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COMPANIES FORM No. 403a

Declaration of satisfaction in full or in part of mortgage or charge

403a

CHFP025

Please do not
write in
this margin

Pursuant to section 403(1) 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
(Address overleaf)

For official use Company number

113

2714781

Name of company

*CLS Holdings plc (the **Chargor**).

I, THOMAS JOHN THOMSON

of ONE CITADEL PLACE TINWORTH STREET LONDON SE11 5EF

† Delete as
appropriate

[a director] ~~[the secretary]~~ ~~[a director]~~ ~~[the secretary]~~ of the above company, do

solemnly and sincerely declare that the debt for which the charge described below was given has been
paid or satisfied in (full) ~~(part)~~ †

‡ Insert a
description of the
instrument(s)
creating or
evidencing the
charge, eg
'Mortgage',
'Charge',
'Debenture' etc.

Date and Description of charge ‡ Mortgage of Shares dated 28th October, 1999

Date of Registration § 10th November, 1999

Name and address of ~~[Chargor]~~ [trustee for the debenture holders] Allegemeine
Hypotheckenbank AG of Bockenheimer Landstrasse 25, 60325 Frankfurt am
Main, Germany (the **Agent**).

§ The date of
registration may
be confirmed
from the
certificate

Short particulars of property charged ¶ See attached continuation sheets

¶ Insert brief
details of
property

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the
provisions of the Statutory Declarations Act 1835.

Declared at One Citadel Place Declarant to sign below
Tinworth Street London SE11 5EF

Day Month Year
on 01 05 2005

before me

A Commissioner for Oaths or Notary Public or Justice of
the Peace or Solicitor having the powers conferred on a
Commissioner for Oaths

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

Allen & Overy LLP
One New Change
London
EC4M 9QQ

KAEB/WT BK:2660255.1

For official use
Mortgage section



Short particulars of all the property mortgaged or charged (continued)

FIXED SECURITY

The Chargor, as security for the payment of all the Secured Liabilities, charged in favour of the Agent:

- (a) by way of a first legal mortgage all Shares held by it and/or any nominee in its behalf and all Related Rights;
- (b) by way of a first fixed charge (to the extent they are not the subject of a mortgage under paragraph (a) above) its interest in all the Shares and all Related Rights.

In this Form 403a:

Arranger means the Agent as arranger.

Bank means the Agent as bank.

Borrower means each of:

- (a) Coventry House Limited (Registered in England & Wales No. 2210046);
- (b) Larkhall Lane Limited (Registered in England & Wales No. 2073884); and
- (c) Onslow Gardens Limited (Registered in England & Wales No. 1627118).

Credit Agreement means the £13,267,000 credit agreement dated 26th October, 1999 between the Borrowers, the Chargor and the Agent.

Debenture means the debenture executed or to be executed by the Borrowers in favour of the Agent, substantially in the form of Schedule 6 to the Credit Agreement.

Deed means the Mortgage of Shares dated 28th October, 1999 between the Chargor and the Agent.

Fee Letter means the letter dated the date of the Credit Agreement between the Arranger and the Borrowers setting out the amount of various fees referred to in Clause 21 (Fees) of the Credit Agreement.

Finance Document means:

- (a) the Credit Agreement;
- (b) the Debenture;
- (c) any Hedging Arrangement;
- (d) the Mortgage of Shares;

- (e) the Subordination Deed;
- (f) the Fee Letter;
- (g) a Novation Certificate; or
- (h) any other document designated as such by the Agent and the Borrowers.

Finance Party means the Arranger, a Bank or the Agent.

Hedging Arrangement means any interest hedging arrangements entered into by the Borrowers in connection with, or otherwise relating to, interest payable under the Credit Agreement.

Mortgage of Shares means the mortgage of the shares of the Borrowers entered into or to be entered into by the Chargor in favour of the Agent, in substantially the form of Schedule 7 to the Credit Agreement (including the Deed).

Novation Certificate has the meaning given to it in Clause 27.3 (Procedure for novations) of the Credit Agreement.

Related Rights means any dividend or interest paid or payable in relation to any Share and any rights, money or property accruing or offered at any time in relation to any Share by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

Secured Liabilities means 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 Borrower to each Finance Party under each Finance Document except for any obligation which, if it were so included, would result in the Deed contravening Section 151 of the Companies Act 1985.

Shares means all of the shares in the share capital of each Borrower.

Subordination Deed means a subordination deed entered into or to be entered into by the Borrowers and the Chargor in favour of the Agent, in substantially the form of Schedule 8 to the Credit Agreement.