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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

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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

For official use

Company number

3768301

Name of company

* AVECIA UK HOLDINGS LIMITED (formerly ZSC Specialty Chemicals UK Holdings Limited) (the "Company")

Date of creation of the charge

30 June 1999

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

A composite guarantee and debenture of 30 June 1999 between, inter alia, Avecia Investments Limited (formerly ZSC Specialty Chemicals Group Limited) (the "Parent"), Avecia Corporation Limited (formerly ZSC Specialty Chemicals Corporation Limited), Avecia Overseas Holdings Limited (formerly ZSC Specialty Chemicals Overseas Limited), the Company and certain other of the Parent's subsidiaries (the "Original UK Charging Subsidiaries") and Chase Manhattan International Limited (the "Debenture").

Amount secured by the mortgage or charge

All moneys, obligations and liabilities now or hereafter due, owing or incurred by it to Chase Manhattan International Limited as agent (the "Agent") and as security trustee (the "Security Trustee"), Chase Manhattan plc and J.P. Morgan Securities Ltd. as arrangers (the "Arrangers"), Chase Manhattan plc and J.P. Morgan Securities Ltd. as underwriters (the "Underwriters"), each bank or other financial institution whose name is set out in schedule 1 of the Facilities Agreement (as defined below) or which assumes rights and obligations pursuant to a substitution certificate substantially in the terms of schedule 5 to the Facilities Agreement (the "Banks"), such Banks which shall at any relevant time make available ancillary facilities (the "Ancillary Facilities") in accordance with the terms of the Facilities Agreement, as ancillary facilities banks (the "Ancillary Facilities Banks"), such Banks which shall at any relevant time be

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

Norton Rose
Kempson House
Camomile Street
London EC3A 7AN
KA/120/Z950628/395014.DOC

Time critical reference

For official Use
Mortgage Section

Post room



Norton Rose

Amount secured by the mortgage or charge

party to any interest rate arrangements and/or foreign exchange hedging arrangements in accordance with the terms of the Facilities Agreement, ("Hedge Transactions") as hedge counterparties (the "Hedge Counterparties") and The Chase Manhattan Bank or such other Bank as may have been agreed by the Parent and the Agent too issue letter of credit facilities in accordance with the terms of the Facilities Agreement as the fronting bank (the "Fronting Bank"), as the secured parties (and in each case, with the exception of the Arrangers, any respective successors in title, assignees and transferees) (the "Secured Parties") or any of them including, without limitation, all moneys, obligations and liabilities due, owing or incurred under or pursuant to:

(A) the following documents (together and each as it may from time to time be amended, novated, supplemented or replaced, the "Finance Documents"), namely:

(i) the facilities agreement dated 12 May 1999, as restated and amended by a supplemental agreement dated 29 June 1999 each made between, inter alia, the Parent and (subject to their accession) others as borrowers (the "Borrowers"), ZSC Specialty Chemicals UK Limited and Iliad 10 Limited as obligors, the Arrangers, the Underwriters, the Banks, the Agent and the Security Trustee (the "Facilities Agreement");

(ii) the letter dated 12 May 1999 addressed to the Parent setting out the amount of fees payable to the Arrangers and the Agent pursuant to the Facilities Agreement;

(iii) documents entered into, or to be entered into, between any Ancillary Facilities Bank and the Borrowers utilising the Ancillary Facilities, setting the terms and conditions on and subject to which the Ancillary Facilities are available (the "Ancillary Facilities Letter");

(iv) insofar only as they are secured by the Security Documents (as defined below) the hedge documents evidencing the Hedge Transactions;

(v) insofar only as they support and secure the amounts from time to time owing or expressed to be owing under (i) and (ii) and (iii) and (iv) above, those of the following documents which have been executed (or purported to have been executed) by all parties thereto and have not been discharged or released at such time (the "Security Documents"):

(a) each guarantee and collateral agreement, each real property mortgage or deed of trust relating to property of the Parent or any of its subsidiaries located in the United States of America or any other United States law security documents which are entered into by members of the Group and the Security Trustee;

(b) a guarantee and collateral agreement dated 30 June 1999 between the Parent and the Security Trustee;

(c) any mortgages, charges, pledges, negative pledges, guarantees and other instruments entered into or, as the case may be, to be entered into by way of guarantee, other assurance and/or security in respect of amounts owed to be Secured Parties under the Facilities Agreement (whether or not in respect of other obligations for the payment or repayment of money, whether as principal or future, actual or contingent "Indebtedness") by any member of the Group incorporated outside the United Kingdom and the United States of America;

(vi) a subordination deed dated 30 June 1999 between the Parent, ZSC Specialty Chemicals plc, ZSC Specialty Chemicals Corporation Limited and the Security Trustee; and

(vii) any and all other mortgages, charges, pledges, guarantees and other instruments from

Amount secured by the mortgage or charge

time to time entered into by the Parent or any of its subsidiaries by way of guarantee, other assurance and/or security in respect of amounts owed to the Secured Parties under the Facilities Agreement (whether or not also in respect of any other Indebtedness);

(B) the guarantees and indemnities given by the Company under the Debenture, which secure all the obligations under the Finance Documents of each of the Parent, ZSC Specialty Chemicals Corporation Limited, each of the other Original UK Charging Subsidiaries and each other subsidiary of the Parent which becomes party to the Debenture pursuant to a deed supplemental to the Debenture; and

(C) all other provisions of the Debenture.

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

Chase Manhattan International Limited of 125 London Wall, London EC2Y 5AJ acting as Security Trustee for the Secured Parties pursuant to the Facilities Agreement

Short particulars of all the property mortgaged or charged

1 The Debenture charges all of the present and future assets of the Company.

2 It creates first fixed charges over all of the present and future assets of the Company of the following types:

(a) land, interests in land and fixtures

(b) plant, machinery and equipment

(c) stocks, shares, bonds and other securities of any kind

(d) contracts, debts and claims and their proceeds of collection and credit balances at banks

(e) any and all amounts arising from any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment by way of security, trust arrangement for the purpose of providing security or other security interest of any kind securing any obligation of any person or any other arrangement having the effect of conferring rights of set-off, lien or other like rights over an asset (including without limitation title transfer and/or retention arrangements having a similar effect and not entered into in the ordinary course of trading) and includes any agreement to create any of the foregoing but does not include liens or rights of set-off arising in the ordinary course of trading by operating of law (or by contract to substantially the same effect) (an "Encumbrance") and collateral instruments containing or evidencing an obligation (with or without security) to pay, discharge or be responsible directly or indirectly for any liabilities of any person and includes any document creating or evidencing an Encumbrance (the "Debts");

(f) the benefit of insurances;

(g) goodwill and uncalled capital;

(h) intellectual property of all kinds.

in each case, together with all associated rights.

3 It also creates a first floating charge over all other present and future assets of the Company (the "Floating Charge Assets").

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Short particulars of all the property mortgaged or charged

4 The Debenture contains a covenant by the Company that it will not, without the prior written consent of the Security Agent.

(a) dispose of, or create or attempt to create or permit to subsist or arise any Encumbrance (other than one permitted under the Facilities Agreement) on or over, the Debts or any part thereof or release, set of or compound or deal with the same otherwise than in accordance with the Debenture and/or the Facilities Agreement;

(b) create or attempt to create or permit to subsist in favour of any person other than the Security Trustee any Encumbrance (except one permitted under the Facilities Agreement) on or affecting the assets described in clauses 1, 2 and 3 above (the "Charged Assets"); or

(c) dispose of the Charged Assets or any part thereof or attempt or agree so to do except (i) the Floating Charge Assets which may be disposed of in the ordinary course of business, (ii) disposal expressly permitted by the terms of the Facilities Agreement and Debts, which may be dealt with in accordance with the terms of the Debenture and/or as permitted by the Facilities Agreement.

If the Company creates or attempts to create a security interest of any kind over any of the assets subject to the floating charge otherwise than in accordance with the covenant referred to in paragraph 4 above or if any person levies or attempts to levy any form of execution or process in respect of any such assets, the floating charge of the assets concerned will automatically be converted into a fixed charge.

Particulars as to commission allowance or discount (note 3)

Nil

Signed Norton Rose. Date 19 July 1999

On behalf of company

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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.

FILE COPY



**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

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

COMPANY No. 03768301

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A COMPOSITE GUARANTEE AND DEBENTURE BETWEEN INTER ALIA AVECIA INVESTMENTS LIMITED (FORMERLY ZSC SPECIALTY CHEMICALS GROUP LIMITED (THE PARENT) AVECIA CORPORATION LIMITED (FORMERLY ZSC SPECIALITY CHEMICALS CORPORATION LIMITED) AVECIA OVERSEAS HOLDINGS LIMITED (FORMERLY ZSC SPECIALTY CHEMICALS OVERSEAS LIMITED) THE COMPANY AND CERTAIN OTHER OF THE PARENTS SUBSIDIARIES DATED THE 30th JUNE 1999 AND CREATED BY AVECIA UK HOLDINGS LIMITED FOR SECURING ALL MONEYS OBLIGATIONS AND LIABILITIES NOW OR HEREAFTER DUE FROM THE COMPANY AND/OR ALL OR ANY OF THE COMPANIES NAMED THEREIN TO CHASE MANHATTAN INTERNATIONAL LIMITED ACTING AS SECURITY TRUSTEE FOR THE SECURED PARTIES PURSUANT TO THE FACILITIES AGREEMENT OR ANY OF THEM UNDER OR PURSUANT TO THE FINANCE DOCUMENTS WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 20th JULY 1999.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 23rd JULY 1999.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



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

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