

06-18-1998



100741559

To the Honorable Commissioner of Patents and Trademarks:
Please record the attached original documents or copy thereof.



1. Name of conveying party:

Mitel Corporation
a Corporation
under the laws of Canada
350 Legget Drive
P.O. Box 13089
Kanata, Ontario K2K 1X3
Canada

2. Name and address of receiving party:

Canadian Imperial Bank of Commerce,
as Secured Party
Commerce Court West
199 Bay Street
Toronto, Ontario M5L 1A2
Canada

3. Nature of conveyance:

Grant of Trademark Security Interest

6.12.98

Execution Date: February 12, 1998

4. Application numbers and trademark numbers:

A. Trademark Application Nos.

None.

B. Trademark Registration Nos.

1241105
1297441

5. Name and address of party to whom
correspondence concerning document should be
mailed:

Beth T. Scimemi
Legal Assistant
O'Melveny & Myers LLP
153 E. 53rd Street
New York, New York 10022

6. Total number of applications and registrations
involved:

2

7. Total fee:

\$ 65.00 (Enclosed)

8. Deposit Account Number:

N/A

9. Statement and Signature

To the best of my knowledge and belief, the foregoing information is
true and correct and any attached copy is a true copy of the original
document.

Beth T. Scimemi
Name of Person Signing

Beth T. Scimemi
Signature

May 15, 1998
Date

TOTAL NUMBER OF PAGES COMPRISING COVER SHEET: 1

06/18/1998 TTON11 00000094 1241105

01 FC:481 40.00 OP
02 FC:482 25.00 OP

NY1-500958.V1

TRADEMARK
REEL: 1742 FRAME: 0333

**SCHEDULE A TO OFFICER'S CERTIFICATE
OF MITTEL TELECOM LIMITED**

PATENTS ISSUED				
COUNTRY	PATENT No	ISSUE DATE	INVENTION	INVENTOR
USA	5,077,890	01/07/92	0.3 Unimodule Offline Loading Trolley	Babington
USA	5,005,183	04/02/91	Wireless Telephone System	Anderson et al
USA	4,866,732	09/12/89	Wireless Telephone System	Anderson et al
Canada	2,003,731	04/04/95	0.3 Unimodule Offline Loading Trolley	Babington
Canada	1,247,266	12/20/88	Wireless Telephone System	Anderson et al
Canada	1,261,981	09/28/89	Wireless Telephone System	Anderson et al

TRADEMARKS			
TRADE MARK DESCRIPTION	COUNTRY	REGISTRATION NUMBER	REGISTRATION DATE
TOLLSAVE	US	2,098,536	09/23/97

**OFFICERS' CERTIFICATE
OF MITEL TELECOM LIMITED**

THE UNDERSIGNED HEREBY CERTIFIES ON BEHALF OF COMPANY THAT:

- (1) I am a director of Mitel Telecom Limited (the "Company"), a limited liability company organised under the laws of England;
- (2) Company and Canadian Imperial Bank of Commerce, as security agent ("Security Agent"), are parties to that certain Guarantee and Debenture dated as of February 12, 1998 (as amended, restated or otherwise modified from time to time, the "Guarantee and Debenture"; the terms defined therein and not otherwise defined herein being used herein as therein defined) pursuant to which Company has granted to Security Agent for the benefit of itself, the Lenders and the Lender Counterparties a first fixed charge on and continuing security interest in all Intellectual Property of Company; and
- (3) For the avoidance of doubt, the first fixed charge and continuing security interest granted pursuant to the Guarantee and Debenture include, without limitation, all Intellectual Property listed on Schedule A annexed hereto as it fully set forth therein.

IN WITNESS WHEREOF, the foregoing certifications are made and delivered this 6th day of April, 1998 by Jean-Jacques Carrier solely in his capacity as a director of the Company. *Ylb*

By: 

Name: Jean-Jacques Carrier

Title: Director

**OFFICERS' CERTIFICATE
OF MITEL SEMICONDUCTOR LIMITED**

THE UNDERSIGNED HEREBY CERTIFIES ON BEHALF OF COMPANY THAT:

- (1) I am a director of Mitel Semiconductor Limited (the "Company"), a limited liability company organised under the laws of England;
- (2) Pursuant to that certain Security Accession Deed dated April 6, 1998, Company has become party to that certain Guarantee and Debenture dated as of February 12, 1998 by and between Mitel Telecom Limited and Canadian Imperial Bank of Commerce, as Security Agent ("Security Agent"), (such Guarantee and Debenture, as modified by such Security Accession Deed and as it may be further amended, restated or otherwise modified from time to time, the "Guarantee and Debenture"; the terms defined therein and not otherwise defined herein being used herein as therein defined).
- (3) Pursuant to the Guarantee and Debenture, Company has granted to Security Agent for the benefit of itself, the Lenders and the Lender Counterparties a first fixed charge on and continuing security interest in all Intellectual Property of Company; and
- (4) For the avoidance of doubt, the first fixed charge and continuing security interest granted pursuant to the Guarantee and Debenture include, without limitation, all Intellectual Property listed on Schedule A annexed hereto as if fully set forth therein.

IN WITNESS WHEREOF, the foregoing certifications are made and delivered this 6th day of April, 1998 by Jean-Jacques Carrier solely in his capacity as a director of the Company.

By:

Name: Jean-Jacques Carrier
Title: Director

TRADEMARK

REEL: 1742 FRAME: 0336

**SCHEDULE A TO OFFICER'S CERTIFICATE
OF MITEL SEMICONDUCTOR LIMITED****TRADEMARKS**

TRADE MARK DESCRIPTION	COUNTRY	REGISTRATION NUMBER	REGISTRATION DATE
ULA	USA	1241105	07/06/03
ULA	USA	1297441	25/09/04

PATENTS

(see attached listing)

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Date of Report: 3rd April 1998

PATENT DEPARTMENT WORKING REPORT

Reference Sponsor	Country	Appn.No.&Date Responsible Person	Pat.No.&Date
P/6908.USP PS Input Circuits	USA pre 12/12/ 1st August 1978	4223299 RKT	16th September 1990 Granted
P/6786.USP PS Multilayer Circuit	US Interim 21st January 1986	822584 GC	Pending
P/9019.USP PS Radar Absorbing Material	US Interim (Se 23rd October 1989	431165 GC	Pending SECRET
P/9912.USP PS Programmable Logic Cell	US Interim 19th May 1993	08/063557 MEC	5463327 11st October 1995 Granted
P/51472.USP PS Power-On Reset Circuit	US Interim 15th July 1986	885161 MEC	4598531 6th October 1987 Granted
P/51287.USP PS SOS-FETS with Polysilicon P	US Interim 27th October 1988	603465 MEC	5034788 23rd July 1991 Granted
P/51288.USP PS Integrated Amplifier	US Interim 1st June 1989	360005 MEC	4963837 16th October 1990 Granted
P/51345.USC PS Tungsten Interconnect	US Interim 6th March 1991	07/665290 MEC	5136355 4th August 1992 Granted
P/53497.USP PS Switch Stabilised Sigma Del	US Interim 3rd August 1989	389369 MEC	4994805 19th February 1991 Granted
P/53539.USP PS Quartz Microstrips Own Osc.	US Interim 9th February 1989	308838 MEC	4890074 26th December 1989 Granted
P/53798.USP PS TLP Soldering	US Interim 4th September 1990	578542 MEC	5106009 21st April 1992 Granted
P/53915.USP PS Mesa Semiconductor Device	US Interim 29th August 1986	902245 MEC	4698901 13th October 1987 Granted
P/54032.USP PS Modulator Circuit	USA - PCT Ch.1 1st April 1991	07/663869 MEC	5155455 13th October 1992 Granted
P/54033.USP PS Phase Detector	US Interim 10th August 1990	565065 MEC	5157341 20th October 1992 Granted

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Date of Report: 3rd April 1998

PATENT DEPARTMENT WORKING REPORT

Reference Sponsor	Country	Appn.No. & Date Responsible Person	Pat.No. & Date
P/54041.USB PS Half Frequency Mixer	US Interim	07/740992 6th August 1991 MEC	5303417 12th April 1994 Granted
P/54061.USB PS M S Switching Current Source	US Interim	07/777804 17th October 1991 MEC	5239455 24th August 1993 Granted
P/54084.USB PS Fractional 'N' Synthesizers	USA - PCT Ch.1	613568 2nd April 1990 MEC	5124670 23rd June 1992 Granted
P/54156.USB PS True Logarithmic Amplifiers	US Interim	07/666359 8th March 1991 MEC	5139280 27th October 1992 Granted
P/54156.USB PS Radiation Hardened Int.Circ	US Interim	07/664946 5th March 1991 MEC	5072169 10th December 1991 Granted
P/54284.USB PS Trench Etching	US Interim	07/980656 24th November 1992 MEC	5128554 12th July 1994 Granted
P/54355.USA PS Audiosignal Processor Circu	US Interim	793189 15th May 1990 MEC	5453976 26th September 1995 Granted
P/54356.USB PS Gate Die Testing	US Interim	08/012998 3rd February 1993 MEC	5406210 11th April 1995 Granted
P/54455.USB PS Low Noise Amplifier	US Interim	08/139436 20th October 1993 MEC	5378997 3rd January 1995 Granted GRANT20
P/54462.USB PS Acceleration Controller	US Interim	08/139439 20th October 1993 MEC	5387856 7th February 1995 Granted
P/54500.USB PS Reversing Aid	US Continuation	08/814330 11th March 1997 AC	Pending
P/54500.USB PS Reversing Aid	US - PCT Ch.2	08/428210 18th November 1993 AC	Pending
P/54533.USB PS IGBT Mount	US Interim	08/217505 24th March 1994 MEC	5508476 16th April 1996 Granted
P/54542.USB PS Power-Saving Pre-Amp	US Interim	08/191281 2nd February 1994 MEC	5440271 8th August 1995 Granted

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Date of Report: 3rd April 1998

