated on or about the date of the Facility Agreement entered into between the Chargor and the Lender, securing any liabilities outstanding from the Chargor or ABSL Power Solutions Limited to the Lender under the Finance Documents;
- (D) the security agreement dated on or about the date of the Facility Agreement entered into between the Chargor and the Lender securing any liabilities whatsoever outstanding from the Chargor or ABSL Power Solutions Limited to the Lender; and

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any other document evidencing or creating Security over any asset of any member of the Group to secure the obligations of the Chargor and ABSL Power Solutions to the Lender under the Finance Documents

"Subsidiary" means a subsidiary within the meaning of section 736 of the Companies Act 1985



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

**COMPANY NO. 3479383
CHARGE NO. 1**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A SECURITY AGREEMENT DATED 26
MAY 2009 AND CREATED BY AGM BATTERIES LIMITED FOR
SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE
COMPANY OR ABSL POWER SOLUTIONS LIMITED TO CIP
INDUSTRIES L.P. INCORPORATED ON ANY ACCOUNT
WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED
INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS
REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE
COMPANIES ACT 1985 ON THE 8 JUNE 2009

GIVEN AT COMPANIES HOUSE, CARDIFF THE 10 JUNE 2009

Purcell



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES