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Particulars of a mortgage or charge

Please do not
write in
this margin

Pursuant to section 395 of the Companies Act 1985

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

*Insert full name
of company

To the Registrar of Companies

For official use Company number

12

531327

Name of company

*ECLIPSE MAGNETICS LIMITED (the "Company") ✓

Date of creation of the charge

25th January, 1996

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

Supplemental Debenture (the "Supplemental Debenture")

Amount secured by the mortgage or charge

All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to the Agent, the Arranger, the Banks and Omniwest (or any of them) under each of the Finance Documents to which such Obligor is a party together with all costs, charges and expenses incurred by the Agent, the Arranger, any Bank or Omniwest in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents PROVIDED THAT no obligation or liability shall be included in the definition of "secured liabilities" to the extent that, if it were so included, this Debenture (or any part thereof) would constitute unlawful financial assistance within the meaning of Sections 151 and 152 of the Companies Act 1985 (the "Secured Liabilities").

See Continuation Sheet No.1 for the definitions of "Obligor", "Agent", "Arranger", "Banks", "Omniwest" and "Finance Documents".

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

National Westminster Bank PLC

NWM Agency Group, 3rd Floor, Juno Court, 24 Prescott Street,

London as agent and trustee for each of
the Finance Parties (the "Agent")

Postcode E1 8BB

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

Allen & Overy
One New Change
London EC4M 9QQ

For official use
Mortgage section

Post room



KLO *KSHGSIWF* 1801
COMPANIES HOUSE 09/02/96

Time critical reference

Short particulars of all the property mortgaged or charged

Please do not
write in
this margin

See Continuation Sheet No.1

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

8th February, 1996

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

*Delete as
appropriate

Notes

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

Short particulars of all the property mortgaged or charged

The Company, with full title guarantee, hereby charges in favour of the Agent (as agent and trustee for the Finance Parties):

- (a) by way of first legal mortgage, all the property, assets and rights referred to in Clauses 4(a) and (b) of the Original Debenture;
- (b) by way of first fixed charge, all the property, assets and rights referred to in Clauses 4(c) and (d) of the Original Debenture;
- (c) by way of first floating charge, all its undertaking and assets referred to in Clause 5.1 of the Original Debenture,

to the extent that the Secured Liabilities are not secured by the Original Debenture.

Note: Restrictions on dealing

The Company has covenanted in the Restated Facility Agreement that:

- (a) it shall not create or permit to subsist any Security Interest on any of its assets other than:
 - (i) any lien or banker's right of set-off arising by operation of law in the ordinary course of business and, in the case of liens, securing amounts not more than 60 days overdue or the payment of which is being contested in good faith;
 - (ii) the Security Interests listed in Part I of Schedule 5 of the Restated Facility Agreement; or
 - (iii) the Security Interests created or evidenced by the Security Documents; and
- (b) it shall not, either in a single transaction or in a series of transactions, whether related or not, sell, transfer, grant or lease or otherwise dispose of any of its assets save for the exceptions set out in Clauses 16.9 and 16.10 of the Restated Facility Agreement.

Capitalised Terms Defined:

"Agent" means National Westminster Bank PLC acting as agent for and on behalf of the Finance Parties;

"Arranger" means National Westminster Bank PLC acting as arranger for and on behalf of the Banks;

"Bank" means each of the following:

- (a) each financial institution listed in Part III of Schedule 1 of the Restated Facility Agreement;

(b) any bank or financial institution to which rights and/or obligations under the Finance Documents are assigned or transferred in accordance with the provisions of the Restated Facility Agreement; and

(c) the successor or successors in title of any of the foregoing,

but only for so long as it has any rights or obligations but for any breach of any obligation, representation or warranty of any Obligor under any of the Finance Documents;

"Borrower" means each of Spear & Jackson Public Limited Company, the Subsidiaries of Spear & Jackson Public Limited Company listed in Part I of Schedule 1 of the Restated Facility Agreement and Neill France S.A. (a Subsidiary of Spear & Jackson Public Limited Company incorporated in France);

"Finance Document" means the Supplemental Agreement, the Restated Facility Agreement, any Security Document, the Ancillary Facility Agreement, the Overdraft Facility Letter, the Intercreditor Agreement, the Fee Letter, a Novation Certificate, a Guarantor Accession Agreement, the Omniwest Facility Agreement (as the same are defined in the Restated Facility Agreement), or any other document designated as such by the Agent and Spear & Jackson Public Limited Company, as the same may be amended, novated or supplemented from time to time;

"Finance Parties" means the Agent, the Arranger, each Bank and Omniwest;

"Guarantor" means each of Spear & Jackson Public Limited Company, the Subsidiaries of Spear & Jackson Public Limited Company listed in Part II of Schedule 1 of the Restated Facility Agreement and any Additional Guarantor (as defined in the Restated Facility Agreement);

"Obligor" means a Borrower or a Guarantor;

"Omniwest" means Omniwest Limited;

"Original Debenture" means the debenture dated 13th September, 1990 between the Company and the Agent;

"Original Facility Agreement" means the Facility Agreement dated 13th September, 1990 between, inter alia, the Obligors, the Agent, the Arranger and the Banks as the same had been supplemented, amended and restated from time to time prior to 25th January, 1996;

"Restated Facility Agreement" means the restatement dated 25th January, 1996 being Exhibit A to the Supplemental Agreement dated 25th January, 1996 between the Obligors and the Finance Parties which supplemented, amended and restated the Original Facility Agreement.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 00531327

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SUPPLEMENTAL DEBENTURE DATED THE 25th JANUARY 1996 AND CREATED BY ECLIPSE MAGNETICS LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM EACH OBLIGOR (AS DEFINED) TO NATIONAL WESTMINSTER BANK PLC AS AGENT AND TRUSTEE FOR EACH OF THE FINANCE PARTIES (AS DEFINED) UNDER THE TERMS OF THE FINANCE DOCUMENTS (AS DEFINED) TO WHICH SUCH OBLIGOR (AS DEFINED) IS A PARTY, PROVIDED THAT NO OBLIGATION OR LIABILITY SHALL BE INCLUDED IN THE DEFINITION OF "SECURED LIABILITIES" TO THE EXTENT THAT, IF IT WERE SO INCLUDED, THIS DEBENTURE (OR ANY PART THEREOF) WOULD CONSTITUTE UNLAWFUL FINANCIAL ASSISTANCE WITHIN THE MEANING OF SECTIONS 151 AND 152 OF THE COMPANIES ACT 1985. WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 9th FEBRUARY 1996.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 13th FEBRUARY 1996.

RICHARD NEIL OWENS
for the Registrar of Companies



COMPANIES HOUSE

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13/2
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