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COMPANIES FORM No. 395

Particulars of a mortgage or charge

16464
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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

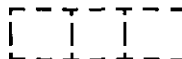
*insert full name of Company

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number



4695437

Name of company

* Aviagen International Finance Two Limited (the "**Company**")

Date of creation of the charge

30th May, 2003

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

Debenture (the "**Debenture**") dated 30th May, 2003 between Aviagen International Finance Limited and the US Chargors and Non-US Chargors listed in Schedule 1 and The Royal Bank of Scotland plc as security trustee (the "**Security Trustee**")

Amount secured by the mortgage or charge

see Continuation Sheet No.1

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

The Royal Bank of Scotland plc
135 Bishopsgate
London

Postcode EC2M 3UR

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

Allen & Overy
One New Change
London
EC4M 9QQ

bk: 1068161

Time critical reference

For official Use
Mortgage Section

Post room



A06
COMPANIES HOUSE

0408
17/06/03

see Continuation Sheet No.2 - No.16

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write in
this margin

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

Particulars as to commission allowance or discount (note 3)

Nil

Signed

Allen + Overy

Date

16 June 2003

On behalf of [XXXXXX] [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

Companies Form 395

Aviagen International Finance Two Limited (Company Number 4695437)

Amount Secured by the mortgage or charge (Continuation Sheet No.1)

All monies, obligations and liabilities covenanted to be paid or discharged by the Company under or pursuant to Clause 2 of the Debenture. (the "**Secured Obligations**")

Clause 2 of the Debenture states that the Company covenants that it will pay to the Security Trustee all moneys and discharge all obligations and liabilities now or hereafter due, owing or incurred by it to the Beneficiaries or any of them under or pursuant to the Finance Documents when the same become due for payment or discharge whether by acceleration or otherwise, and whether such moneys, obligations or liabilities are express or implied, joint or several, incurred as principal or surety, originally owing to the Beneficiaries or any of them or purchased or otherwise acquired by them or it; denominated in Dollars, Sterling or in any other currency; or incurred on any other manner whatsoever.

1.1 Fixed charges

The Company, with full title guarantee, by the Debenture (subject to Clause 1.3) charges to the Security Trustee as a continuing security for the payment and discharge of the Secured Obligations:

- (a) by way of first legal mortgage the property (if any) specified in Schedule 2, together with all liens, charges, options, agreements, rights and interests in or over such property or the proceeds of sale of such property and all buildings and Fixtures thereon and all rights, easements and privileges appurtenant to, or benefiting, the same;
- (b) by way of first legal mortgage and charge (to the extent not subject to a first legal mortgage by virtue of the Debenture), all future freehold and leasehold property (other than that specified in Schedule 2) wheresoever situate from time to time hereafter acquired by the Company or in which the Company may have an interest where the market value of such property or interest therein is equal to, or exceeds, £3,000,000, together with all liens, charges, options, agreements, rights and interests in or over such property or the proceeds of sale of such property and all buildings and Fixtures thereon and all rights, easements and privileges appurtenant to, or benefiting, the same;
- (c) by way of first fixed charge (to the extent not the subject of a legal mortgage by virtue of the mortgages and charges referred to in Clause 1.1(a) or (b)) all present and future freehold and leasehold property wheresoever situate (other than any heritable property in Scotland) now or from time to time hereafter owned by the Company or in which the Company may have an interest, together with all liens, charges, options, agreements, rights and interests in or over such property or the proceeds of sale of such property and all buildings and Fixtures thereon and all rights, easements and privileges appurtenant to, or benefiting, the same;
- (d) by way of first fixed charge (but subject to any prior Encumbrance under a Finance Lease or deferred purchase arrangement permitted under the Facilities Agreement), all plant, machinery and other equipment now or from time to time hereafter owned by the Company or in which the Company has an interest and the benefit of all contracts and warranties relating to the same;
- (e) by way of first fixed charge (or in the case of any shares in any Scottish registered company, by way of pledge and assignation), all stocks, shares, bonds and securities of any kind whatsoever (including warrants and options to acquire or subscribe any of the same) whether marketable or otherwise and all other interests (including but not limited to loan capital) in any person now or from time to time hereafter owned by the Company or in which the Company has an interest, including all allotments, rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to the same (except insofar as such stocks, shares, bonds and securities relate to holdings or interests in joint venture companies which the Company, under the terms of the relevant joint venture agreement or shareholder agreement (in its form at the date of the Debenture), is not permitted to charge), and all money or property accruing or offered at any time by way of conversion,

redemption, bonus, preference, option, dividend, distribution, interest or otherwise in respect thereof;