PATENT DEPARTMENT WORKING REPORT

Reference Sponsor	Country	Appn.No.&Date Responsible Person	Pat.No.&Date
P/54575.USP PS Embedded Self-Test	US Interim	08/221074 11st March 1994 MEC	5500823 19th March 1996 Granted
P/54583.USP PS Piece-Wise Approximation	US Interim	08/294550 23rd August 1994 MEC	5467093 14th November 1995 Granted
P/54586.USP PS Wlan Modulation	US Interim	08/295017 24th August 1994 JM	5493257 20th February 1996 Granted
P/54588.USP PS Current Sensing for CDM	US Interim	08/211250 22nd April 1994 MEC	5469378 21st November 1995 Granted
P/54592.USP PS Priority Encoder	US Interim	08/233357 16th April 1994 MEC	5495362 27th February 1996 Granted
P/54604.USC PS Long Link Lan	US Continuation	08/612297 7th March 1995 MEC	 Pending
P/54614.USP PS Slot Alarm	US Interim	08/283022 29th July 1994 MEC	5563617 8th October 1996 Granted
P/54621.USP PS Direct Conversion AFC	US Interim	08/285407 3rd August 1994 MEC	5530723 25th June 1996 Granted
P/54622.USP PS AFC in Zero IF Receivers	US Interim	08/272939 11th July 1994 MEC	5612976 18th March 1997 Granted
P/54624.USP PS Equalisation Arrangement	US Interim	08/269074 30th June 1994 MEC	5557640 17th September 1996 Granted
P/55174.USP PS Improved Frame Aligner	USA pre 12/12/	175780 6th August 1980 RAS	4366531 11th January 1983 Granted
P/55327.USP PS Flip Chip Bonded Devices	US Interim	435477 30th November 1989 MEC	5022580 11th June 1991 Granted
P/55439.USP PS Integrated Circuit Process	US Interim	597426 6th April 1984 MEC	4536249 20th August 1985 Granted
P/55440.USP PS Producing a Layered Structure	US Interim	621187 15th June 1984 MEC	4536951 27th August 1985 Granted

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Date of Report: 1st April 1998

PATENT DEPARTMENT WORKING REPORT

Reference Sponsor	Country	Appn.No. & Date Responsible Person	Pac.No. & Date
P/55442.USP PS Signal Strength Detector	US Interim	546113 31st August 1984 MEC	4620114 28th October 1986 Granted
P/55445.USP PS Analogue to Digital Convert	US Interim	110763 30th November 1987 MEC	4982193 1st January 1991 Granted
P/55455.USP PS Binary Encoded Data Words	US Interim	528973 29th May 1990 MEC	5122979 16th June 1992 Granted
P/55456.USP PS III-V Semiconductor Devices	US Interim	298881 12th January 1989 MEC	4981908 1st January 1991 Granted
P/55462.USP PS Verifying Data Stored in a	US Interim	470665 2nd February 1990 MEC	5046047 3rd September 1991 Granted
P/55471.USA PS Bipolar Transistors	US Interim	323269 19th March 1989 MEC	5021855 4th June 1991 Granted
P/55472.USP PS MOS Transistor Manufacture	US Interim	088108 31st August 1987 MEC	4817179 6th June 1989 Granted
P/55474.USP PS Radiation Prescalers	US Interim	019276 2nd February 1987 MEC	4862515 29th August 1989 Granted
P/55478.USP PS Bias Circuit	US Interim	011098 5th February 1987 MEC	4763019 9th August 1988 Granted
P/55481.USP PS Frequency Dividers	US Interim	868908 29th May 1986 MEC	4806872 21st February 1989 Granted
P/55482.USP PS Low Voltage Bias Circuit	US Interim	010930 5th February 1987 MEC	4833344 23rd May 1989 Granted
P/55488.USP PS Phase Compar.Lock Detect CC	US Interim	056476 18th September 1986 MEC	4806878 21st February 1989 Granted
P/55492.USP PS Voltage Generators	US Interim	018216 24th February 1987 MEC	4792989 20th December 1988 Granted
P/55503.USP PS Integrate and Hold Circuits	US Interim	019901 27th February 1987 MEC	4806880 21st February 1989 Granted

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Date of Report: 3rd April 1998

PATENT DEPARTMENT WORKING REPORT

Reference Sponsor	Country	Appn.No.&Date Responsible Person	Pat.No.&Date
P/55507.USB PS Transistors	US Interim	150410 11th May 1987 MEC	4613097 23rd May 1989 Granted
P/55511.USB PS Phase Detector	US Interim	655695 28th September 1984 MEC	4593253 3rd June 1986 Granted
P/55517.USB PS Clock Driven Data Sampling	US Interim	329718 26th March 1989 MEC	4940948 10th July 1990 Granted
P/55519.USB PS Digital Phase Locked Loop	US Interim	07/729315 15th July 1991 MEC	5191103 9th March 1993 Granted
P/55521.USB PS Broad Band VCO Control Syst	US Interim	329719 26th March 1990 MEC	4943788 24th July 1990 Granted
P/55523.USB PS Multi-Pulse Swallowing Coun	US Interim	443677 22nd November 1982 MEC	4530281 1st April 1986 Granted
P/55533.USB PS N-ARY Modulus Divider	US Interim	328248 7th December 1981 MEC	4495630 22nd January 1985 Granted
P/55535.USB PS Analogue to Digital Convert	US Interim	008675 29th January 1987 MEC	4774499 27th September 1988 Granted
P/55548.USA PS Stamping Tools	USA pre 12/12/	921450 3rd July 1979 MEC	4205548 3rd June 1980 Granted
P/55553.USB PS Control for 2 Modulus Divid	USA pre 12/12/	87723 24th October 1979 MEC	4344045 10th August 1982 Granted
P/55566.USB PS FM Demodulator	US Interim	301182 25th January 1989 MEC	4953010 28th August 1990 Granted
P/55579.USB PS Manchester Code Clock	US Interim	156496 16th February 1988 MEC	4853943 1st August 1989 Granted
P/55584.USB PS Imps Relating to Flip-Flops	US Interim	07/616843 21st November 1990 MEC	5200650 6th April 1993 Granted
P/55587.USB PS Frequency Doubling Oscillat	US Interim	060708 13th August 1987 MEC	4810976 7th March 1989 Granted

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Date of Report: 3rd April 1998

PATENT DEPARTMENT WORKING REPORT

Reference Sponsor	Country	Appn.No. & Date Responsible Person	Pat.No. & Date
P/55597.USP PS Frequency Synthesisers	US Interim	217200 11th July 1988 MEC	Pending
P/55616.USP PS Semiconductor Devices	USA pre 12/12/	18985 9th March 1979 CPH	4223335 16th September 1980 Granted
P/55624.USP PS Phase Shift Arrangement	US Interim	245154 16th September 1988 MEC	4922127 1st May 1990 Granted
P/55627.USP PS Electrical Circuits	US Interim	335067 17th May 1989 MEC	4947141 7th August 1990 Granted
P/55670.USP PS Receiver Arrangement	USA pre 12/12/	4307422 11th September 1979 MEC	4307422 22nd December 1981 Granted
P/55673.USP PS Frequency Modulation Detect	US Interim	571948 16th November 1984 MEC	4608539 26th August 1986 Granted
P/55689.USA PS Arithmetic Logic Unit	US Interim	876533 20th June 1986 MEC	4760544 26th July 1988 Granted
P/55894.USP PS Pseudo-Random Binary Sequen	US Interim	784880 1st October 1985 MEC	Pending
P/55907.USP PS Semiconductor Devices	USA pre 12/12/	855258 28th November 1977 MEC	4336525 22nd June 1982 Granted
P/60001.USC PS Bare Die Testing	US Continuatio	08/625547 1st April 1996 MEC	Pending
P/60028.USC PS Floating Resistor Circuit	USA - Current	08/843432 15th April 1997 MEC	Pending
P/60028.USP PS Floating Resistor Circuit	US Interim	08/373077 17th January 1995 MEC	Pending
P/60031.USP PS Amplifier Arrangements	US Interim	08/295620 25th August 1994 MEC	5572165 5th November 1996 Granted
P/60057.USP PS Overvoltage Protection Circ	US Interim	08/324914 16th October 1994 MEC	5568345 22nd October 1996 Granted

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Date of Report: 3rd April 1998

PATENT DEPARTMENT WORKING REPORT

Reference Sponsor	Country	Appn.No.&Date Responsible Person	Pat.No.&Date
P/60058.USP PS Drive Circuit	US Interim	08/313264 2nd November 1994 MEC	5469093 21st November 1995 Granted
P/60059.USP PS Direct Conversion Receivers	US Interim	08/302510 8th September 1994 MEC	5451895 19th September 1995 Granted
P/60062.USP PS Preamplifier Circuit	US Interim	08/302514 8th September 1994 MEC	5543979 6th August 1996 Granted
P/60063.USP PS Ball Grid Array Arrangement	US Interim	08/410343 14th March 1995 MEC	Pending
P/60078.USP PS D.C. Restoration Circuit	US Interim	08/324911 16th October 1994 MEC	5587661 14th December 1995 Granted
P/60082.USP PS F/Control for Digital Radio	US Interim	08/324910 18th October 1994 MEC	5661989 2nd September 1997 Granted
P/60092.USP PS Integrated Oscillators	US Interim	08/343708 22nd November 1994 MEC	5469113 21st November 1995 Granted
P/60142.USP PS Low-Current IR Pulse Detect	US Interim	08/411539 18th March 1995 MEC	5661754 26th August 1997 Granted
P/60166.USP PS Phase Lock Detector	US Interim	08/404511 15th March 1995 MEC	Pending
P/60212.USP PS Analogue to Digital Convert	US Interim	925634 21st February 1986 MEC	4736188 5th April 1988 Granted
P/60214.USP PS Integrated Circuit/Self Test	US Interim	907913 11th December 1985 MEC	4764926 16th August 1998 Granted
P/60243.USP PS MCM Inductor Structure	USA - Current	08/483462 8th June 1995 MEC	Pending
P/60244.USP PS MCM-D Trimmable Capacitor S	USA - Current	08/501630 12th July 1995 MEC	5604658 18th February 1997 Granted
P/60249.USP PS Case Antenna	USA - Current	08/511543 4th August 1995 MEC	5677598 14th October 1997 Granted

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Date of Report: 3rd April 1998

PATENT DEPARTMENT WORKING REPORT

Reference Sponsor	Country	Appn.No. & Date Responsible Person	Pat.No. & Date
P/60270.USP PS Trimable MCM-D Inductor	USA - Current	08/506317 24th July 1995 MEC	Pending
P/60277.USP PS White Clip Circuit Implemen	USA - Current	08/512143 7th August 1995 MEC	Pending
P/60298.USP PS Subcarrier Genlock	USA - Current	08/566976 4th December 1995 MEC	Pending
P/60300.USP PS Novel use of TV IR Port	USA - Current	08/544141 17th October 1995 MEC	Pending
P/60519.USP PS Conformal Antenna	USA - Current	08/554517 7th November 1995 MEC	Pending
P/60532.USP PS Boosted Series Feedback	USA - Current	08/566259 4th December 1995 MEC	5684423 4th November 1997 Granted
P/60536.USP PS Imp. Planar Inductors on Su	USA - Current	08/650484 20th May 1995 MEC	Pending
P/60537.USP PS Metastability Detector	USA - Current	08/566858 4th December 1995 MEC	5684760 4th November 1997 Granted
P/60538.USP PS Gain Compensation Circuit	USA - Current	08/604676 21st February 1996 MEC	Pending
P/60548.USP PS Switchable High Pass Filter	USA - Current	08/604494 21st February 1996 MEC	Pending
P/60554.USP PS Digital/Analogue Demodulate	USA - Current	08/690815 1st August 1996 MEC	Pending
P/60555.USP PS Reduced Swing Output Buffer	USA - Current	08/755985 25th November 1996 JW	Pending
P/60569.USP PS MCM-D Assemblies	USA - Current	08/594766 31st January 1996 MEC	Pending
P/60586.USP PS Kill-off Current	USA - Current	08/667862 19th June 1996 JW	Pending

