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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

A fee of £10 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

312518/30

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

For official use

Company number

[8][][][]

4068812

Name of company

* Ineos Chlor Limited (the "Chargor")

Date of creation of the charge

31 December 2003

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

Security document (the "Deed") dated 31 December 2003 between (1) the Chargor, (2) Ineos Chlor Energy Limited, (3) Ineos Chlor Sales International Limited, (4) Imperial Chemical Industries plc and ICI Industrial Investments Limited (the "Original Second Creditors") and (5) Imperial Chemical Industries plc (the "ICI Trustee"). *SEE FAX*

Amount secured by the mortgage or charge

See Part I of the attached schedule.

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

Imperial Chemical Industries plc and ICI Industrial Investments Limited, (both of 20 Manchester Square, London)

Postcode W1U 3AN

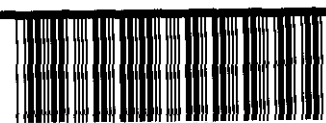
Presentor's name address and
reference (if any):

Mayer Brown Rowe & Maw LLP
11 Pilgrim Street
London
EC4V 6RW
21157.

Ref: 21157/04231813

Time critical reference

For official Use
Mortgage Section


PG0MG007
PMO 0162
COMPANIES HOUSE 20 11/04
L854LRUW
LD5 0321
COMPANIES HOUSE 19/01/04

Short particulars of all the property mortgaged or charged

See Part II of the attached schedule.

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this margin

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

Particulars as to commission allowance or discount (note 3)

NIL

Signed

Mayer, Brown, Rowe & Munn LLP

Date 19 January 2004

On behalf of ~~XXXXXX~~ [company] [mortgagee/chargee]

A fee of £10 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 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF14 3UZ

Ineos Chlor Sales International Limited
Schedule to Form 395

Part I

Amount secured by the mortgage or charge

- (a) all of the obligations (whether present, future, actual or contingent) of any Borrower and each other member of the Borrower Group under:
- (i) insofar as the Lender is from time to time ICI or a member of the ICI Group, the Amended RLF Agreement and the other Finance Documents; and
 - (ii) insofar as the Lender is from time to time not ICI or a member of the ICI Group, any Counter-Indemnity and the Security Documents; and
- (b) all of the obligations whether present, future, actual or contingent of Chlor 1 and each member of the Borrower Group or the Chlor 2 Group under the MSPA (and any document entered into pursuant to or in connection with it) insofar as it relates to the Cormorant Business,
- (the "Secured Obligations").

Part II

Short particulars of all the property mortgaged or charged

1. Land

- (a) The Chargor secures:
- (i) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it; and
 - (ii) (to the extent that they are not the subject of a mortgage under subparagraph (i) above) by way of first fixed charge all estates or interests in any freehold or leasehold property now or subsequently owned by it.
- (b) A reference in this sub-clause to a mortgage or charge of any freehold or leasehold property includes:
- (i) all buildings, fixtures, fittings and fixed plant and machinery on that property; and
 - (ii) 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.

2. Creation of fixed security over investments

(a) The Chargor secures:

- (i) by way of a first legal mortgage all shares in any member of the Borrower Group owned by it or held by any nominee on its behalf; and
- (ii) except for the subject of a mortgage under sub-paragraph (i) above, by way of a first fixed charge its interest in all shares, stocks, debentures, bonds or other securities and investments owned by it or held by any nominee on its behalf.

(b) A reference in this subclause to a mortgage or charge of any stock, share, debenture, bond or other security includes:

- (i) any dividend or interest paid or payable in relation to it; and
- (ii) 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.

3. Plant and machinery

The Chargor secures by way of a first fixed charge all plant and machinery owned by that Chargor and its interest in any plant or machinery in its possession.

4. Credit balances

The Chargor secures by way of a first fixed charge all of its rights in respect of any amount standing to the credit of any account it has with any person and the debt represented by it provided that nothing in this clause 4 shall prevent the Chargor from disposing of cash standing to the credit of any account in the ordinary course of business or otherwise if not prohibited by the terms of either the Amended RLF Agreement or the Shareholders' Agreement.

5. Book debts etc.

The Chargor secures by way of a first fixed charge:

- (a) all of its books 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 paragraph (a) or (b) above,

provided that nothing in this clause 5 shall prevent the Chargor from disposing of the proceeds of any book or other debt in the ordinary course of business or otherwise if not prohibited by the terms of either the Amended RLF Agreement or the Shareholders' Agreement.

6. **Insurances**

The Chargor secures by way of first fixed charge all of its rights in respect of any contract or policy of insurance taken out by it or on its behalf or in which it has an interest.

7. **Other contracts**

The Chargor secures by way of first fixed charge all of its rights in respect of:

- (a) except to the extent that it is subject to any fixed security created under any other term of the Deed, any agreement to which it is a party;
- (b) any letter of credit issued in its favour; and
- (c) any bill of exchange or other negotiable instrument held by it.

8. **Intellectual property**

The Chargor secures by way of first fixed charge all of its rights in respect of:

- (a) any know-how, patent, trade mark, service mark, design, business name, topographical or similar right;
- (b) any copyright or other intellectual property monopoly right; or
- (c) any interest (including by way of licence) in any of the above,

in each case whether registered or not and including all applications for the same.

9. **Miscellaneous**

The Chargor secures by way of fixed charge:

- (a) any beneficial interest, claim or entitlement it has in any pension fund;
- (b) its goodwill;
- (c) the benefit of any authorization (statutory or otherwise) held in connection with its use of any Security Asset;
- (d) the right to recover and receive compensation which may be payable to it in respect of any Security Asset; and
- (e) its uncalled capital.

10. **Floating charge**

- (a) The Chargor charges by way of a first floating charge all of its assets not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment under this clause.

(b) The ICI Trustee may by notice to the Chargor convert the floating charge created by this subclause into a fixed charge as regards any of the Chargor's assets specified in that notice, if:

- (i) an Event of Default or MSPA Event of Default is continuing; or
- (ii) the ICI Trustee considers (acting reasonably) those assets to be in danger of being seized or sold under any forms of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

11. The Chargor must not:

- (a) create or permit to subsist any Security on any Security Asset; or
 - (b) sell, transfer, grant or lease or otherwise dispose of any Security Asset,
- except to the extent not prohibited by the First Facility Agreement or the Shareholders' Agreement.

Part III

Definitions

"Affiliate" means in relation to any person a subsidiary of that person or a holding company of that person or any other subsidiary of any such holding company.

"Agreed Terms" means the terms agreed, and initialled by or on behalf of, the Lender and Chlor 1.

"Amended ICI Security Document" means the Deed.

"Amended RLF Agreement" means means the revolving facility agreement dated on or about 9 January 2001 as novated, amended and restated by the RLF and PIK Note Deed of Amendment and now between Chlor 1 and others and ICI SPV.

"Barclays" means Barclays Bank PLC.

"Barclays Facility Amendment Agreement" means the agreement in the Agreed Terms to be entered into between Barclays and Chlor 1 on or before the date of the Transaction Master Agreement (but to take effect on the Effective Date) amending the Existing Barclays Facility Agreement.

"Borrowers" means Chlor 1, Chlor 2 and Newco 2; and **"Borrower"** means any of them.

"Borrower Group" means Chlor 1 and its subsidiaries from time to time.

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

"Buzzard Business" means the business carried on by ICI C&P France S.A.S. at the Buzzard Business Property consisting of:

- (a) the tolling by ICI C&P France S.A.S. for ICI C&P France S.A.S. (acting through Uniqema) of the Buzzard Business Products;
- (b) the tolling by ICI C&P France S.A.S. for ICI C&P acting through Uniqema of certain esters distributed by ICI C&P (acting through Uniqema) through Exxon Chemical France S.A. under Exxon Chemical France S.A.'s Jayflex trademark pursuant to the agreement dated 1 January 1996 and made between ICI C&P (acting through Uniqema) and Exxon Chemical France S.A.; and
- (c) the tolling by ICI C&P France S.A.S. for Novaol France, S.A.R.L. of certain esters pursuant to the agreement dated 1 January 2000 and the confidential information disclosure agreement between Novamont SpA and ICI C&P dated 27 November 1992 which is referred to in it.

"Buzzard Business Products" means those products listed in Part V to this schedule.

"Buzzard Business Property" means Etablissement de Baleycourt BP95 55103 Verdun France, Use: Manufacturing Facility, Tenure: Freehold.

"Cash Sharing Provisions" has the meaning given to it in clause 13.1 (*Payments pursuant to Cash Sharing Provisions*) of the Amended RLF Agreement.

"Chlor 1" means the Chargor.

"Chlor 2" means Ineos Chlor Enterprises Limited (registered number 4651437).

"Chlor 2 Group" means Chlor 2 and its subsidiaries from time to time.

"Completion" has the meaning given to it in clause 3.1 (*Completion arrangements*) of the Transaction Master Agreement.

"Cormorant Business" means the business known as "ICI Cormorant", (including its sulphur chemicals business unit), as carried on at the date of the MSPA by members of the ICI Group, comprising:

- (a) the manufacture and sale of the Cormorant Products;
- (b) the Electrochemical Technology Business (ETB);
- (c) the brine winning (that is, the solution mining of brine with water through the development of geologically stable cavities in subterranean strata of rock salt) in Cheshire and Cleveland (UK), purification and sale of brine won in these areas, and the raising and supply of water;
- (d) the storage and disposal of materials in former brine winning cavities and landfills and the provision of services to third parties engaged in brine winning and/or cavity storage;
- (e) the purchase of energy, the generation of electricity and steam and the supply of these and other utilities to on-site consumers at Runcorn, mid Cheshire and Wilhelmshaven;

- (f) the storage and sale of ethylene for and to the UK and German subsidiaries of EVC NV and/or on behalf of Huntsman – ICI;
- (g) sulphur trading; and
- (h) the Buzzard Business.

"Cormorant Products" means those listed in Parts IV and V to this schedule.

"Counter Indemnity" means a counter indemnity in the form set out in schedule 4 (*Form of Counter Indemnity*) of the Amended RLF Agreement to be entered into by each Borrower in favour of ICI in respect of any guarantee entered into by ICI pursuant to clause 16.1(2) (*Transfers with and without consent*) of the Amended RLF Agreement.

"Deed of Priority Amendment Deed" means the deed of amendment relating to a deed of priority in the Agreed Terms to be entered into between (amongst others) Chlor 1, Barclays, ICI (as ICI Trustee) and Ineos Capital on or before the date of the Transaction Master Agreement (but to take effect on the Effective Date).

"DTI" means the Department of Trade and Industry.

"DTI Grant" means the Regional Selective Assistance grant and loan that has been awarded, subject to satisfaction of certain conditions, by the DTI to support the Project.

"Effective Date" means as defined in the Barclays Facility Amendment Agreement.

"Electrochemical Technology Business" or "ETB" means the business comprising:

- (a) the sale of:
 - (i) membrane cell electrolyzers for the production of chlorine and caustic soda/potash;
 - (ii) anode coatings for mercury, diaphragm and membrane electrolyzers;
 - (iii) cathode coatings for membrane electrolyzers;
 - (iv) electrode coatings for fuel cells; and
 - (v) electrolyser spare parts; and
- (b) the licensing of patents and know-how relating to such electrode coatings and electrolyzers.

"EVC" means EVC NV.

"EVC NV" means EVC International NV.

"EVC Shares" means the 16,099,981 shares of 8 euros each in EVC owned by Ineos Vinyls Limited.

"Event of Default" means one of the following events:

(a) Non-payment

Any Borrower does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable if and to the extent that that Borrower is not restricted from paying it by clause 13.2 (*Restrictions on payments*) of the Amended RLF Agreement or either Chlor 1 or Chlor 2 fails to make a payment to ICI of the amount and at the time required pursuant to the Cash Sharing Provisions, unless in either such case:

- (i) its failure is caused by an administrative or technical error; and
- (ii) payment is made within two Business Days of its due date.

(b) Cross acceleration

- (i) Any Financial Indebtedness of any Borrower or any of Chlor 1's Material Subsidiaries is not paid when due nor within any originally applicable grace period.
- (ii) Any Financial Indebtedness of any Borrower or any of Chlor 1's Material Subsidiaries is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (iii) Any commitment for any Financial Indebtedness of any Borrower or any of Chlor 1's Material Subsidiaries is cancelled or suspended by a creditor as a result of an event of default (however described).
- (iv) No Event of Default will occur if and for so long as the relevant creditor has waived the non-payment or event of default in question or taken no action in respect of it.

(c) Insolvency

- (i) A Relevant Ineos Company is unable or admits inability to pay any of its debts as they fall due (taking into account applicable grace periods), 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 all or a material part of its indebtedness.
- (ii) A general moratorium is declared in respect of all or a material part of the indebtedness of any Relevant Ineos Company.

(d) Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken for or with a view to bringing about:

- (i) 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 Relevant Ineos Company (other than a solvent liquidation or reorganisation of any Relevant Ineos Company other than Chlor 1 and other than any action by a third party

for the winding up, dissolution or administration of any Relevant Ineos Company which Chlor 1 shows to the reasonable satisfaction of the Lender is frivolous or vexatious and which is being contested by all appropriate means or which, where applicable, is discharged before being advertised);

- (ii) a composition, assignment or arrangement with any creditor of any Relevant Ineos Company in relation to indebtedness which that Relevant Ineos Company would but for that composition, assignment or arrangement (and any composition, assignment or arrangement with any other creditor with which it is connected) be unable to pay as it fell due;
- (iii) the appointment of a liquidator (other than in respect of a solvent liquidation of a Relevant Ineos Company other than Chlor 1 or a petition for the winding up of any Relevant Ineos Company which Chlor 1 shows to the reasonable satisfaction of the Lender is frivolous or vexatious and which is being contested by all appropriate means or which is discharged before being advertised), receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Relevant Ineos Company or any of its assets; or
- (iv) enforcement of any Security over any assets of any Relevant Ineos Company or any expropriation, attachment, sequestration, distress or execution is levied or made upon any material assets of any Relevant Ineos Company and is not discharged within 30 days,

or any analogous procedure or step is taken in any jurisdiction.

(e) Other material events

- (i) The Project is Outside Plan and at the end of the Outside Plan Remedy Period it remains Outside Plan and no agreement has been reached between the parties to the Transaction Master Agreement pursuant to which it is to be brought back On Plan.
- (ii) The withdrawal of the DTI Grant, its ceasing to remain available or an amount already advanced under it becoming repayable (other than by way of scheduled repayment of any portion of it which is expressed to be by way of a loan) save where there is no material adverse effect either on Chlor 1 or on ICI's economic position in Chlor 1, provided always that a call on the guarantee entered into at Completion by ICI in favour of the Secretary of State in connection with the DTI Grant shall be deemed to constitute such a material adverse effect.
- (iii) The withdrawal of either the Ineos Contribution or the Ineos Group Loan, or either of them ceasing to remain available to Chlor 1 (including through Chlor 2) when due to be made available in accordance with the terms of the Transaction Master Agreement.
- (iv) A breach by Chlor 1, Chlor 2 or any Ineos Company of any of their respective obligations under the Transaction Documents (other than the payment obligations of Chlor 1 and Chlor 2 under the Finance Documents and the

payment obligations of Chlor 1 and Chlor 2 under the Cash Sharing Provisions, which are the subject of clause 15.1 (*Non-payment*) of the Amended RLF Agreement), which would or is reasonably likely materially adversely to affect the business, financial condition or operations of Chlor 1 and which has not been remedied within 30 days of the date on which the breach occurred, other than any such breach:

- (1) which leads to or has resulted in the Project being Outside Plan; and
- (2) which is not constituted by an intentional act or omission by Chlor 1, Chlor 2 or the relevant Ineos Company which would reasonably be expected to lead to a breach.

"Existing Barclays Facility Agreement" means the £60,000,000 (sixty million pounds sterling) sales ledger financing agreement dated 9 January 2001 and made between Barclays and Chlor 1.

"Existing Deed of Priority" means the deed of priority dated 20 February 2001 and made between Chlor 1 (and certain of its affiliates), ICI and Barclays.

"Existing ICI Share Pledge" means the share pledge over EVC Shares made by Ineos Vinyls Limited in favour of ICI;

"Finance Documents" means

- (a) the Amended RLF Agreement;
- (b) any Counter-Indemnity;
- (c) the Amended ICI Security Document and the Existing ICI Share Pledge;
- (d) any Subsidiary Debenture;
- (e) any Subsidiary Guarantee;
- (f) the New Deed of Priority; and
- (g) any other document designated as such by both the Lender and Chlor 1.

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

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility;
- (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 GAAP, 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) required to be accounted for as a borrowing under GAAP;
- (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);
- (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.

"First Facility Agreement" means the £40,000,000 committed revolving corporate invoice discounting facility agreement dated on or about 9th January, 2001 between Chlor 1 and Barclays, as amended by an agreement dated 31 July 2003.

"GAAP" means generally accepted accounting principles in the United Kingdom.

"ICI" means ICI Industrial Investments Limited (registered number 4588429).

"ICI C&P" means ICI Chemicals & Polymers Limited (registered number 358535).

"ICI Group" means ICI and its Affiliates from time to time.

"ICI Lender" means ICI and any member of the ICI Group if and for so long as it is the Lender.

"ICI PLC" means the ICI Trustee.

"ICI SPV" means ICI.

"Ineos Capital" means Ineos Capital Limited (registered number 3851680).

"Ineos Companies" means the Ineos Parties and any other company or entity (other than Chlor 2, Chlor 1 or any of their respective subsidiaries) associated with any of them.

"Ineos Contribution" means capital contributions of up to £25,000,000 (twenty five million pounds sterling) in aggregate to be made by Chlor 2 to Chlor 1 pursuant to clause 8.3 (*Ineos Contribution*) of the Transaction Master Agreement.

"Ineos Group Loan" means loans in the aggregate sum of £20,000,000 (twenty million pounds sterling) (or such lesser amount as the parties may agree under clause 9.2 (*Cancellation of part of Ineos Group Loan and Tranche B*) of the Transaction Master Agreement) to be made available by the Ineos Group Loan Lenders to Chlor 1 pursuant to clause 9.1 (*Ineos Group Loan*) of the Transaction Master Agreement on the terms of the Ineos Group Loan Agreement.

"Ineos Group Loan Agreement" means the revolving facilities agreement to be entered into on or before the date of the Transaction Master Agreement in the Agreed Terms by the Ineos

Group Loan Lenders and Chlor 1 pursuant to which the Ineos Group Loan will be lent to Chlor 1.

"Ineos Group Loan Lenders" mean EVC NV, Ineos Fluor Limited (registered number 4041123) and Ineos Silicas Limited (registered number 48745).

"Ineos Holdings" means Ineos Chlor Holdings Limited (registered number 3965021).

"Ineos Parties" means Ineos Holdings, New Ineos Holdings, Newco 1, Newco 2 and Ineos Capital.

"Interest Period" means the periods by reference to which interest shall be calculated under the Amended RLF Agreement each lasting approximately three months.

"Lender" means ICI in its capacity as the lender under the Amended RLF Agreement and any person to which all or any of the rights and obligations of the Lender are transferred pursuant to clause 16 (*Transfers by the Lender*) of the Amended RLF Agreement.

"Material Subsidiary" in relation to Chlor 1 or Chlor 2 at any time means a subsidiary of Chlor 1 or, as the case may be, Chlor 2 whose net assets represent at least 5% or whose gross revenues represent at least 10% of the consolidated net assets or, as the case may be, gross revenues of (in the case of a subsidiary of Chlor 1) Chlor 1 and its subsidiaries at that time or (in the case of a subsidiary of Chlor 2) Chlor 2 and its subsidiaries from time to time; provided that a subsidiary of Chlor 2, including without limitation Ineos Chlor France SAS, Ineos Asiatic Chemical Co. Limited and Ineos Chlor Atlantik GmbH, will not in any event be a Material Subsidiary of Chlor 2 unless material assets are transferred to it by or at the direction of Chlor 2 at or following Completion.

"MSPA" means the agreement for the sale of the ICI Cormorant, Canary and Kestrel Businesses dated 5 December 2000 and made between, amongst others, ICI PLC and Chlor 1, as amended.

"MSPA Event of Default" means a material default by Chlor 1 or any other member of the Borrower Group under the MSPA (or any document entered into pursuant to or in connection with it) insofar as it relates to the Cormorant Business (as defined in the MSPA) which:

- (a) in the case of a payment default, is not remedied within 30 clear days of written notification by ICI PLC or the ICI Trustee; or
- (b) in the case of a default which is not a payment default, is not remedied within a period which is, in the circumstances of the default, a reasonable one after written notification by ICI PLC or the ICI Trustee; except that a default which is not a payment default shall not be an MSPA Event of Default if:
 - (i) it has been remedied or compensated to the reasonable satisfaction of ICI PLC; or
 - (ii) it has been the subject of a final settlement between ICI PLC and Chlor 1,

except that a default which is not remedied within the relevant period specified in (a) or (b), as the case may be, shall not be an MSPA Event of Default if, to the extent and for so long as Chlor 1 or, as the case may be, the relevant member of the Borrower

Group is disputing the payment obligation or the liability giving rise to that obligation in good faith, provided that ICI PLC and each of its relevant subsidiaries has been indemnified to its reasonable satisfaction in relation to the default and the dispute.