- (f) by way of first fixed charge, all book and other debts, revenues and claims, whether actual or contingent, whether arising under contracts or in any other manner whatsoever now or from time to time hereafter owned by the Company or in which the Company has an interest (whether originally owing to the Company or purchased or otherwise acquired by it) and all things in action which may give rise to any debt, revenue or claim, together with the full benefit of any Encumbrances, Collateral Instruments and any other rights relating thereto (whether as creditor or beneficiary) including, without limitation, rights under the Reports, rights under the Intra-Group Loan Agreements, reservations of proprietary rights, rights of tracing and unpaid vendor's liens and associated rights, but excluding any assets the subject of the charges referred to in Clause 1.1(g) or (h);
- (g) by way of first fixed charge, the proceeds of collection of all Debts and any and all amounts from time to time standing to the credit of any bank or other account (including a current account) of the Company;
- (h) by way of first fixed charge, all moneys from time to time payable to the Company under or pursuant to the Insurances including without limitation the right to the refund of any premiums;
- (i) by way of first fixed charge, the goodwill and uncalled capital of the Company;
- (j) by way of first fixed charge, all present and future patents, trade marks, service marks and registered designs now or from time to time hereafter owned by the Company or in which the Company may have an interest; and
- (k) by way of first fixed charge, all patents, trade marks and service marks (whether registered or not) and applications for the same, trade names, registered designs, design rights, copyrights, computer programmes, know-how and trade secrets and all other industrial or intangible property or rights and all licences, agreements and ancillary and connected rights relating to intellectual and intangible property, in each case now or from time to time hereafter owned by the Company, excluding the property specified in Clause 1.1(j).

1.2 Floating charge

The Company, with full title guarantee, by the Debenture (subject to Clause 1.3) charges to the Security Trustee by way of first floating charge as a continuing security for the payment and discharge of the Secured Obligations its undertaking and all its property, assets and rights whatsoever and wheresoever both present and future (including, but not limited to, poultry and the produce and progeny thereof and stocks, shares, bonds and securities relating to holdings or interests in joint venture companies), other than any property or assets from time to time effectively charged by way of legal mortgage or fixed charge or assignment pursuant to the mortgages and charges referred to in Clauses 1.1 or otherwise pursuant to the Debenture but including (without limitation and whether or not so effectively charged) any of its property and assets situated in Scotland.

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Aviagen International Finance Two Limited (Company Number 4695437)

Short Particulars of all the Property Mortgaged or Charged (Continuation Sheet No.4)

1.3 US Excluded Shares

To the extent that the Encumbrances created by any US Chargor under the mortgages and charges referred to in Clauses 1.1 and 1.2 secure US Secured Obligations, such Encumbrances shall not extend to the US Excluded Shares.

1.4 Restrictions on dealing with Charged Assets

The Company by the Debenture covenants that it will not without the prior written consent of the Security Trustee:

- (a) dispose of, or create or attempt to create or permit to subsist or arise any Encumbrance on or over, the Debts or any part thereof except as permitted by the Facilities Agreement and the Mezzanine Loan Agreement or release, set off or compound or deal with the same otherwise than as permitted by the Facilities Agreement and the Mezzanine Loan Agreement or in accordance with Clause 2.1;
- (b) create or attempt to create or permit to subsist in favour of any person other than the Security Trustee any Encumbrance (except a Permitted Encumbrance) on or affecting the Charged Assets or any part thereof; or
- (c) dispose of the Charged Assets or any part thereof or attempt or agree so to do except in the case of (i) Floating Charge Assets which may, subject to the other provisions of the Debenture and the provisions of the Facilities Agreement and the Mezzanine Loan Agreement, be disposed of in the ordinary course of business and (ii) disposals permitted by the terms of the Facilities Agreement.

1.5 Automatic conversion of floating charge

- (a) Notwithstanding anything expressed or implied in the Debenture, if the Company creates or attempts to create any Encumbrance, other than a Permitted Encumbrance, over all or any of the Floating Charge Assets without the prior written consent of the Security Trustee or if any person levies or attempts to levy any distress, execution, sequestration or other process or does or attempts to do any diligence in execution against any of the Floating Charge Assets, the floating charge referred to in Clause 1.2 over the property or asset concerned shall thereupon automatically without notice be converted into a fixed charge.
- (b) The floating charge referred to in Clause 1.2 may not be converted into a fixed charge solely by reason of:
 - (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium,under the Insolvency Act 2000.
- (c) The floating charge referred to in Clause 1.2 will automatically convert into a fixed charge if an administrator is appointed or the Security Trustee receives notice of an intention to appoint an administrator.
- (d) The floating charge referred to in Clause 1.2 is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

Companies Form 395

Aviagen International Finance Two Limited (Company Number 4695437)

Short Particulars of all the Property Mortgaged or Charged (Continuation Sheet No.5)

1.6 Conversion of floating charge by notice

Notwithstanding anything expressed or implied in the Debenture but without prejudice to Clause 1.5, the Security Trustee shall be entitled at any time after an Event of Default which is continuing or upon a petition for an administration order in respect of such Company being presented and not withdrawn or discharged by giving notice in writing to that effect to the Company to convert the floating charge over all or any part of the Floating Charge Assets into a fixed charge as regards the assets specified in such notice.

1.7 Further advances

The obligation on the part of the Beneficiaries to make further advances to the Company under the Credit Documents and Mezzanine Loan Agreement shall be deemed to be incorporated in the Debenture for the purposes of section 94(1)(c) of the Law of Property Act 1925.

2. UNDERTAKINGS

- 2.1 The Company by the Debenture undertakes with the Security Trustee that during the continuance of that security the Company will collect in the ordinary course of business as agent for the Security Trustee in a proper and efficient manner and pay into its account with the Security Trustee or such other account as the Security Trustee may from time to time specify all moneys which it may receive in respect of the Debts forthwith on receipt, the Company acknowledging that, after the Enforcement Date, it may not, without the prior written consent of the Security Trustee, withdraw any such moneys from such account or compromise, compound, vary, discharge, postpone or release any of the Debts or waive its right of action in connection therewith or do or omit to do anything which may delay or prejudice the full recovery thereof, other than granting extensions to normal trade credit in accordance with the Company's reasonable and prudent management of its debtors on a normal commercial basis.

The terms used in this Companies Form 395 have the meanings set out below:

"Accountants' Report" means the agreed form report dated 30th May, 2003 entitled "Project Ancona Due Diligence Report" compiled by Deloitte & Touche addressed to (among others) UK Holdco 1 and the Finance Parties;

"Acquisition" means the acquisition by UK Newco 1 of the entire issued share capital of the Target;

"Acquisition Agreement" means together (i) the Principal Agreement, (ii) the Acquisition Disclosure Letter and (iii) all other documents to be delivered by the Vendors to UK Newco 1 pursuant to the Principal Agreement;

"Acquisition Completion Date" or **"ACD"** means the date on which the Acquisition is duly effected by the completion of the Acquisition Agreement;

"Acquisition Disclosure Letter" means the Disclosure Letter referred to and defined as such in the Principal Agreement;

"Advent" means those funds, the general partner or ultimate partner of which is either Advent International Corporation, Advent International Limited Partnerships or Advent Cayman GPE IV-D Limited or any affiliate thereof;

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Aviagen International Finance Two Limited (Company Number 4695437)

Short Particulars of all the Property Mortgaged or Charged (Continuation Sheet No.6)

"Agent" means The Royal Bank of Scotland plc, 135 Bishopsgate, London EC2M 3UR and includes its successors in title, assignees and transferees;

"Ancillary Facilities Lender" means The Royal Bank of Scotland plc, 135 Bishopsgate, London EC2M 3UR;

"Ancillary Facilities Letter" means the letter entered into, or to be entered into, between the Ancillary Facilities Lender and the Borrowers setting out the terms and conditions on and subject to which certain ancillary facilities are made available;

"Ancillary Hedging Counterparty" means, in respect of any Ancillary Hedging Transaction, each bank or institution (including, without limitation each Lender) which, in accordance with the relevant provisions of the Facilities Agreement, is party to such Ancillary Hedging Transaction together with a Borrower;

"Ancillary Hedging Document" means any document evidencing any Ancillary Hedging Transaction;

"Ancillary Hedging Transaction" means a foreign exchange or interest rate hedging transaction permitted under the Facilities Agreement, other than a Hedge Transaction;

"Arranger" means The Royal Bank of Scotland plc, Leveraged Finance, 135 Bishopsgate, London EC2M 3UR;

"Aviagen Inc." means Aviagen Inc., a corporation registered in the State of Delaware, U.S.A. whose chief executive office is at 5015 Bradford Drive, Huntsville, AL, Alabama 35805, U.S.A.;

"Aviagen Limited" means Aviagen Limited, a company incorporated in England (Company Number 1610943) whose registered office is at Grantham Hatchery, Gonerby Moor, Grantham, Lincolnshire, NG32 2AB;

"Beneficiaries" means the Creditors;

"Borrowers" means UK Newco 2, Aviagen Inc., Aviagen Group Inc. Aviagen Limited, Nicholas Europa Limited and those other members of the Group which accede to the Facilities Agreement as Borrowers, provided that for the purposes of certain provisions of the Facilities Agreement references to a **"Borrower"** include references to UK Holdco 0;

"Charged Assets" means all the assets of the Company described in Clauses 1.1 to 1.5;

"Check-the-box Companies" means UKHoldco 0, UK Holdco 1, UKHoldco 2, UK Newco 1, the Target and the Parent;

"Code" means the United States Internal Revenue Code of 1986 as amended;

"Collateral Instruments" means negotiable and non-negotiable instruments, guarantees and any other documents or instruments which contain or evidence 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 or instrument creating or evidencing an Encumbrance;

"Commercial Due Diligence Report" means the commercial due diligence report dated 30th May, 2003 prepared by Deloitte & Touche addressed to (amongst others) UK Holdco 1 and the Finance Parties;

"Controlled Foreign Corporation" has the same meaning given to that term under section 957(a) of the Code;

"Core Properties" means the properties at (i) Alscott Lane, Atherstone on Stour, Stratford upon Avon, Warwickshire; (ii) Gonerby Moor Roundabout, Gonerby Moor, Grantham, Lincolnshire; (iii) Head Office, Lochend Road, Newbridge, Midlothian; (iv) Dunbar Hatchery, 69b Countess Road, Dunbar, East Lothian; (v) Talladega Hatchery, Alabama, USA; (vi) The Feedmill, Alabama, USA; (vii) Oklahoma Hatchery, Oklahoma, USA; (viii) Nicholas Turkey Corporate Headquarters, 19449 Riverdale Drive, Sonoma, California; (ix) AA Corporate Headquarters, Glastonbury, Connecticut, (x) Glastonbury Hatchery, Oak Street, Glastonbury, Connecticut, (xi) Glastonbury Poultry Farm, Oak Street, Glastonbury, Connecticut, (xii) Palm Drive, Sonoma, California, (xiii) Vineburg, Sonoma, California and (xiv) any property acquired after the Acquisition Completion Date, the market value of which, as at the date of its acquisition, is equal to, or exceeds, £3,000,000 (or its equivalent);

"Credit Documents" means the Debenture, the Ancillary Facilities Letter, the Ancillary Hedging Documents, the Hedge Documents, the Fee Letters, any Substitution Certificates, any agreements pursuant to which any Senior Creditor provides BACS facilities to the Group and any other documents designated as such by the Agent or the Security Trustee and UK Holdco 0;

"Creditors" means the Senior Creditors and the Junior Creditors;

"Debts" means the assets of the Company described in Clause 1.1 (f);

"Dollars" and **"\$"** mean the lawful currency for the time being of the United States of America and in respect of all payments to be made under the Facilities Agreement in Dollars mean funds which are for same day settlement in the New York Clearing House Interbank Payments System (or such other U.S. dollar funds as may at the relevant time be customary for the settlement of international banking transactions denominated in U.S. dollars);

"Earlier Agreement" means the senior facilities agreement dated 5th December, 1998 (and subsequently amended and restated) made between (inter alia) the Target, the Parent and The Royal Bank of Scotland plc;

"Encumbrance" means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, standard security, assignment, trust arrangement for the purpose of providing security or other security interest of any kind securing any obligation of any person or any other type of preferential arrangement (including without limitation title transfer and/or retention arrangements having a similar effect) and includes any agreement to create any of the foregoing;

"Enforcement Date" means the first to occur of (a) the date on which the Agent demands the payment or discharge of all or any part of the Secured Obligations pursuant to the Facilities Agreement and (b) the date on which the Agent (as defined in the Mezzanine Loan Agreement) demands payment of all or any part of the Secured Obligations pursuant to the Mezzanine Loan Agreement or (in each case), if earlier, the date on which a petition for an administration order is presented in relation to the Company;

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Aviagen International Finance Two Limited (Company Number 4695437)

Short Particulars of all the Property Mortgaged or Charged (Continuation Sheet No.8)