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Date of Report: 3rd April 1998

PATENT DEPARTMENT WORKING REPORT

Reference Sponsor	Country	Appn.No. & Date Responsible Person	Pat.No. & Date
P/60591.USP PS MCM-D Probe Tip	USA - Current	05/603602 21st February 1996 MEC	Pending
P/60602.USP PS Method of Dis-co-ordinating	USA - Current	08/635464 22nd April 1996 MEC	Pending
P/60616.USP PS AGC System	USA - Current	08/755986 25th November 1996 JW	Pending
P/60653.USP PS Microstrip-Dielectric Antenna	USA - Current	08/682990 16th July 1996 MEC	Pending
P/60664.USP PS Boron Implant Sidewall Pass	USA - Current	08/829721 31st March 1997 AW	Pending
P/60702.USP PS Privacy in Network Systems	USA - Current	08/682991 16th July 1996 MEC	Pending
P/60711.USP PS Multistandard Video Modulator	USA - Current	08/730375 15th October 1996 MEC	Pending
P/60719.USP PS Equalising Unshielded T/Pair	USA - Current	08/733239 2nd October 1996 MEC	Pending
P/60781.USP PS Folded Active Filter	USA - Current	08/739419 29th October 1996 MEC	Pending
P/60782.USP PS Active Filter Stack	USA - Current	08/739418 29th October 1996 MEC	Pending
P/60798.USP PS Low Voltage VCO Driver	USA - Current	08/829719 31st March 1997 JW	Pending
P/60812.USP PS Removing Baseline Wander	USA - Current	08/829723 31st March 1997 CFH	Pending
P/60828.USP PS Frequency-Agile Phase Split	USA - Current	08/886337 1st July 1997 MEC	Pending
P/60901.USP PS Ferroelectric FPGA Device	USA - Current	08/886336 1st July 1997 MEC	Pending

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Date of Report: 3rd April 1998

PATENT DEPARTMENT WORKING REPORT

Reference Sponsor	Country	Appn.No. & Date Responsible Person	Pat.No. & Date
P/60906.USP PS Trench-based Termination	USA - Current	08/869940 5th June 1997 CFH	Pending
P/60915.USP PS Reduced Saturation Integrat	USA - Current	08/852193 6th May 1997 MEC	Pending
P/60931.USP PS Power-on-Rewet Circuit	USA - Current	08/866338 1st July 1997 MEC	Pending
P/60999.USP PS Trench Inv.Layer Imp.Thyrist	USA - Current	08/866338 20th January 1998 CFH	Pending
P/61031.USP PS Phase Shift/Combining Circu	USA - Current	08/985003 4th December 1997 MEC	Pending
P/61032.USP PS Low Noise Amplifier	USA - Current	09/003909 7th January 1998 MEC	Pending
P/61033.USP PS Double Balanced Mixer	USA - Current	09/003907 7th January 1998 MEC	Pending
P/61034.USP PS Image Reject Mixer	USA - Current	09/003906 7th January 1998 MEC	Pending
P/61059.USP PS Op-Amp Current Conveyor	USA - Current	09/003892 7th January 1998 MEC	Pending
P/61060.USP PS Low Voltage Mixer	USA - Current	09/003908 7th January 1998 MEC	Pending
P/61092.USP PS CD Data Recovery	USA - Current	09/012076 22nd January 1998 MEC	Pending
P/61104.USP PS Patch Anten.Doppler Car Als	USA - Current	09/006520 13th January 1998 CFH	Pending
P/61135.USP PS Frequency Tracking Loop	USA - Current	09/006520 13th January 1998 MEC	Pending

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Date of Report: 3rd April 1998

PATENT DEPARTMENT WORKING REPORT

Reference Sponsor	Country	Appn.No.&Date Responsible Person	Pat.No.&Date
P/7019.CAP PS Thyriacore	Canada-Interim	572971 25th July 1988 MEC	1298920 14th April 1992 Granted
P/54355.CAA PS Audiosignal Processor Circuit	Canada	2063800 15th May 1990 MEC	Pending
P/54614.CAP PS Slot Alarm	Canada	2128273 18th July 1994 MEC	Pending
P/55174.CAP PS Improved Frame Aligner	Canada pre 199	357046 30th July 1990 MEC	1149826 5th July 1993 Granted
P/55439.CAP PS Integrated Circuit Processor	Canada pre 199	450879 29th March 1994 CFH	1215789 23rd December 1995 Granted
P/55442.CAP PS Signal Strength Detector	Canada pre 199	461353 20th August 1994 MEC	1241854 18th October 1999 Granted
P/55454.CAP PS Programmable Threshold Extension	Canada pre 199	516424 20th August 1996 MEC	1254958 30th May 1999 Granted
P/55511.CAP PS Phase Detector	Canada pre 199	464528 2nd October 1994 MEC	1232047 28th January 1999 Granted
P/55523.CAP PS Multi-Pulse Swallowing Count	Canada pre 199	416256 24th November 1992 MEC	1208704 29th July 1996 Granted

THIS SECURITY ACCESSION DEED is made on 6th April 1998

BY:-

- (1) Mitel Semiconductor Limited (No 705031) whose registered office is situated at Cheney Manor, Swindon, Wiltshire, SN2 2NS (the "**New Charging Company**");
- (2) Mitel Telecom Limited (the "**Company**") for itself and as agent for and on behalf of each of the existing Charging Companies; and
- (3) Canadian Imperial Bank of Commerce as the Security Agent.

RECITAL:-

This Deed is supplemental to a Debenture dated 12th February, 1998 between, inter alia, the Company, the Charging Companies named therein and the Security Agent as previously supplemented and amended by earlier Security Accession Deeds (if any) (the "**Debenture**").

NOW THIS DEED WITNESSETH as follows:-

1. **Definitions:** Terms defined in the Debenture have the same meaning when used in this Deed. In clause 1.3(d) references to plant and machinery shall, for the avoidance of doubt, be construed as not including stock-in-trade or work-in-progress of the relevant Charging Company.
 - 1.1 **Accession of New Charging Company:** The New Charging Company hereby agrees to be a Charging Company for the purposes of the Debenture with immediate effect, and agrees to be bound by all of the terms of the Debenture as if it had originally been a party thereto as a Charging Company. Accordingly, without prejudice to the foregoing, the New Charging Company:
 - 1.2 covenants with the Security Agent (for the benefit of itself and the other Security Parties) that it will pay the Indebtedness as and when the same falls due for payment;
 - 1.3 as a continuing security for payment of the Indebtedness charges in favour of the Security Agent (for the benefit of itself and the other Security Parties) with full title guarantee the following assets, both present and future, from time to time owned by it or in which it is from time to time interested;
 - (a) by way of first legal mortgage all the freehold and leasehold property specified in schedule 1 below together with all buildings and fixtures (including trade fixtures) at any time thereon;
 - (b) by way of first legal mortgage all other freehold and leasehold property (if any) wherever situated together with all buildings and fixtures (including trade fixtures) at any time thereon EXCEPT for the Underlease of 25th March 1985 between (1) Lloyds Project Leasing Limited, and (2) Plessey Properties Limited relating to land and buildings on the west side of Tavistock Road, Roborough, registered at HM Land Registry under Title No. DN 176582.;

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- (c) by way of first fixed charge all other interests (not being charged by clauses 1.3(a) or 1.3(b) above) in any freehold or leasehold property, the buildings and fixtures (including trade fixtures) at any time thereon, all proceeds of sale derived therefrom and the benefit of all covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land EXCEPT for the Underlease of 25th March 1985 between (1) Lloyds Project Leasing Limited, and (2) Plessey Properties Limited relating to land and buildings on the west side of Tavistock Road, Roborough, registered at HM Land Registry under Title No. DN 176582;
 - (d) by way of first fixed charge all plant and machinery, and the benefit of all contracts, licences and warranties relating to the same;
 - (e) by way of first fixed charge all the Subsidiary Shares owned or held by it (including those listed in schedule 2 below) together with all Distribution Rights from time to time accruing thereto;
 - (f) by way of first fixed charge all Investments together with all Distribution Rights from time to time accruing thereto;
 - (g) (to the extent not effectively assigned by clause 2.4) by way of first fixed charge all its rights and interests in and claims under all policies of insurance and all proceeds thereof either now or in the future held by, or written in favour of, the Company or in which it is otherwise interested;
 - (h) by way of first fixed charge all its book and other debts, revenues and monetary claims and all its rights and claims against third parties and against any security in respect of such debts, revenues or claims;
 - (i) by way of first fixed charge (subject to clause 8.4 of the Debenture) all monies from time to time standing to the credit of any and all its accounts with any bank, financial institution, or other person;
 - (j) by way of first fixed charge all its Intellectual Property (including those patents and trademarks listed in schedule 3 below);
 - (k) by way of first fixed charge its goodwill and uncalled capital;
- 1.4 As further continuing security for the payment of the Indebtedness, the New Charging Company hereby charges with full title guarantee in favour of the Security Agent (for the benefit of itself and the other Security Parties) by way of first floating charge all its assets and undertaking whatsoever and wheresoever both present and future not effectively charged by way of first fixed charge pursuant to the provisions of clause 1.3 or assigned by way of security pursuant to clause 1.5 EXCEPT for the Underlease of 25th March 1985 between (1) Lloyds Project Leasing Limited, and (2) Plessey Properties Limited relating to land and buildings on the west side of Tavistock Road, Roborough, registered at HM Land Registry under Title No. DN 176582.;

1.5 As further continuing security for the payment of the Indebtedness, the New Charging Company assigns (to the fullest extent capable of assignment) in favour of the Security Agent (for the benefit of itself and the other Security Parties) all its rights, title and interest in the Assigned Agreements identified in schedule 4 below Provided that on payment or discharge in full of the Indebtedness the Security Agent will at the request and cost of the New Charging Company re-assign the Assigned Agreements to the New Charging Company (or as it shall direct).

2. **Construction of Debenture:** The Debenture and this Security Accession Deed shall be read together as one instrument on the basis that references in the Debenture to "**this Deed**", "**herein**" expressions will be deemed to include this Security Accession Deed.

3. **Consent of Existing Charging Companies:** The existing Charging Companies hereby agree to the terms of this Security Accession Deed and agree that its execution will in no way prejudice or affect the security granted by each of them under (and covenants given by each of them in) the Debenture.

4. **Notices:** The New Charging Company confirms that its address details for notices in relation to clause 22.1 of the Debenture are as follows:

Registered Office: Cheney Manor
Swindon
Wiltshire

Registered Number: 705031

Telex:
Facsimile: 01793 518012
Attention of: Mr Ian Cooper

5. **Law:** This Deed shall be governed by and construed in all respects in accordance with English law.

6. **Counterparts:** This Security Accession Deed may be executed in two or more counterparts each of which shall constitute an original but when taken together shall constitute one instrument.

IN WITNESS whereof this Deed has been duly executed the day and year first before written.

SCHEDULE 1

Details of Freehold and Leasehold Property

Country and District	Address or Description	Title No
Lincolnshire : Lincoln	Land on the south side of Doddington Road, Lincoln	LL29849
Lincolnshire : Lincoln	Land on the south west side of Doddington Road, Lincoln	LL16432
Wiltshire : Thamesdown	106 Cheney Manor Industrial Estate, Swindon	WT114971
Devon : South Hams	Land lying to the west side of Tavistock Road, Roborough	DN174695
Devon : South Hams	Land and building on the west side of Tavistock Road, Roborough	DN176582
Wiltshire : Thamesdown	109 Cheney Manor Industrial Estate, Swindon	WT133655
Wiltshire : Thamesdown	107/108 Cheney Manor Industrial Estate, Swindon	WT137058
Wiltshire : Thamesdown	Land on the north side of Hyde Road, Swindon	WT139155
Greater Manchester : Oldham	Land and buildings to the south west of Hollinwood Avenue, Hollinwood, Oldham, now known as land and buildings at Tweedale Way, Oldham	GM423330

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UNREGISTERED

Land at Tweedale Way, Oldham held for a term of years [coterminus with the Lease registered under title number GM 63330] created by a Supplemental Lease and Deed of Surrender dated 23rd April 1991 between (1) The Oldham Borough Council and (2) Plessey UK Limited.

Unit on the ground and first floor of Cherry Orchard North Kembrey Park Swindon Wiltshire together with 5 parking spaces held for a term of fifteen years commencing on 14 March 1996 demised by a Lease dated 14 March 1996 between (1) Sun Alliance and London Assurance Company Limited and (2) Plessey Semiconductors Limited together with car parking spaces at Kembrey Park demised by a Lease date 27 March 1997 between (1) Sun Alliance and London Assurance Company Limited and (2) Plessey Semiconductors Limited.

The land together with the building erected thereon being Unit Number 1, Groundwell Farm Industrial Estate, Swindon in the County of Wiltshire held for a term of twenty five years from 1st August 1983 demised by a Lease dated 4 August 1988 between (1) TSB Group Pension Trust Limited (2) Plessey Properties Limited and (3) The Plessey Company Plc.

The premises comprising approximately 2,615 square feet situate on the first floor of and being part of the building known as Terminal Number Four East at 3B2 Stonehill Green, Westlea, Swindon, held for a term of five years from and including 8 December 1995 demised by a Lease dated 8 December 1995 between (1) The Royal London Mutual Insurance Society Limited and (2) Plessey Semiconductors Limited.

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SCHEDULE 2
Details of Subsidiary Shares

Name of Company	Details of Shareholding	Country of Incorporation
Plessey France S.A.	156,994 Shares of FFR 100 each	France
Plessey GmbH	2 shares of respectively DM 445,000 and DM 5,000	Germany
Plessey Semiconductors SpA	270,000 shares of ITL 10,000 each	Italy
Plessey Semiconductor Singapore Pte Ltd.	200,000 shares of S\$1 each	Singapore
Mitel Semiconductor Japan Ltd.	200 shares of par value Y50,000 each	Japan
Mitel Semiconductor SA	96,494 shares of FFR 100 each	France
UK Cablevision Ltd.	one ordinary share of £1	Great Britain
Mitel Semiconductor Overseas Limited	one ordinary share of £1	Great Britain

SCHEDULE 3
Patents and Trademarks

MITEL SEMICONDUCTOR LIMITED
UK PATENTS

2047473	2051474	2097580	2139818	2006492*	2168869	2170041	2173035
2207552	2184330	1556397*	1559411*	2108800	2241919	2275382	2276762
2271893	2272121	2269971	2272122	2241798	2241806	2230607	2249443
2249679	2235839	2234644	2227119	2145890	2234643	2232280	2210202
2234111	2228113	2228382	2226200	2185350	2176923	2223369	2186756
2175159	2186452	2254491*	2267613	1585100*	1590476*	2023966	2179220
2201836	2211022	2213325*	2024054	2279805	2033178*	2283630	2178258
2290171	2202716	2284315	2181914	2295289	2195211	2208340	2186451
2180708*	2220316	2216354	2188502	2148674*	2158639	2131243*	2187316
2131639*	2190790	2100947	2228154	2222306	2222751	2193034	2146808*
2111269	1587517*	2221106*	2030806*	2189114	2081972	1556169*	2283622
2007050*	2282017	2209433	2283871	2213008	2174566	2207310*	2295288
2209896	2174539	2212977	2221792	2235642	2182200	2223844	2251089
2249924*	2215539	2141598	2217939	2165409	2217539	2004156*	2186135
2039154*	2206442	2281832	2183905	2282030	2212944	2283381	2181913
2210536	2295287	2209444*	2209641*	2277390	2277161	2281425	2282284
2277617	2277616	2279211	2280801	2280800	2199430	2151437*	2154836
2214751	2239748	2215121	2229874	2179494	2223136	1587190*	2226445
1592856*	2089539	2076238	9703275.9	9614626.1	9621023.2	9618138.3	9619518.5
9622182.5	9622018.1	9413145.5	9713307.8	9415315.2	9612397.1	9424839.0	9713797.0
9524236.8	9700487.3	9503425.2	9700439.4	9524957.9	9718556.5	9721362.3	9717826.3
9723486.8	9724136.8	9405365.9	9607208.7	9416730.1	9713799.6	9512019.2	9620703.0
9522834.2	9724435.4	9425431.5	9700485.7	9516039.6	9700533.4	9315892.1	9314841.9
9401718.3	9413148.9	9320146.5	9408576.8	9608622.8	9513620.6	9415316.0	9706740.9
9521391.4	9701210.8	9511060.7	9700484.0	9505250.2	9700486.5	9601609.2	9702242.0
9602943.4	9709642.4	9624081.7	9714597.3	9522274.1	9727143.1	9524254.1	9708943.7
9721954.7	9608672.3	9704719.5	9612805.3	2007052*	2118726	2241846	2263980
2258545*	2215912	2247565	2238923	2223137	2081538	2227700	2262654
2219456	2265511	2219453	2222330	2273015	EP0256076	EP0146216	

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UK TRADE MARKS

MITEL SEMICONDUCTOR LIMITED

NAME	NUMBER
MACROMOS	1204096
MACROSOS ¹	1295027
NOVOL	1090182
ULA	1106519
ULA	1106520

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¹ To be allowed to lapse

MITN0540032.03

SCHEDULE 4
Assigned Agreements

All rights and interests in and claims under all policies of insurance and all proceeds thereof either now or in the future held by or written in favour of the New Charging Company or in which it is otherwise interested.

SIGNATORIES

The New Charging Company

SIGNED as a deed by)
MITEL SEMICONDUCTOR LIMITED)
acting by its a director and its)
secretary/two directors)

Director

Director/Secretary

The Company

SIGNED as a deed by)
MITEL TELECOM LIMITED)
acting by its a director and its)
secretary/two directors)

Director

Director/Secretary

The Security Agent

SIGNED as a deed by)
CANADIAN IMPERIAL BANK OF)
COMMERCE by its authorised)
signatory)

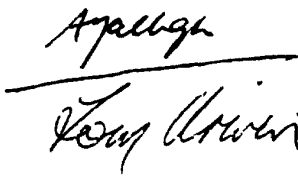


SIGNATORIES

The New Charging Company

SIGNED as a deed by)
MITEL SEMICONDUCTOR LIMITED)
acting by its a director and its)
secretary/two directors)

Director

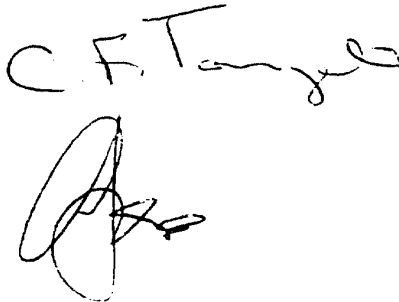


Director/Secretary

The Company

SIGNED as a deed by)
MITEL TELECOM LIMITED)
acting by its a director and its)
secretary/two directors)

Director



Director/Secretary

The Security Agent

SIGNED as a deed by)
CANADIAN IMPERIAL BANK OF)
COMMERCE by its authorised)
signatory)

Dated 12th February, 1998

MITEL TELECOM LIMITED

- and -

CANADIAN IMPERIAL BANK OF COMMERCE
(as Security Agent)

GUARANTEE AND DEBENTURE

ASHURST MORRIS CRISP
Broadwalk House
5 Appold Street
London EC2A 2HA

Tel: 0171-638-1111
Fax: 0171-972-7990

ref: CRA/018300297/417517

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THIS DEED is made on 12th February, 1998



BETWEEN:-

- (1) MITEL TELECOM LIMITED (No.1309629) (the "Company"); and
- (2) CANADIAN IMPERIAL BANK OF COMMERCE as security agent for itself, the Lenders and the Lender Counterparties (the "Security Agent").

NOW THIS DEED WITNESSES as follows:-

1. INTERPRETATION

- 1.1 In this Deed, unless the context otherwise requires, the following expressions have the following meanings:-

"Assigned Agreements" means the Insurances;

"Borrower" means Mitel Corporation, a corporation organised under the laws of the Province of Ontario;

"Charged Debts" has the meaning given to it in clause 8.4(a);

"Charged Property" means, in relation to a Charging Company, all the assets, property, goodwill and undertaking of that Charging Company from time to time charged to the Security Agent pursuant to the terms of this Deed;

"Charging Company" means the Company and each company which charges its assets in favour of the Security Agent by executing a Security Accession Deed and "Charging Companies" shall mean all of them;

"Credit Agreement" means the credit agreement dated as of February 12, 1998 and entered into by and among the Borrower, Goldman Sachs Credit Partners L.P. as advisor, arranger and syndicate agent, the financial institutions listed on the signature pages thereof and the Security Agent, as the same may be varied, amended, modified, supplemented or replaced;

"Default Rate" means, in relation to a Dollar amount, the rate at which default interest would be payable under section 2.2E of the Credit Agreement if such Dollar amount was an amount due and payable as described therein and, in relation to any other amount, 2% per annum in excess of the cost to the relevant Secured Party (as certified by it to the Security Agent) of funding the relevant amount Provided That in any case where the Default Rate is applicable in accordance with Clause 2.2 or 15.2 of this Deed, the Default Rate shall only be applied to the extent that there will be no breach of any relevant laws;

"Direction" has the meaning given to it in clause 8.3(f);

"Distribution Rights" means all dividends, distributions and other income paid or payable on

"Insurances" has the meaning given to it in clause 3.1(g);

"Intellectual Property" means all patents and patent applications, trade and/or service marks and trade and/or service mark applications (and all goodwill associated with such applications), all brand, trade, business or domain names, all copyrights and rights in the nature of copyright, all registered designs and applications for registered designs, design rights, computer programmes, topography rights (whether registered or not and any applications to register or rights to apply for the same), all trade secrets, know-how, rights in inventions and other confidential information, rights in databases and all other intellectual property rights now or in the future owned solely by the relevant Charging Company throughout the world together with the benefit of all present and future ancillary and connected rights relating to the use or exploitation of any of the aforementioned rights (but excluding, for the avoidance of doubt, all licences);

"Investment" means any negotiable instrument, certificate of deposit, debenture, share or other investment (as defined in part I of schedule I to the Financial Services Act 1986 as at the date hereof including (without limitation and save where the context otherwise requires, the Subsidiary Shares));

"Issuing Lender" means the bank or banks which issue Letters of Credit on behalf of the Borrower pursuant to the Credit Agreement;

"Lender Hedge Agreements" means, collectively, the one or more Hedge Agreements entered into between the Borrower and any Lender in accordance with the terms of the Credit Agreement;

"Lenders" means the persons identified as "Lenders" in, and listed on the signature pages of the Credit Agreement, together with their successors and permitted assigns pursuant to the Credit Agreement;

"Letter of Credit" has the meaning given to it in the Credit Agreement;

"Loan Documents" has the meaning given to it in the Credit Agreement;

"Loan Party" has the meaning given to it in the Credit Agreement;

"Permitted Security Interest" means:-

- (a) the security constituted by this Deed; and
- (b) any other Permitted Encumbrance as defined in the terms of the Credit Agreement.

"Planning Acts" means the Town and Country Planning Acts 1990 and the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991 and any regulations made pursuant thereto;

- (f) the index to and the headings in this Deed are inserted for convenience only and are to be ignored in construing this Deed;
- (g) the terms of the documents under which the Indebtedness arises and of any side letters between the Charging Company and the Secured Parties (or any of them) relating thereto are incorporated herein to the extent required for any purported disposition of the Charged Property contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989;
- (h) the parties intend that this document shall take effect as a Deed;
- (i) words importing the plural shall include the singular and vice versa;
- (j) in clause 3.1(d) references to plant and machinery shall, for the avoidance of doubt, be construed as not including stock in trade or work in progress of the relevant Charging Company;
- (k) unless the context otherwise requires or unless otherwise defined in this Deed words and expressions defined in the Credit Agreement shall bear the same meanings when used herein and, for the avoidance of doubt, such meaning shall be construed in accordance with the governing law of the Credit Agreement.

2. GUARANTEE

2.1 In consideration of the Secured Parties entering into the Credit Agreement and the other Finance Documents and making the facilities available to the Borrower thereunder each Charging Company jointly and severally hereby irrevocably and unconditionally:-

- (a) guarantees to the Security Agent (for the benefit of itself and the other Secured Parties) as principal obligor the due and punctual payment by the Borrower and any of its Subsidiaries of all sums comprised in the Indebtedness as and when they become due;
- (b) guarantees to the Security Agent (for the benefit of itself and the other Secured Parties) as principal obligor the due and punctual performance by the Borrower and any of its Subsidiaries of all other obligations of the Borrower and any of its Subsidiaries under the terms of the Credit Agreement and the other Finance Documents;
- (c) undertakes that if the Borrower or any of its Subsidiaries fails to pay any sum comprised in the Indebtedness on its due date the Charging Company will pay or cause to be paid, in cash, such sum to the Security Agent on demand; and
- (d) undertakes to indemnify the Security Agent (for the benefit of itself and the other Secured Parties) against all losses, damages, costs and expenses incurred by the Security Agent arising from any failure by the Borrower or any of its Subsidiaries to pay the sums comprised in the Indebtedness as and when they fall due and/or perform its obligations under the Credit Agreement and the other Finance Documents.

2.2 Each Charging Company further undertakes to the Security Agent (for the benefit of itself and the other Secured Parties) that it will pay interest on all sums hereby covenanted to be paid from the date the Security Agent shall demand payment from that Charging Company until payment of such sums (as well after as before any judgment) at the Default Rate on the basis

- (f) by way of first fixed charge all Investments together with all Distribution Rights from time to time accruing thereto;
- (g) (to the extent not effectively assigned by clause 3.3) by way of first fixed charge all its rights and interests in and claims under all policies of insurance and all proceeds thereof either now or in the future held by, or written in favour of, such Charging Company or in which it is otherwise interested ("**the Insurances**");
- (h) by way of first fixed charge all book and other debts, revenues and monetary claims of such Charging Company and all rights and claims of the Charging Company against third parties and against any security in respect of such debts, revenues or claims;
- (i) by way of first fixed charge (subject to clause 8.4(c)) all monies from time to time standing to the credit of any and all its accounts with any bank, financial institution, or other person;
- (j) by way of first fixed charge all its Intellectual Property;
- (k) by way of first fixed charge its goodwill and uncalled capital.

3.2 **Floating Charge:** As further continuing security for the payment of the Indebtedness each Charging Company hereby charges with full title guarantee in favour of the Security Agent (for the benefit of itself and the other Secured Parties) by way of first floating charge all its assets and undertaking whatsoever and wheresoever both present and future not effectively charged by way of first fixed charge pursuant to the provisions of clause 3.1 or assigned by way of security pursuant to clause 3.3.

3.3 **Assignment by way of Security:** As further continuing security for the payment of the Indebtedness each Charging Company assigns (to the fullest extent capable of assignment) in favour of the Security Agent (for the benefit of itself and the other Secured Parties) all its rights, title and interest in the Assigned Agreements. Provided that on payment or discharge in full of the Indebtedness the Security Agent will at the request and cost of such Charging Company re-assign the Assigned Agreements to such Charging Company (or as it shall direct).

3.4 **Conversion of Floating Charge:** The Security Agent may at any time by notice in writing to any Charging Company convert the floating charge created pursuant to clause 3.2 above into a fixed charge as regards such assets as it shall specify in the notice in the event that:-

- (a) an Event of Default has occurred and is continuing unremedied and unwaived; or
- (b) the Security Agent is reasonably of the view that (i) such assets are in danger of being seized or (ii) any legal process or execution is being enforced against such assets or (iii) that such assets are otherwise in jeopardy,

and by way of further assurance each Charging Company shall promptly execute a fixed charge over such assets in such form as the Security Agent shall require.

5. **FURTHER ASSURANCE**

5.1 **General:**

- (a) Each Charging Company will at its own expense promptly execute such deeds, assurances, agreements, instruments and otherwise do such acts and things as the Security Agent may require for perfecting and protecting the security created (or intended to be created) by this Deed or facilitating the realisation thereof or otherwise for enforcing the same or exercising any of the Security Agent's rights hereunder. In particular, but without limitation, each Charging Company will:-
- (i) execute a valid legal mortgage in such form as the Security Agent shall reasonably require of any freehold or leasehold property now or in the future belonging to it which is not hereby effectively charged by way of legal mortgage;
 - (ii) execute a legal assignment in such form as the Security Agent may reasonably require over all or any of the debts, rights, claims and contracts hereby charged if the Security Agent would have been entitled to give a notice in respect of such asset under clause 3.4 if it had been subject merely to the floating charge and not a fixed charge;
 - (iii) execute a valid fixed charge in such form as the Security Agent may reasonably require over any asset the subject of the floating charge hereunder if the Security Agent has given a notice in respect of such asset under Clause 3.4;
 - (iv) otherwise execute all transfers, conveyances, assignments and assurances whatsoever and give all notices, orders, instructions and directions whatsoever which the Security Agent may think expedient.
- (b) Any security document required to be executed by a Charging Company pursuant to this clause 5.1 will be prepared at the cost of the relevant Charging Company and will contain clauses corresponding to the provisions set out in this Deed.

5.2 **H.M. Land Registry:**

- (a) In relation to real property situated in England and Wales, each Charging Company hereby applies to the Chief Land Registrar for a restriction to be entered on the Register of Title of all present and future registered freehold and leasehold property of the Charging Company (and any unregistered properties subject to compulsory first registration at the date of this Deed) in the following terms:-
- "Except under an Order of the Registrar no disposition by the proprietor of the land or charge or other security interest is to be registered without the consent of the proprietor for the time being of *[the charge hereby created]*."
- (b) Subject to the terms of the Credit Agreement the Lenders are under an obligation to make further advances to the Borrower and this security has been made for securing such further advances. The Security Agent hereby applies to the Chief Land Registrar in the following terms:-

constitutional documents incorporate provisions which respectively ensure, and all necessary corporate, shareholder and other action has been taken to ensure, that:-

- (i) it is authorised to sign or execute under seal or as a deed (as appropriate) and deliver this Deed and perform the transactions contemplated hereby and to create the security hereby constituted;
 - (ii) this Deed is admissible in evidence in England; and
 - (iii) this Deed has been validly entered into by it and creates valid and binding obligations upon it enforceable in accordance with its terms.
- (c) **Authorisations and Consents:** All consents, licences, approvals and authorisations (whether corporate, official or otherwise) required by it in connection with the entry into, performance, validity, enforceability and admissibility in evidence of this Deed and the transactions contemplated hereby have been unconditionally obtained and are in full force and effect.
- (d) **No Contravention:** Neither the execution and delivery of this Deed, the performance of any of the transactions contemplated herein or of any of its obligations hereunder nor the creation of the security hereby constituted do now or will:-
- (i) conflict with its memorandum or articles of association; or
 - (ii) contravene or constitute a default under or otherwise conflict with any provision contained in any agreement, instrument, law, judgment, order, licence, permit or consent by which it or any of its assets is bound or affected; or
 - (iii) cause any borrowing, negative pledge or other limitation on such Charging Company or the powers of the directors or other officers of such Charging Company to be exceeded, whether such limitation is imposed by or contained in any document which contains or established its constitution or in any law, order or judgment to which it is subject or any agreement or instrument by which it or any of its assets is bound or affected.
- (e) **Debts:** It is not unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986.
- (f) **No Security Interests:** It has good and marketable title to all its assets and none of its assets is affected by any Security Interest other than a Permitted Security Interest and it is not a party to, nor is it or any of its assets bound or affected by, any order, licence, permit, consent, agreement or instrument under which it is, or in certain events (including the entry into of this Deed and/or performance by it of its obligations hereunder) may be, required to create, assume or permit to arise any Security Interest other than a Permitted Security Interest.