For the avoidance of doubt, a failure to obtain a novation in respect of a contract relating to the Cormorant Business shall not constitute an MSPA Event of Default unless the failure constitutes a material default under the MSPA (or any document entered into pursuant to or in connection with it).

"Newco 1" means Ineos Chlor Newco 1 Limited (registered number 4846517).

"Newco 2" means Ineos Chlor Newco 2 Limited (registered number 4772918).

"New Deed of Priority" means the Existing Deed of Priority as amended and restated pursuant to the Deed of Priority Amendment Deed.

"New Ineos Holdings" means Ineos Chlor Group Limited (registered number 4687714)

"On Plan" has the meaning given to it in relation to the Project in schedule 2, paragraph 4.1(1) (*Definition of "On Plan" and "Outside Plan"*) of the Transaction Master Agreement and in relation to expenditure has the meaning given to it in schedule 2, paragraph 4.1(2) (*Definition of "On Plan" and "Outside Plan"*) of the Transaction Master Agreement.

"Outside Plan" in relation to the Project has the meaning given to it in schedule 2, paragraph 4.1(3) (*Definition of "On Plan" and "Outside Plan"*) of the Transaction Master Agreement and in relation to expenditure has the meaning given to it in schedule 2, paragraph 4.1(4) (*Definition of "On Plan" and "Outside Plan"*) of the Transaction Master Agreement.

"Outside Plan Remedy Period" has the meaning given to it in schedule 2, paragraph 4.2(1)(b) (*Effect of Project being Outside Plan*) of the Transaction Master Agreement.

"Project" means the proposed regeneration of Chlor 1's premises at Runcorn by Chlor 1, principally by the installation of a new 600,000 tonne per annum capacity membrane cell facility.

"Relevant Ineos Company" means:

- (a) Newco 2, Chlor 1 and any of Chlor 1's Material Subsidiaries;
- (b) Chlor 2, but only if the relevant event or circumstance in the reasonable opinion of ICI would reasonably be expected to have a material adverse effect on the business, financial condition or operations of Chlor 1 (including without limitation the implementation of the Project); and
- (c) any of Chlor 2's Material Subsidiaries, but only if the relevant event or circumstance in the reasonable opinion of ICI would reasonably be expected to have a material adverse effect on the business, financial condition or operations of Chlor 1 (including without limitation the implementation of the Project).

"RLF and PIK Note Deed of Amendment" means the deed of novation, amendment and restatement dated the same date the Deed and made between (amongst others) Chlor 1, ICI PLC and ICI SPV under which (amongst other things) the Deed was amended and restated.

"Secretary of State" means the Secretary of State for Trade and Industry.

"Security" means a mortgage, charge, pledge, lien, right of set-off, retention of title or other arrangement or agreement the effect of which is the creation of security.

"Security Asset" means all assets of the Chargor (or any of them) the subject of any security created by the Deed.

"Security Documents" means the the Amended ICI Security Document, the Existing ICI Share Pledge, any Subsidiary Debenture and any Subsidiary Guarantee and any other documents designated as such by both the Lender and Chlor 1.

"Shareholders' Agreement" means the shareholders agreement in the Agreed Terms relating to Chlor 1, to be entered into between ICI SPV, Ineos Holdings, Newco 2 and Chlor 1.

"Subsidiary Debenture" means the deed or deeds entered or to be entered into by each subsidiary of Chlor 1 (if required pursuant to the Amended RLF Agreement) in the Agreed Terms (or, if ICI so elects in the case of any subsidiary not incorporated in England and Wales an equivalent document or documents in the terms proposed by ICI, acting reasonably, governed by the laws of the jurisdiction of incorporation of that subsidiary) creating fixed and floating security for the Secured Obligations in favour of ICI, ICI PLC and each other ICI Lender over all of the property, assets and undertaking of that subsidiary.