"Environmental Report" means the agreed form report dated on or about 28th May, 2003 compiled by Environ (UK) Limited addressed to (among others) UK Holdco 1 and the Finance Parties;

"Event of Default" means any of the events or circumstances described as such in the Facilities Agreement;

"Facilities Agreement" means the facilities agreement dated 30th May, 2003 made between UK Holdco 0, Aviagen International Finance Four Limited, Aviagen Group Inc., Aviagen Limited and Nicholas Europa Limited as Borrowers; The Royal Bank of Scotland plc as Arranger, Ancillary Facilities Lender, Hedge Counterparty and Agent; and the banks and institutions listed in schedule 1 thereto;

"Fee Letters" means the letters referred to as such in the Facilities Agreement;

"Finance Documents" means the Credit Documents, the Mezzanine Loan Agreement (including the Fee Letters) and the Security Documents;

"Finance Parties" means the Agent, the Arranger, the Lenders, the Ancillary Facilities Lender, the Hedge Counterparty, the Ancillary Hedging Counterparties and the Security Trustee and (as the context requires) **"Finance Party"** means any one of them;

"Finance Lease" means any lease under which a member of the Group is the lessee which is or should be treated as a finance lease under the appropriate accounting principles (and includes any hire purchase contract or other arrangement which is or should be similarly treated);

"Fixtures" means, in relation to a property, all fixtures and fittings (including trade fixtures and fittings), fixed plant and machinery and other items attached to that property, whether or not constituting a fixture at law;

"Floating Charge Assets" means the assets of the Company from time to time charged by the Debenture by way of floating charge;

"Group" means UK Holdco 0 and all its subsidiaries for the time being of the Facilities Agreement, provided that, for the purposes of the Events of Default, references to the Group include US Newco;

"Guarantee" means a guarantee in the agreed form dated on 30th May 2003 to be entered into between UK Holdco 0, the Company and certain subsidiaries of UK Holdco 0 in favour of the Security Trustee;

"Hedge Counterparty" means The Royal Bank of Scotland plc, 135 Bishopsgate, London EC2M 3UR;

"Hedge Documents" means the documents evidencing the Hedge Transactions;

"Hedge Transactions" means the interest rate swap, foreign exchange and/or other hedging arrangements entered, or to be entered, into between any Borrower and the Hedge Counterparty pursuant to the Facilities Agreement;

"Indebtedness" means any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent;

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Aviagen International Finance Two Limited (Company Number 4695437)

Short Particulars of all the Property Mortgaged or Charged (Continuation Sheet No.9)

"Insurances" means all present and future contracts or policies of insurance (including life assurance policies) taken out by the Company or in which the Company from time to time has an interest;

"Insurance Report" means the agreed form report dated 27th May, 2003, compiled by Marsh Limited and addressed to (among others) UK Holdco 1 and the Finance Parties;

"Inter-Creditor Agreement" means the agreed form inter-creditor and security trust agreement entered into between (among others) UK Holdco 0, UK Holdco 2, the Finance Parties, the Mezzanine Parties and the Security Trustee dated 30th May, 2003;

"Interim Period" means, in the case of any Check-the-box Company, the period commencing on the Acquisition Completion Date and ending on the date on which such Check-the-box Company is deemed to become a part of a United States Person;

"Intra-Group Loan Agreements" means the following agreed form loan agreements entered into by US Newco, UK Holdco 0 and certain of their subsidiaries dated 30th May, 2003:

	Lender	Borrower
1	US Newco	UK Holdco 0
2	UK Holdco 0	UK Holdco 1
3	UK Holdco 1	UK Holdco 2
4	UK Holdco 2	UK Newco 1
5	UK Holdco 2	UK Newco 2
6	Aviagen Limited and Nicholas Europa	UK Newco2
7	the Target and the Parent	UK Newco 1
8	UK Newco 1/ UK Newco 2	UK Newco 2/ UK Newco 1;

"Junior Creditors" means the Mezzanine Parties;

"Legal Due Diligence Report" means the agreed form report dated 29th May, 2003 compiled by Lovells, Fyfe Ireland and Pepper Hamilton and addressed to (among others) UK Holdco 1 and the Finance Parties;

"Lenders" means the banks and institutions listed in schedule 1 to the Facilities Agreement and includes their successors in title and substitute lenders;

"Mezzanine Lenders" means the banks and institutions listed in schedule 1 to the Mezzanine Loan Agreement and includes their successors in title and substitute lenders;