- 7.3 **Property:** schedule 1 accurately identifies all freehold and leasehold properties beneficially owned by it as at the date of this Deed and there are no proceedings, actions or circumstances relating to any of such freehold or leasehold property which materially and adversely affect their value or its ability to use such properties for the purposes for which they are currently used.

- (d) **Acquisitions:** It will notify the Security Agent immediately before contracting to purchase any estate or interest in freehold, leasehold or heritable property and supply the Security Agent with such details of the purchase as the Security Agent may from time to time reasonably request and forthwith to notify the Security Agent in writing of the acquisition by it of any freehold or leasehold property and forthwith upon being requested so to do by the Security Agent at its own expense execute and deliver to the Security Agent a legal mortgage in favour of the Security Agent of any freehold and leasehold properties so acquired by it after the date hereof and all fixtures and fittings thereon by way of security for payment of the Indebtedness, such legal mortgage to be in such form as the Security Agent may require but containing terms substantially the same as this Deed. In the case of any leasehold property where the consent of the landlord (in which the reversion is vested) needs to be obtained in order for it to execute any such legal mortgage, it will exercise all reasonable endeavours to obtain such consent as soon as reasonably practicable and shall comply with its obligations under this clause 8.3(d) forthwith upon such consent being forthcoming.
- (e) **Comply with statutes:** It will not do or allow or omit to be done any act, matter or thing whereby any provisions of or regulations made under the Planning Acts shall be infringed nor contravene any other statutory provision or regulation or order of any local or other authority whatever affecting the Premises nor make any application for the grant of planning permission within the meaning of the Planning Acts without the prior written consent of the Security Agent.
- (f) **Notices:** It will within seven days after receipt by it of any material notice or order (a "Direction") served on or issued to it by any local or other authority (whether under the Planning Acts or otherwise) in respect of the Premises:-
- (i) give full particulars of the Direction to the Security Agent and, if so requested by the Security Agent, produce the Direction or a copy thereof to the Security Agent; and
 - (ii) advise the Security Agent from time to time of the steps taken or proposed to be taken by it to comply with the terms of the Direction; and
 - (iii) without delay take all reasonable or necessary steps to comply with the Direction; and
 - (iv) at the request of the Security Agent (but at the cost of such Charging Company) make or join with the Security Agent in making such objections or representations against or in respect of any proposal contained in the Direction as the Security Agent shall deem expedient in order to protect the Security Agent's security interest in the Premises; and
 - (v) apply any compensation received as a result of implementation of the Direction in accordance with the requirements of section 6.4c of the Credit Agreement as if references therein to the "Company" were to such Charging Company and as if references to "Net Insurance/Condemnation Proceeds" therein were to such compensation.
- (g) **Inspection:** It will permit the Security Agent and such person or persons as it shall nominate at all reasonable times during business hours and on not less than 24 hours' written notice to it to enter into and upon the Premises to view the state and condition

- (iii) upon terms to include three years' loss of rent from the Premises as a result of destruction thereof or damage thereto in consequence of any insured risk or, in the case of unoccupied Premises, an amount specified by the Security Agent to be equal to its estimate of three years' interest that would be payable on the Indebtedness for any period during which the Indebtedness is or is expected to be outstanding;
 - (iv) upon terms to include clauses acceptable to the Security Agent which provide that no breach of any of the terms of the insurance policies by it or any tenant of the Premises will as regards the Security Agent invalidate such policies;
 - (v) upon terms that the insurance company or underwriters confirm in favour of the Security Agent that the insurance cover will not be altered or cancelled without prior reference to the Security Agent; and
 - (vi) otherwise in such form and upon such terms as the Security Agent shall agree (such agreement not to be unreasonably withheld or delayed).
- (n) **Insurance Premiums:** It will promptly (and in any event within one week of the same becoming due) pay all premiums and other sums necessary to effect and maintain the insurances required by clause 8.3(m) above and on demand produce to the Security Agent the policies of insurance and the receipts for payment.
 - (o) **Application of Insurance Proceeds:** It will apply proceeds of insurance arising from damage to, or destruction of, the Premises in accordance with section 6.4C of the Credit Agreement as if references to the Company therein were to such Charging Company.
 - (p) **Disposals of Fixtures:** It will not sever or dispose of any fixture or fitting now or at any time hereafter affixed to the Premises or any part thereof otherwise than in the ordinary course of maintenance or replacement or save as permitted pursuant to the Credit Agreement.
 - (q) **Compensation:** Apply any compensation received under the terms of any deeds or documents relating to the Premises in accordance with the requirements of section 6.4C of the Credit Agreement as if references to the "Company" therein were to such Charging Company and not to forgo or waive any right to compensation or accept any rights in substitution therefor without the Security Agent's approval.

8.4 Collection of Book Debts: Each Charging Company will:-

- (a) collect (as agent for the Security Agent) all book and other debts and all the other rights and claims (the "Charged Debts") charged to the Security Agent under this Deed and hold all money so received upon trust for the Security Agent;
- (b) not, without the prior written consent of the Security Agent, charge, factor, discount or assign any of the Charged Debts, in favour of any other person or purport to do so.

Prior to the security hereby created becoming enforceable, in the absence of any written directions to the contrary from the Security Agent, any monies in respect of the Charged Debts received by a Charging Company shall be released from the fixed charge created by clause 3.1(h) and shall become subject to the floating charge created by clause 3.2. Such release from the fixed charge over Charged Debts shall not affect, and shall be entirely without prejudice to,

8.7 Intellectual Property: Each Charging Company will save as otherwise agreed in writing by the Security Agent:-

- (a) **Comply with covenants:** observe and comply with all obligations, covenants, stipulations, restrictions, conditions and laws to which it in its capacity as registered proprietor, beneficial owner or user, of the Intellectual Property which is material in relation to its business or any part thereof is subject including, without limitation, those relating to the use or enjoyment or imposed upon the registered proprietor, owner or user, as the case may be, of any of the Intellectual Property which is material or significant in relation to its business;
- (b) **Maintenance:** do all acts reasonably necessary to maintain, protect and safeguard the Intellectual Property which is material or significant in relation to its business and shall not discontinue the use of any of the registered trademarks comprised in the Intellectual Property which is material or significant in relation to its business;
- (c) **Registrations:** unless otherwise agreed in writing by the Security Agent duly register in such register(s) or with such authorities as may be available for the purpose (in the United Kingdom) and in such name(s) as may be required by the law and practice of the place of registration such of the following as may be capable of registration, whether in the United Kingdom or elsewhere:-
 - (i) this Deed;
 - (ii) the Intellectual Property which is material in relation to the business of the Charging Company; and
 - (iii) all future assignments and/or mortgages made hereunder;
- (d) **Payments:** pay all fees necessary to maintain, protect and safeguard the Intellectual Property used in its business from time to time which is material in relation to such business and the registrations required to be made under sub-clause 8.7(c) before the latest time provided for payment thereof and (if so required by the Security Agent) send or deliver to the Security Agent a copy of the receipt for every such payment immediately after the same shall have been made;
- (e) **Infringements:** use all reasonable endeavours to detect any infringement or passing off of any Intellectual Property which is material in relation to its business and if it becomes aware of such infringement or passing off at once give to the Security Agent all reasonably pertinent information in its possession with regard thereto and, at the request of the Security Agent, but at the cost of such Charging Company commence and diligently prosecute or permit the Security Agent in the name of and at the cost of such Charging Company to commence and prosecute all proceedings reasonably necessary to prevent such infringement or passing off and to recover damages in respect thereof;
- (f) **Specification and registered users:** not grant any licence or permit any person to use any Intellectual Property except for licensees of the Intellectual Property at the date hereof (written details of whom have been supplied to the Security Agent on the date hereof) without the consent in writing of the Security Agent;

against all losses, costs, charges and expenses incurred by the Security Agent or such Secured Party as a result of a breach by the Charging Company of its obligations under clauses 8.1 to 8.9 and in connection with the exercise by the Security Agent of its rights contained in clause 8.11 above. All sums the subject of this indemnity will be payable by the Charging Company to the Security Agent on demand and if not so paid will bear interest at the Default Rate. Any unpaid interest will be compounded with monthly rests.

9. **ATTORNEY**

Each Charging Company hereby irrevocably and by way of security appoints the Security Agent and every Receiver of the Charged Property or any part thereof appointed hereunder and any person nominated for the purpose by the Security Agent or any Receiver (in writing under hand signed by an officer of the Security Agent or any Receiver) severally as its Attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, seal and deliver (using the company seal where appropriate) and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which it ought to execute and do under the terms of this Deed or which may be required or deemed proper in the exercise of any rights or powers conferred on the Security Agent or any Receiver hereunder or otherwise for any of the purposes of this Deed and each Charging Company hereby covenants with the Security Agent to ratify and confirm all acts or things made, done or executed by such attorney as aforesaid.

10. **ENFORCEMENT AND POWERS OF THE SECURITY AGENT**

- 10.1 The restriction on the consolidation of mortgages imposed by section 93 of the Law of Property Act 1925 shall not apply to this Deed or to any security given to the Security Agent pursuant to this Deed.
- 10.2 section 103 of the Law of Property Act 1925 shall not apply to the charges created by this Deed which shall immediately become enforceable and the power of sale and other powers conferred by section 101 of such Act (as varied or extended by this security) shall be immediately exercisable at any time after an Event of Default has occurred.
- 10.3 The powers conferred on mortgagees or receivers or administrative receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (as the case may be) shall apply to the security constructed by this Deed except insofar as they are expressly or impliedly excluded and where there is ambiguity or conflict between the powers contained in such Acts and those contained in this Deed, those contained in this Deed shall prevail.
- 10.4 The statutory power of sale exercisable by the Security Agent under this Deed is hereby extended so as to authorise the Security Agent to sever any fixtures from the property to which they are attached and sell them separately from such property.
- 10.5 At any time after this security shall have become enforceable or if so requested by the relevant Charging Company, the Security Agent may by writing under hand signed by any officer or manager of the Security Agent appoint any person (or persons) to be a Receiver of all or any part of the Charged Property.
- 10.6 The statutory powers of leasing and accepting surrenders conferred upon the Security Agent by the Law of Property Act 1925 shall be extended so as to authorise the Security Agent to lease, make agreements for leases at a premium or otherwise, accept surrenders of leases and grant

including payment by instalments secured or unsecured as he may think fit;

- (f) to make and effect all repairs, renewals and improvements to the Charged Property or any part of it as he may think fit and maintain, renew, take out or increase insurances;
- (g) to exercise all voting and other rights attaching to the Investments and stocks, shares and other securities owned by the relevant Charging Company and comprised in the Charged Property in such manner as he may think fit;
- (h) to redeem any prior encumbrance and settle and pass the accounts of the person entitled to the prior encumbrance so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the relevant Charging Company and the money so paid shall be deemed to be an expense properly incurred by the Receiver;
- (i) to appoint and discharge employees, officers, managers, agents, professionals and others for any of the purposes hereof or to guard or protect the Charged Property upon such terms as to remuneration or otherwise as he may think fit and to dismiss the same or discharge any persons appointed by the relevant Charging Company;
- (j) to settle, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person or body who is or claims to be a creditor of the relevant Charging Company or relating in any way to the Charged Property or any part thereof;
- (k) to bring, prosecute, enforce, defend and discontinue all such actions and proceedings or submit to arbitration in the name of the relevant Charging Company in relation to the Charged Property or any part thereof as he shall think fit;
- (l) to sever and sell plant, machinery or other fixtures sold separately from the property to which they may be annexed;
- (m) to implement or continue the development of (and obtain all consents required in connection therewith) and/or complete any buildings or structures on, any real property comprised in the Charged Property and do all acts and things incidental thereto;
- (n) to purchase or acquire any land and purchase, acquire or grant any interest in or right over land;
- (o) to make calls conditionally or unconditionally on the members of the relevant Charging Company in respect of uncalled capital;
- (p) to exercise on behalf of the relevant Charging Company and without the consent of or notice to the Charging Company all the powers conferred on a landlord or a tenant by the Landlord and Tenant Acts, the Rent Acts, the Housing Acts or any other legislation from time to time in force in any relevant jurisdiction relating to rents or agriculture in respect of any part of the Premises; and
- (q) to do all such other acts and things (including, without limitation, signing and executing all documents and deeds) as may be considered by the Receiver to be incidental or conducive to any of the matters or powers aforesaid or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property and to use the name of the relevant Charging Company for all the purposes aforesaid.

- 13.3 In clauses 13.1 and 13.2 "purchaser" includes any person acquiring, for money or money's worth, any lease of, or Security Interest over, or any other interest or right whatsoever in relation to, the Charged Property.
14. **PROTECTION OF SECURITY AGENT AND RECEIVER**
- 14.1 Neither the Security Agent nor any Receiver shall be liable in respect of all or any part of the Charged Property or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless such loss or damage is caused by its or his gross negligence or wilful default.
- 14.2 Without prejudice to the generality of clause 14.1, entry into possession of the Charged Property shall not render the Security Agent or the Receiver liable to account as mortgagee in possession and if and whenever the Security Agent enters into possession of the Charged Property, it shall be entitled at any time at its discretion to go out of such possession.
- 14.3 Each Charging Company shall be deemed to be a principal debtor, and the sole, original and independent obligor for the Indebtedness and the Charged Property shall be deemed to be a principal security for the Indebtedness and the liability of each Charging Company under this Deed and the charges contained in this Deed shall not be impaired by any forbearance, neglect, indulgence, extension of time, release, surrender or loss of securities, dealing, variation or arrangement by the Security Agent or any other Secured Party, or by any other act, event or matter whatsoever whereby the liability of the relevant Charging Company (as a surety only) or the charges contained in this Deed (as secondary or collateral charges only) would, but for this provision, have been discharged.
- 14.4 The Security Agent has been appointed to act as Security Agent hereunder by the Secured Parties.
- 14.5 By way of supplement to its legal rights and powers, it is expressly declared as follows:-
- (a) the Security Agent may in relation to any of the provisions of this Deed act or rely upon the opinion or advice of or any information obtained from any lawyer, valuer, surveyor, broker, auctioneer, accountant or other expert, commissioned by the Security Agent, and the Security Agent shall not be responsible for any loss occasioned by so acting or relying;
 - (b) any opinion, advice or information obtained pursuant to paragraph (a) may be sent or obtained by letter, telex message, facsimile transmission, cablegram, telephone or any other means and the Security Agent shall not be liable for acting on any opinion, advice or information purporting to be so conveyed although the same shall contain some error or shall not be authentic;
 - (c) the Security Agent shall be at liberty to accept as sufficient evidence a certificate signed by any Director of any Charging Company to the effect that any particular dealing, transaction, step or thing is, in the opinion of the said director, suitable or expedient or as to any other fact or matter upon which the Security Agent may require to be satisfied and the Security Agent shall be in no way bound to call for further evidence or to be responsible for any loss that may be occasioned by acting on any such certificate;

- (h) the Security Agent may in the exercise of its rights and powers and fulfilment of its duties and obligations under this Deed (otherwise than in relation to its right to make any declaration, determination or decision) instead of acting personally employ and pay an agent (whether being a lawyer or other person) to transact or concur in transacting any business and to do or concur in doing any acts required to be done by the Security Agent (including the receipt and payment of money) and any agent being a lawyer, broker or other person engaged in any profession or business shall be entitled to be paid all usual professional and other charges for business transacted and acts done by him or any partner or employee of his in connection with the trusts hereof;
- (i) the Security Agent shall accept without enquiry, requisition, objection or investigation such title as any Charging Company may have to the Charged Property or any part thereof.

14.6 The Security Agent shall be obliged, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including, without limitation, the release or substitution of any Charged Property), solely in accordance with this Deed and the Credit Agreement, provided that the Security Agent shall exercise, or refrain from exercising, any remedies provided for in Clause 10 in accordance with the instructions of (i) Requisite Lenders or (ii) after payment in full of all Obligations under the Credit Agreement and other Loan Documents, the holders of a majority of the aggregate notional amount (or, with respect to any Lender Hedge Agreement that has been terminated in accordance with its terms, the amount then due and payable (exclusive of expenses and similar payments but including any early termination payments then due) under such Lender Hedge Agreement) under all Lender Hedge Agreements (Requisite Lenders or, if applicable, such holder being referred to herein as "Requisite Obligees"). In furtherance of the foregoing provisions of this Clause 14.6 each Lender Counterparty, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realise upon any of the Charged Property hereunder, it being understood and agreed by such Interest Rate Exchanger that all rights and remedies hereunder may be exercised solely by the Security Agent for the benefit of the Secured Parties in accordance with the terms of this Clause 14.6.

14.7 Written notice of resignation by the Security Agent pursuant to subsection 9.5A of the Credit Agreement shall also constitute notice of resignation as the Security Agent under this Deed; removal of the Security Agent pursuant to subsection 9.5A of the Credit Agreement shall also constitute removal as the Security Agent under this Deed; and appointment of a successor Security Agent pursuant to subsection 9.5A of the Credit Agreement shall also constitute appointment of a successor Security Agent under this Deed. Upon the acceptance of any appointment as Security Agent under subsection 9.5A of the Credit Agreement by a successor Security Agent and its agreement that it shall assume the duties and obligations assumed by the Security Agent in this Deed, that successor Security Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Security Agent under this Deed, and the retiring or removed Security Agent under this Deed shall promptly (i) transfer to such successor Security Agent all sums, securities and other items of Charged Property held hereunder, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Security Agent under this Deed, and (ii) execute and deliver to such successor Security Agent such amendments to financing statements, filings and other registrations and take such other actions,

- 15.2 The amounts payable under clause 15.1 above shall carry default interest at the Default Rate as well after as before judgment, from the dates on which they were paid, incurred or charged by the Security Agent, the other Secured Parties or the Receiver (as the case may be) and shall form part of the Indebtedness and accordingly be secured on the Charged Property under the charges contained in this Deed. All such default interest shall be compounded with monthly rests.

16. **OTHER SECURITY, CUMULATIVE POWERS AND AVOIDANCE OF PAYMENTS**

- 16.1 This security is in addition to, and shall neither be merged in, nor in any way exclude or prejudice or be affected by any other security interest, right of recourse or other right whatsoever, present or future, (or the invalidity thereof) which the Security Agent or any other Secured Party may now or at any time hereafter hold or have (or would apart from this security hold or have) from a Charging Company or any other person in respect of the Indebtedness.
- 16.2 The powers which this Deed confers on the Security Agent and the other Secured Parties and any Receiver appointed hereunder are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the Security Agent or the Receiver thinks appropriate. The Security Agent, the other Secured Parties or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The Charging Company acknowledges that the respective powers of the Security Agent, the other Secured Parties and the Receiver will in no circumstances whatsoever be suspended, waived or otherwise prejudiced by anything other than an express waiver or variation in writing.
- 16.3 If the Security Agent reasonably considers that there is a material risk that any amount paid by a Charging Company in respect of the Indebtedness is capable of being avoided or set aside on the liquidation or administration of the relevant Charging Company or otherwise, then for the purposes of this Deed such amount shall not be considered to have been irrevocably paid.
- 16.4 Any settlement or discharge between a Charging Company and any Secured Party shall be conditional upon no security or payment to the Secured Party by that Charging Company or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency or liquidation for the time being in force and accordingly (but without limiting the other rights of the Secured Party hereunder), the Secured Party shall be entitled to recover from that Charging Company the value which such Secured Party has placed upon such security or the amount of any such payment as if such settlement or discharge had not occurred.

17. **NOTICE OF SUBSEQUENT CHARGE**

If the Security Agent or any other Secured Party receives notice of any subsequent Security Interest or other interest affecting all or any of the Charged Property it may open a new account or accounts for the relevant Charging Company in its books and if it does not do so then (unless it gives express written notice to the contrary to the relevant Charging Company) as from the time of receipt of such notice by the Security Agent all payments made by the relevant Charging Company to the Security Agent or other relevant Secured Party (in the absence of any express appropriation to the contrary) shall be treated as having been credited to a new account of the relevant Charging Company and not as having been applied in reduction of the Indebtedness.

22. NOTICES

- 22.1 Save as specifically otherwise provided in this Deed any notice, demand or other communication to be served under this Deed will be in writing and will be served only by posting by first class post or by personally delivering the same or sending the same by telex or facsimile transmission to the party to be served at its address, telex or facsimile number shown immediately after its name on the signature page of this Deed or at its registered office or at such other address or number as it may from time to time notify in writing to the other party hereto. Any notice, demand or other communication to be served by the relevant Charging Company on the Security Agent will be effective only on receipt by the Security Agent and then only if the same is expressly marked for the attention of the department or officer (if any) identified with the Security Agent's signature (below) (or such other department or officer as the Security Agent shall from time to time specify for this purpose).
- 22.2 A notice or demand served by first class post will be deemed duly served three business days after posting or when delivered if served personally. A notice or demand sent by telex or facsimile transmission will be deemed served one hour after the time of transmission (with received answerback) unless served on a non-business day or after 5.00 p.m. London time in which case it will be deemed served at 9.00 a.m. on the following business day.
- 22.3 In proving service of any notice it will be sufficient to prove, in the case of a letter, that such letter was properly stamped or franked first class, addressed and placed in the post or, in the case of personal delivery, when left at the correct address and, in the case of a telex or facsimile transmission, that such telex or facsimile was duly transmitted to the telex or facsimile number (with received answerback) of the addressee referred to in clause 22.1 above.

23. NO IMPLIED WAIVERS

- 23.1 No failure or delay by the Security Agent or any other Secured Party in exercising any right, power or privilege under this Deed or the Credit Agreement shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
- 23.2 The rights and remedies of the Security Agent provided in this Deed and the Credit Agreement are cumulative and not exclusive of any rights or remedies provided by law.
- 23.3 A waiver given or consent granted by the Security Agent under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

24. INVALIDITY OF ANY PROVISION

If any provision of this Deed is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions will not be affected or impaired in any way.

25. ASSIGNMENT AND NEW CHARGING COMPANIES

- 25.1 The Security Agent may at any time assign or otherwise transfer all or any part of its rights under this Deed in accordance with and subject to the Loan Documents.
- 25.2 Each Charging Company authorises and agrees to changes to parties under the Loan Documents pursuant to section 10.1 of the Credit Agreement, and authorises the Security

SCHEDULE 1
Part 1
Details of Freehold Properties

Registered Land

County and District
(or London Borough)

Address or Description

Title No:

Unregistered Land

All that freehold property known as Mitel Business Park Portskewett Monmouthshire

Part 2
Details of Leasehold Properties

SCHEDULE 2

Subsidiary Shares

Charging Company	Subsidiary Shares Charged	Number and Class of Shares	Details of Nominees (if any) holding legal title to Shares
Mitel Telecom Limited	Plessey Semi Conductors Limited	22,200,000 £1 Ordinary Shares	
	Marconi Electronic Devices Limited	25,000,000 £1 Ordinary Shares	
	AEI Semi Conductors Limited	100 £1 Ordinary Shares	

SCHEDULE 3

Forms of Notice to Counterparties of Assigned Agreements

To: [insert name and address of insurance company]

Dated: [], 19[]

Dear Sirs,

Re: [here identify the relevant insurance policy(ies)] (the "Policies")

We hereby notify you that [insert name of Company] (the "Company") has assigned to [insert name of Security Agent] (the "Security Agent") for the benefit of itself and certain other banks and financial institutions (the "Secured Parties") all its right, title and interest in the Policies as security for certain obligations owed by the Company to the Secured Parties.

We further notify you that:-

- (a) the Company may not agree to terminate the Policies without the prior written consent of the Security Agent;
- (b) subject to paragraph (a) above you may continue to deal with the Company in relation to the agreement until you receive written notice to the contrary from the Security Agent. Thereafter the Company will cease to have any right to deal with you in relation to the agreement and therefore from that time you should deal only with the Security Agent;
- (c) you are authorised to disclose information in relation to the Policies to the Security Agent on request;
- (d) the provisions of this notice may only be revoked with the written consent of the Security Agent.

Please sign and return the enclosed copy of this notice to the Security Agent (with a copy to the Company) by way of confirmation that:-

- (i) you agree to act in accordance with the provisions of this notice; and
- (ii) you have noted the Security Agent's interest as first chargee on the Policies and that the Security Agent for the benefit of the Security Parties is named as the loss payee;
- (iii) you will pay all monies to which the Company is entitled under the Policies direct to the Security Agent (and not to the Company) unless the Security Agent otherwise agrees in writing; and
- (iv) you will not modify or cancel or otherwise allow the Policies to lapse without giving the Security Agent not less than 30 days written notice;

To: *[insert name and address of Security Agent]*

Copy to: *[insert name and address of Company]*

We hereby acknowledge receipt of the above notice and confirm the matters set out in paragraphs (i) to (v) above.

.....
for and on behalf of *[insert name of insurance company]*

Dated: 199●

SCHEDULE 4

Secured Parties' Protections

- 1.1 **No Discharge:** The liability of the Charging Company under this Deed shall not be discharged, diminished or in any way affected as a result of:-
- (a) any time or indulgence or waiver given to, or composition made with, the Borrower or any other person;
 - (b) any amendment, variation or modification to, or replacement of any agreement or instrument recording or securing or comprising the Indebtedness;
 - (c) the taking, variation, compromise, renewal or release or refusal or neglect to perfect or enforce any right, remedies or securities against the Borrower or any other person;
 - (d) any other guarantee, indemnity, charge or other security or right or remedy held by or available to the Security Agent or any other Secured Party being or becoming wholly or in part void, voidable or unenforceable on any ground whatsoever or by the Security Agent or any other Secured Party from time to time dealing with, exchanging, varying, realising, releasing or failing to perfect or enforce any of the same;
 - (e) the Charging Company or the Borrower becoming insolvent, going into receivership or liquidation or having an administrator appointed;
 - (f) any change in the constitution of any Secured Party (or any of the Secured Party's successors or assigns) or as a result of the amalgamation or consolidation by any Secured Party with any other company or entity;
 - (g) any other act, omission, circumstance, matter or thing which but for this provision might operate to release or otherwise exonerate the Charging Company from its obligations under this Guarantee whether in whole or in part.
- 1.2 **Continued Obligations:** The Guarantee Obligations shall continue in full force and effect notwithstanding:-
- (a) the fact that any purported obligation of the Borrower or any other person to any Secured Party (or any security therefor) becomes wholly or partly void, invalid or unenforceable for any reason whether or not known to the Security Agent or the Charging Company;
 - (b) any incapacity or any change in the constitution of, or any amalgamation or reconstruction of, the Charging Company or the Borrower or any other matter whatsoever.
- 1.3 **Liability for Indebtedness:** If, notwithstanding clause 4.1 of this Deed, the Guarantee Obligations are determined for any reason, the Charging Company will remain liable in respect of all Indebtedness as at the date of determination (whether demanded or not) and whether or not the Borrower is then in default in relation to the Indebtedness.

SCHEDULE 5

Form of Security Deed of Accession

THIS SECURITY ACCESSION DEED is made on [] 199[]

BY:-

- (1) [] Limited (No []) whose registered office is situated at (the "New Charging Company");
- (2) [] Limited (the "Company") for itself and as agent for and on behalf of each of the existing Charging Companies; and
- (3) [] as the Security Agent.

RECITAL:-

This Deed is supplemental to a Debenture dated 12th February, 1998 between, inter alia, the Company, the Charging Companies named therein and the Security Agent as previously supplemented and amended by earlier Security Accession Deeds (if any) (the "Debenture").

NOW THIS DEED WITNESSETH as follows:-

1. **Definitions:** Terms defined in the Debenture have the same meaning when used in this Deed. In clause 1.3(d) references to plant and machinery shall, for the avoidance of doubt, be construed as not including stock-in-trade or work-in-progress of the relevant Charging Company.
 - 1.1 Accession of New Charging Company: The New Charging Company hereby agrees to be a Charging Company for the purposes of the Debenture with immediate effect, and agrees to be bound by all of the terms of the Debenture as if it had originally been a party thereto as a Charging Company. Accordingly, without prejudice to the foregoing, the New Charging Company:
 - 1.2 covenants with the Security Agent (for the benefit of itself and the other Security Parties) that it will pay the Indebtedness as and when the same falls due for payment;
 - 1.3 as a continuing security for payment of the Indebtedness charges in favour of the Security Agent (for the benefit of itself and the other Security Parties) with full title guarantee the following assets, both present and future, from time to time owned by it or in which it is from time to time interested;
 - (a) by way of first legal mortgage all the freehold and leasehold property specified in schedule 1 below together with all buildings and fixtures (including trade fixtures) at any time thereon;
 - (b) by way of first legal mortgage all other freehold and leasehold property (if any)

Company re-assign the Assigned Agreements to the New Charging Company (or as it shall direct).

2. **Construction of Debenture:** The Debenture and this Security Accession Deed shall be read together as one instrument on the basis that references in the Debenture to "**this Deed**", "**herein**" expressions will be deemed to include this Security Accession Deed.
3. **Consent of Existing Charging Companies:** The existing Charging Companies hereby agree to the terms of this Security Accession Deed and agree that its execution will in no way prejudice or affect the security granted by each of them under (and covenants given by each of them in) the Debenture.
4. **Notices:** The New Charging Company confirms that its address details for notices in relation to clause 22.1 of the Debenture are as follows:

Registered Office:

Registered Number:

Telex:

Facsimile:

Attention of:

5. **Law:** This Deed shall be governed by and construed in all respects in accordance with English law.

IN WITNESS whereof this Deed has been duly executed the day and year first before written.

SCHEDULE 1

Details of Freehold and Leasehold Property

SCHEDULE 2

Details of Subsidiary Shares

SCHEDULE 3

Patents and Trademarks

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TRADEMARK
REEL: 1742 FRAME: 0384

SIGNATORIES

The New Charging Company

[]

SIGNED as a Deed by)
acting by)
and)

Director

Director/Secretary

The New Charging Company

SIGNED as a Deed by)
acting by)
and)

Director

Director/Secretary

The Company

[])

for itself and as agent for the)
existing Charging Companies)
acting by)
and)

Director

Director/Secretary

The Security Agent

SIGNED as a Deed by)
CANADIAN IMPERIAL BANK OF)
COMMERCE)
by its authorised signatory)

SIGNATORIES TO DEBENTURE

Charging Companies

Signed as a deed by
MITEL TELECOM LIMITED
acting by a director and its
secretary/two directors

)
)
)
)

Director

Director/Secretary

The block contains two handwritten signatures. The top signature is for the Director and the bottom signature is for the Director/Secretary. Both signatures are in black ink and are written over the printed names.

Notice Details

Address Mitel Business Park
Portskewett
Gwent NP6 4YR

Telex 497360

Facsimile: 01291 430400

Attention of: Alan Jones, Director

The Security Agent

Signed as a deed by
CANADIAN IMPERIAL BANK OF COMMERCE
by its authorised signatory

)
)
)

Address: Commerce Court West
7th Floor, Toronto
Ontario M5L 1A2

SIGNATORIES TO DEBENTURE

Charging Companies

Signed as a deed by)
MITEL TELECOM LIMITED)
acting by a director and its)
secretary/two directors)

Director

Director/Secretary

Notice Details

Address Mitel Business Park
Portskewett
Gwent NP6 4YR
Telex 497360

Facsimile: 01291 430400

Attention of: Alan Jones, Director

The Security Agent

Signed as a deed by)
CANADIAN IMPERIAL BANK OF COMMERCE)
by its authorised signatory)

M. J. Jones, AGENT

Address: Commerce Court West
7th Floor, Toronto
Ontario M5L 1A2

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22:33\11 February 1998\REA\0417517.07

TRADEMARK
REEL: 1742 FRAME: 0387

Telephone: 001 416 980 5279

Facsimile: 001 416 980 2804

Attention of: Cindy Joy Greenough

and

Address: Cotton Centre
Cottons Lane
London, England SE1 2QL

Attention: Nina Triantic
Media & Communications

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