"Subsidiary Guarantee" means a guarantee made or to be made by each subsidiary of Chlor 1 (if required pursuant to the Amended RLF Agreement) in the Agreed Terms (or, if ICI so elects in the case of any subsidiary not incorporated in England and Wales an equivalent document in the terms proposed by ICI, acting reasonably, governed by the laws of the jurisdiction of incorporation of that subsidiary), guaranteeing to ICI, ICI PLC and each other ICI Lender the performance of the Secured Obligations.

"Transaction Documents" means the Transaction Master Agreement, each of the other documents listed in schedule 4 (*Transaction Documents*) of the Transaction Master Agreement and any other document designated from time to time as a Transaction Document by agreement between ICI and Ineos Capital.

"Transaction Master Agreement" means the transaction master agreement dated 31 July 2003 and made between (amongst others) ICI PLC, ICI C&P, ICI, Ineos Holdings, Chlor 1, Chlor 2 and Newco 2.

"Uniqema" means the Uniqema business, being the researching, developing, manufacturing, marketing and sale of oleochemicals and glycerine.

Part IV

Cormorant Products

Chlorine, caustic soda, caustic potash and hydrogen produced by the electrolysis of brine

Anhydrous caustic soda ("**ACS**")

Sodium hypochlorite

Ethylene dichloride ("EDC")

Methyl chloride, methylene chloride, chloroform and carbon tetrachloride (the last an involuntary by-product)

Perchloroethylene ("Per") and trichloroethylene ("Tri")

Liquid chlorinated paraffins

Vinylidene chloride ("VDC")

Anhydrous hydrogen chloride and hydrochloric acid

Bulk sulphuric acid grades, oleum 20, high purity sulphuric acid, sulphur dioxide, sulphur trioxide, chlorosulphonic acid

Blends of methylene chloride and methanol containing no more than 20% methanol by weight

Blends of liquid chlorinated paraffins and DIDP (Di-isodecylphthalate), DBP (di-n-butylphthalate) or DOP (Diocetylphthalate) of the kind currently sold under the CEREFLEX trademark, containing not less than 30% by weight chlorinated paraffin.

Part V

Buzzard Business Products

Note: EMKARATE, HEXAPLAS, LUBAD and PRIOLUBE are trademarks of the ICI Group.

EMKARATE 1020	EMKARATE 1950	EMKARATE 8040	EMKARATE ISO 100
EMKARATE 1030	EMKARATE 2030	EMKARATE 8130	EMKARATE ISO 32
EMKARATE 1080	EMKARATE 3020	EMKARATE 8500	EMKARATE ISO 46
EMKARATE 1090	EMKARATE 3030	EMKARATE 8600	EMKARATE ISO 68
EMKARATE 1110	EMKARATE 5130	EMKARATE 9130	EMKARATE RL 100
EMKARATE 1130	EMKARATE 5140	EMKARATE 9130K	EMKARATE RL 100S
EMKARATE 1320	EMKARATE 5290	EMKARATE 9220	EMKARATE RL 10H
EMKARATE 1510	EMKARATE 5310	EMKARATE CH 220	EMKARATE RL 150S
EMKARATE 1550	EMKARATE 6900	EMKARATE DE 10079	EMKARATE RL 15DR
EMKARATE 1700	EMKARATE 6930	EMKARATE DE 10097	EMKARATE RL 15EB
EMKARATE 1780	EMKARATE 7930	EMKARATE DE 912	EMKARATE RL 15H
EMKARATE 1800	EMKARATE 8030	EMKARATE DE857	EMKARATE RL 15HB

EMKARATE RL 15HBE	EMKARATE RL DE 10085
EMKARATE RL 15S	EMKARATE RL DE626
EMKARATE RL 170H	EMKARATE RL DE827
EMKARATE RL 17D	EMKARATE RL DE842
EMKARATE RL 2000	EMKARATE RL DE845
EMKARATE RL 220H	EMKARATE RL OPTI- FLUSH
EMKARATE RL 22D	HEXPLAS 79 TM
EMKARATE RL 22DR	HEXPLAS 810
EMKARATE RL 22H	HEXPLAS DOA
EMKARATE RL 22HB	HEXPLAS HN EFFLUENT
EMKARATE RL 22N	HEXPLAS OTM
EMKARATE RL 22S	LUBAD 904
EMKARATE RL 32-3MA	LUBAD 905
EMKARATE RL 32CF	PRIOLUBE 1530
EMKARATE RL 32DR	PRIOLUBE 1847
EMKARATE RL 32H	PRIOLUBE 1848
EMKARATE RL 32HA	PRIOLUBE 1849
EMKARATE RL 32HB	PRIOLUBE 1850
EMKARATE RL 32HB	PRIOLUBE 1851
EMKARATE RL 32HT	PRIOLUBE 2075
EMKARATE RL 32S	PRIOLUBE 3914
EMKARATE RL 32SE	PRIOLUBE 3920
EMKARATE RL 46H	PRIOLUBE 3920
EMKARATE RL 46HB	PRIOLUBE 3924
EMKARATE RL 46S	PRIOLUBE 3934
EMKARATE RL 5H PLUS	PRIOLUBE 3937
EMKARATE RL 68	PRIOLUBE 3962
EMKARATE RL 68HP	PRIOLUBE 3963
EMKARATE RL 68S	PRIOLUBE 3970
EMKARATE RL 7H	PRIOLUBE 3971
EMKARATE RL 9EB	
EMKARATE RL 9H	
EMKARATE RL DE 10079	

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Total number of pages: 2

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Dear Vicki

Ineos Chlor Limited, Ineos Chlor Energy Limited and Ineos Chlor Sales International Limited

Further to our telephone conversation earlier this afternoon in relation to the forms 395 filed in respect of the above three companies, I confirm that the description of the instrument creating the charge on each of the three forms should be amended so as to read:

1. In the case of the form 395 for Ineos Chlor Limited:

Security document (the "Deed") dated 20 February 2001, as amended and restated by a deed of novation, amendment and restatement dated 31 December 2003, between (1) the Chargor, (2) Ineos Chlor Energy Limited, (3) Ineos Chlor Sales International Limited, (4) Imperial Chemical Industries plc and ICI Industrial Investments Limited (the "Second Original Creditors") and (5) Imperial Chemical Industries plc (the "ICI Trustee").

2. In the case of the form 395 for Ineos Chlor Energy Limited:

Security document (the "Deed") dated 20 February 2001, as amended and restated by a deed of novation, amendment and restatement dated 31 December 2003, between (1) the Chargor, (2) Ineos Chlor Limited, (3) Ineos Chlor Sales International Limited, (4) Imperial Chemical Industries plc and ICI Industrial Investments Limited (the "Second Original Creditors") and (5) Imperial Chemical Industries plc (the "ICI Trustee").

3. In the case of the form 395 for Ineos Chlor Sales International Limited:

Security document (the "Deed") dated 20 February 2001, as amended and restated by a deed of novation, amendment and restatement dated 31 December 2003, between (1) the Chargor, (2) Ineos Chlor Limited, (3) Ineos Chlor Energy Limited, (4) Imperial Chemical Industries plc and ICI Industrial Investments Limited (the "Second Original Creditors") and (5) Imperial Chemical Industries plc (the "ICI Trustee").

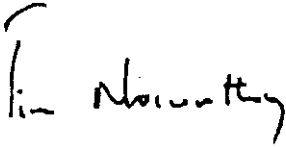
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Representative Offices: BEIJING AND SHANGHAI

I should be grateful if you would kindly acknowledge receipt of this fax. My direct telephone line is 020 7782 8829.

Yours sincerely

A handwritten signature in dark ink, appearing to read "Tim Nosworthy". The signature is written in a cursive, slightly slanted style.

Tim Nosworthy

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04068812

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SECURITY DOCUMENT DATED 20 FEBRUARY 2001 AS AMENDED AND RESTATED BY A DEED OF NOVATION, AMENDMENT AND RESTATEMENT DATED THE 31st DECEMBER 2003 AND CREATED BY INEOS CHLOR LIMITED FOR SECURING ALL OF THE OBLIGATIONS OF ANY BORROWER AND EACH OTHER MEMBER OF THE BORROWER GROUP AND OF CHLOR 1 AND EACH MEMBER OF THE BORROWER GROUP OR THE CHLOR 2 GROUP 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 20th JANUARY 2004.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 21st JANUARY 2004.

P. Anzele



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES