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in black type, or
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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

[5] [1] [8]

3579104

Name of company

* DOWNMARK LIMITED (the "Company")

Date of creation of the charge

25th August 1998

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

Deed of assignment of keyman life policy dated 25th August 1998 and made between the Company and the Bank (the "Assignment").

Amount secured by the mortgage or charge

All monies, obligations and liabilities which were at the date of the Assignment or are at any time thereafter due, owing or incurred to the Bank by the Company (including, without limitation, all monies, obligations and liabilities owing or incurred by the Company to the Bank under or pursuant to the Facility Agreement, the Security Documents, the Advice of Borrowing Terms Letter and the Assignment), whether actually or contingently and whether presently or in the future and whether solely or jointly with any other person and whether as principal or surety or in any way whatsoever including (as well after as before any demand made or judgment obtained) interest discount commission and other lawful charges and expenses computed and compounded from time to time in accordance with the terms agreed between the Company and the Bank relating thereto (if any) and in the absence of any such agreed terms computed and compounded from time to time according to the then current practice of the Bank (but so that interest shall be computed at the rate of 5 per cent. per annum over the Bank's base rate as published from

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

National Westminster Bank plc (the "Bank") acting through its branch at 92 English Street, Carlisle, Cumbria

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

Addleshaw Booth & Co
100 Barbirolli Square
Manchester
M2 3AB
rkblmar

RKB/HYF/104816-23

Time critical reference

For official use
Mortgage Section



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1 Assignment

By the Assignment, the Company, with full title guarantee, assigned and agreed to assign to the Bank all of the Company's right, title and interest in and to the Policy including all new, amended and substituted policy or policies relating thereto and all monies, including bonuses accrued or which may at any time after the date of the Assignment accrue, which shall become payable under the Assignment and the benefit of all powers and remedies for enforcing the same absolutely as a continuing security to the Bank for the payment or discharge by the Company on demand of the Secured Obligations, subject only to the proviso for redemption contained in the Assignment.

2 Proviso for Redemption

Upon payment and discharge of all of the Secured Obligations and subject to clauses 12 and 13 of the Assignment the Bank will, at the request and cost of the Company, re-assign the Policy to the Company or to such other person as the Company shall direct for such purpose and shall take all reasonable steps to facilitate the same.

Particulars as to commission allowance or discount (note 3)

NIL

Signed

Stirling Law Bank & Co

Date

2nd

September 1998

On behalf of [company] [mortgagee/chargee] †

† delete as
appropriate

NOTES

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.

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Particulars of a mortgage or charge (continued)

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

CHA 116

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Company Number

3579104

Name of Company

DOWNMARK LIMITED (the "Company")

Limited*

* delete if
inappropriate

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

time to time) (the "Secured Obligations").

Definitions

"Advice of Borrowing Terms Letter" means the £522,500 advice of borrowing terms letter dated 25th August 1998 and issued by the Bank to the Company;

"Facility Agreement" means the £500,000 commercial variable rate loan agreement dated 25th August 1998 and made between the Bank and the Company;

"Security Documents" has the meaning ascribed to it in the Facility Agreement.

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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3 Covenants of the Company

By the Assignment, the Company covenanted with the Bank that the Company will not create, attempt to create or permit to subsist any Encumbrance on or over the Policy or assign or purport to assign the same in favour of any person.

4 Power of Attorney

With effect from the occurrence of an Event of Default which has not been waived by the Bank or remedied to the satisfaction of the Bank the Company by the Assignment irrevocably appointed the Bank and its agents its true and lawful attorney with full power (in the name of the Company) to ask for, require, demand, receive, compound and give acquittance for any and all monies and claims due under or arising out of the Policy and to execute instruments or orders in connection with the Assignment or the Policy and to make any claims or to take any action or to institute any proceedings which the Bank may deem necessary or desirable in connection with the Policy provided always that:

(a) the Bank and its agents shall not (save in the case of gross negligence or wilful default) be responsible to the Company for any loss thereby incurred; and

(b) notwithstanding (a) above, third parties shall not be bound to see or enquire whether the right of the Bank to exercise the powers hereby conferred has arisen.

5 Further Assurance

The Company undertook from time to time and at all times, whether before or after the security constituted by the Assignment shall have become enforceable, to execute and do all such assurances and things as the Bank may require for protecting, preserving or perfecting the security constituted by the Assignment or otherwise for enforcing the same or exercising any of the powers, rights, authorities and discretions conferred on the Bank by the Assignment and, in particular, but without limitation, the Company shall execute all transfers, assignments, and assurances whatsoever and give all notices, orders, instructions and directions whatsoever which the Bank considers necessary.

6 Continuing Security

The security constituted by the Assignment is to be a continuing security to the Bank and, accordingly, shall not be satisfied, discharged or affected by any intermediate payment or satisfaction of part only of any sum or sums of money owing by the Company to the Bank and is, subject to the provisions of the Assignment, to remain in operation until the Company ceases to be under any actual or contingent liability to the Bank.

Definitions

"Encumbrance" means any mortgage, charge, pledge, lien, hypothecation, assignment, trust arrangement or security interest of any kind securing any obligation of any person or any other type of preferential arrangement have a similar effect;

"Event of Default" shall have the meaning ascribed to it in the Facility Agreement;

"Policy" means the policies of insurance, particulars of which are set out below together with any policy or policies in substitution or replacement thereof.

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Particulars of a mortgage or charge (continued)

Continuation sheet No 2
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

3579104

Name of Company

DOWNMARK LIMITED (the "Company")

Limited*

* delete if
inappropriate

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

**Please complete
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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete
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SCHEDULE

Life Assured : James Francis Bowers

Life Cover

Critical Illness Cover

INSURER:

Lutine Assurance

Lutine Assurance

POLICY NO:

123402

123958

SUM ASSURED:

£1,000,000

£250,000

TERM:

7 years

7 years

COMMENCEMENT DATE:

25th August 1998

25th August 1998

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FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03579104

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF ASSIGNMENT OF KEYMAN LIFE POLICY DATED THE 25th AUGUST 1998 AND CREATED BY DOWNMARK LIMITED FOR SECURING ALL MONIES, OBLIGATIONS AND LIABILITIES DUE OR TO BECOME DUE FROM THE COMPANY TO NATIONAL WESTMINSTER BANK PLC (INCLUDING, WITHOUT LIMITATION, ALL MONIES, OBLIGATIONS AND LIABILITIES OWING OR INCURRED BY THE COMPANY TO THE BANK UNDER OR PURSUANT TO THE FACILITY AGREEMENT, THE SECURITY DOCUMENTS, THE ADVICE OF BORROWING TERMS LETTER AND THE ASSIGNMENT) (ALL AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 2nd SEPTEMBER 1998.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 4th SEPTEMBER 1998.

A handwritten signature in dark ink, appearing to read 'J. M. Evans'.

J. M. EVANS

for the Registrar of Companies



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

Handwritten initials in the bottom left corner, possibly 'AK' or 'AL'.

HC