"Mezzanine Loan Agreement" means the mezzanine loan agreement dated 30th May, 2003 between (inter alios) UK Holdco 0, UK Holdco 2 and The Royal Bank of Scotland plc;

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Aviagen International Finance Two Limited (Company Number 4695437)

Short Particulars of all the Property Mortgaged or Charged (Continuation Sheet No.10)

"Mezzanine Parties" means the Mezzanine Lenders and the 'Agent' and the 'Arranger' as defined and referred to in the Mezzanine Loan Agreement;

"Newcos" each of UK Holdco 0, UK Holdco 1, UK Holdco 2, UK Newco 1 and UK Newco 2;

"Nicholas Europa Limited" means Nicholas Europa Limited a company incorporated in Scotland (Scottish Co. number 65463) whose registered office is Barnton Kilwinning, Ayrshire KA 13 7RH;

"Non-US Chargor" means each of the following:

- (a) each member of the Group which is designated as such in Schedule 1 or the Supplemental Deed pursuant to which it becomes a party to the Debenture; and
- (b) each member of the Group which is designated as a US Chargor in Schedule 1 or the Supplemental Deed pursuant to which it becomes a party to the Debenture, but which (in the case only of each Check-the-box Company, after the end of the Interim Period applicable to it) ceases to be, or ceases to be deemed a part of, a United States Person without a breach of the Tax Residency Provisions occurring,

unless, in any case, such member of the Group becomes, or is deemed to become a part of, a United States Person without a breach of the Tax Residency Provisions occurring;

"Parent" means Aviagen Holdings Limited a company registered in Scotland (Company Number 189029) whose registered office is at 11 Lochend Road, Newbridge, Midlothian, EH28 8SZ;

"Pedigree Line" means each category of those chicks which are regarded as the highest level on the breeding ladder, being used as a first link in the breeding process to produce chicks known as great-grandparent stock;

"Permitted Encumbrance" means an Encumbrance being any of the following, namely:

- (a) title retention arrangements arising in the ordinary course of trading with suppliers of goods (including suppliers of capital equipment) to a member of the Group provided that any such Encumbrance only secures the unpaid acquisition price for assets from the same supplier and only relates to assets acquired from that supplier;
- (b) any Encumbrance arising by operation of law (not by contract or otherwise) including, without limitation, banker's liens or rights of set-off and liens arising in the ordinary course of trading by operation of law and not by way of contract (other than standard term supply contracts);
- (c) any Encumbrance over assets which are acquired after the date of the Facilities Agreement which is in existence at the date of the acquisition and is not created in contemplation of that acquisition provided that (i) the principal amount secured by any such Encumbrance shall not be increased above the amount secured thereby the date of such acquisition and (ii) UK Holdco 0 procures the release of any such Encumbrance within 60 days of the date of the acquisition of the relevant asset;
- (d) any Encumbrance over credit balances and bank accounts of members of the Group with a permitted local bank created in order to facilitate the operation of such bank

accounts and other bank accounts of such members of the Group with such local bank on a net balance basis with credit balances and debit balances on the various accounts being netted off for interest purposes provided that the aggregate of all Indebtedness secured by such Encumbrances in any jurisdiction where members of the Group are incorporated does not exceed £50,000 or its equivalent per jurisdiction;

- (e) any Encumbrance created by any of the Finance Documents or in favour of the Mezzanine Parties;
- (f) any Encumbrance created or existing with the prior written consent of the Agent acting on the instructions of all the Lenders;
- (g) any Encumbrance constituted by any Finance Lease permitted under the Facilities Agreement; and
- (h) Encumbrances other than those otherwise permitted under the Facilities Agreement securing Indebtedness in an aggregate principal amount not exceeding £500,000 (or its equivalent), provided, however, that this paragraph (i) shall not apply so as to permit any Encumbrance over any Pedigree Line or any of the Core Properties;

"Principal Agreement" means the share sale agreement for the Acquisition between (among others) the Vendors and UK Newco 1 in the agreed form;

"Property Report" means (together) the agreed form property certificates on title dated on or about the date of the Facilities Agreement compiled by Lovells and Fyfe Ireland and addressed to (among others) UK Holdco 1 and the Finance Parties;

"Reports" means the Accountants' Report, the Vendor Due Diligence Report, the Structure Paper, the Environmental Report, the Tax Report, the Insurance Report, the Commercial Due Diligence Report, the Legal Due Diligence Report and the Property Report;

"Senior Creditors" means (i) the Agent, (ii) the Arranger, (iii) the Lenders, (iv) the Hedge Counterparty, (v) the Ancillary Facilities Lender (vi) each Ancillary Hedging Counterparty which, at the time of entry into the relevant Ancillary Hedging Transaction, was a Lender or a 'Bank' under the Earlier Agreement (and so that, for this purpose only, each Ancillary Hedging Counterparty shall be considered to be a separate Ancillary Hedging Counterparty in respect of each Ancillary Hedging Transaction to which it is a party) and (vii) any bank or institution which provides BACS facilities to the Group which, at the time of entry into the agreement to provide such facilities, was a Lender or a 'Bank' under the Earlier Agreement;

"Security Documents" means (i) the Guarantee, (ii) the Debenture, (iii) various security documents, not governed by English law or entered into by members of the Group incorporated outside the United Kingdom (iv) the Supplemental Guarantee, (v) any and all other Encumbrances, guarantees and other instruments from time to time entered into by any member of the Group by way of guarantee and/or security in respect of amounts owed to the Finance Parties under the Facilities Agreement (whether or not also in respect of any other Indebtedness), (vi) the Inter-Creditor Agreement and (vii) the Subordination Deed;

"Sterling" and **"£"** mean the lawful currency for the time being of the United Kingdom and in respect of all payments to be made under the Facilities Agreement in Sterling mean immediately available, freely transferable cleared funds;

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Short Particulars of all the Property Mortgaged or Charged (Continuation Sheet No.12)

"Structure Paper" means the agreed form memorandum on tax structure dated 30th May, 2003 prepared by Deloitte & Touche addressed to (among others) UK Holdco 1 and the Finance Parties;

"Subordination Deed" means the agreed form subordination deed dated 30th May, 2003 between (among others) US Newco, UK Holdco 0, the Security Trustee and certain investors.

"Substitution Certificate" means a certificate substantially in the terms of schedule 5 to the Facilities Agreement;

"Supplemental Deed" means a deed supplemental to the Debenture executed by UK Holdco 0 and a subsidiary of the UK Holdco 0 in form and substance satisfactory to the Security Trustee by virtue of which that subsidiary becomes bound by the Debenture;

"Supplemental Guarantee" means the supplemental guarantee to the Guarantee entered into by the parties to the Guarantee and dated 30th May, 2003;

"Target" means Aviagen Group Limited, a company registered in Scotland (Company Number 189026) whose registered office is at 11 Lochend Road, Newbridge, Midlothian EH28 8SZ;

"Tax Report" means the Project Ancona supplementary tax due diligence report dated 27th May 2003 prepared by KPMG at the request of the Vendors addressed to (among others) UK Holdco 1 and the Finance Parties;

"Tax Residency Provisions" means clause 11.1 (z) of the Facilities Agreement and clause 11.1 (z) of the Mezzanine Loan Agreement;

"UK Holdco 0" means Aviagen International Finance Limited, a company registered in England and Wales (Company Number 4768827) whose registered office is at 21 Holborn Viaduct, London EC1A 2DY;

"UK Holdco 1" means Aviagen International Finance One Limited, a company registered in England and Wales (Company Number 4695426) whose registered office is at 21 Holborn Viaduct, London EC1A 2DY;

"UK Holdco 2" means Aviagen International Finance Two Limited, a company registered in England and Wales (Company Number 4695437) whose registered office is at 21 Holborn Viaduct, London EC1A 2DY;

"UK Newco 1" means Aviagen International Finance Three Limited, a company registered in England and Wales (Company Number 4695449) whose registered office is at 21 Holborn Viaduct, London EC1A 2DY;

"UK Newco 2" means Aviagen International Finance Four Limited, a company registered in England and Wales (Company Number 4732806) whose registered office is at 21 Holborn Viaduct, London EC1A 2DY;

"United States Person" means a United States person within the meaning of Section 7701(a) of the Code;

"US Chargor" means each of:

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- (a) UK Holdco 0;
- (b) each person designated as such in Schedule 1 or the Supplemental Deed pursuant to which it becomes a party to the Debenture; and
- (c) each member of the Group which is designated as a Non-US Chargor in Schedule 1 or the Supplemental Deed pursuant to which it becomes a party to the Debenture, but which becomes, or is deemed to become a part of, a United States Person without a breach of the Tax Residency Provisions occurring,

unless, in any case, UK Holdco 0 or such other member of the Group ceases (in the case only of each Check-the-box Company, after the end of the Interim Period applicable to it) to be, or is deemed to cease to be a part of, a United States Person without a breach of the Tax Residency Provisions occurring;

"US Excluded Shares" means:

- (a) in respect of UK Holdco 1, the 34 shares represented by the share certificate numbered 2;
- (b) in respect of UK Holdco 2, the 34 shares represented by the share certificate numbered 2;
- (c) in respect of UK Newco 2, for so long as it is a Controlled Foreign Corporation, the 34 shares represented by the share certificate numbered 2; and
- (d) in respect of the shares in any other Controlled Foreign Corporation, the voting shares (being not more than one share more than one third of the issued voting shares) notified as such to the Security Trustee by UK Holdco 0,

and, in each case, including all allotments, rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to the same, and all money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option, dividend, distribution, interest or otherwise in respect thereof;

"US Newco" means Aviagen International Group Inc., a corporation registered in the State of Delaware, USA, whose chief executive office is at 5015 Bradford Drive, Huntsville, A1 Alabama 35805, USA;

"US Secured Obligations" means, in relation to any US Chargor, all moneys, obligations and liabilities from time to time of such US Chargor under the Guarantee (including without limitation clause 2.1(a) thereof) insofar as they are in respect of obligations of members of the Group which are, or are deemed to be a part of, United States Persons within the meaning of section 956(c)(1)(C) of the Code unless such members of the Group have become, or are deemed to have become a part of, United States Persons in breach of the Tax Residency Provisions;

"Vendor Due Diligence Report" means the Project Ancona Vendor diligence report dated 10th February, 2003 prepared by KPMG at the request of the Vendors addressed to (among others) UK Holdco 1 and the Finance Parties; and

"Vendors" means BC European Capital VI L.P. 1-12, 14, 15 and the other persons listed in schedule 1 to the Principal Agreement;

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Aviagen International Finance Two Limited (Company Number 4695437)

Short Particulars of all the Property Mortgaged or Charged (Continuation Sheet No.14)

In this Companies Form 395, unless the contrary intention appears:

- (a) references to (or to any specified provision of) the Debenture or any other document shall be construed as references to the Debenture, that provision or that document as in force for the time being and as amended, supplemented, replaced, or novated in accordance with the terms thereof or, as the case may be, with the agreement of the relevant parties and (where such consent is, by the terms of the Debenture or the relevant document, required to be obtained as a condition to such amendment being permitted) the prior written consent of the Security Trustee;
- (b) words importing the plural shall include the singular and vice versa;
- (c) references to **assets** include all or part of any business, undertaking, real property, personal property, uncalled capital and any rights (whether actual or contingent, present or future) to receive, or require delivery of, or otherwise in respect of, any of the foregoing;
- (d) references to a **person** shall be construed as including references to an individual, firm, company, corporation, unincorporated body of persons or any State or any of its agencies; and
- (e) references to any enactment shall be deemed to include references to such enactment as re-enacted, amended or extended.

Companies Form 395**Aviagen International Finance Two Limited (Company Number 4695437)****Short Particulars of all the Property Mortgaged or Charged (Continuation Sheet No.15)****SCHEDULE 1****THE ORIGINAL SUBSIDIARIES**

Name	Registered Number
England and Wales	
US Chargors	
Aviagen International Finance One Limited	4695426
Aviagen International Finance Two Limited	4695437
Aviagen International Finance Three Limited	4695449
Aviagen Group Limited	(SC)189026
Aviagen Holdings Limited	(SC)189029
Non-US Chargors	
Aviagen International Finance Four Limited	4732806
Aviagen Limited	1610943
Nicholas Europa Limited	(SC)65463

SCHEDULE 2

PROPERTIES

Description	Title Number
1. The freehold land known as Atherstone Hatchery, lying to the east of the A34, Atherstone-on-Stour, Stratford-on-Avon, Warwickshire	WK 324079
2. The freehold land on the north east side of the Great North Road, Great Gonerby, Lincolnshire	LL165364 and LL189729

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04695437

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE BETWEEN THE COMPANY AND THE US CHARGORS AND NON-US CHARGORS AND THE ROYAL BANK OF SCOTLAND PLC AS SECURITY TRUSTEE DATED THE 30th MAY 2003 AND CREATED BY AVIAGEN INTERNATIONAL FINANCE TWO LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE SECURITY TRUSTEE AND TO THE BENEFICIARIES OR ANY OF THEM 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 17th JUNE 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 19th JUNE 2003.

A handwritten signature in black ink, appearing to be 'R. G. 2'.



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES