

03-27-2003

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OFFICE OF PUBLIC RECORDS

To the Honorable Commissioner of Patents and Trademarks

1. Name of conveying party(ies):

U-Pol Products Limited  
U-Pol Limited

FINANCE SECTION

3-10-03

- Individual(s)
- General Partnership
- Corporation-State Great Britain
- Other
- Association
- Limited Partnership

Additional name(s) of conveying party(ies) attached?  Yes  No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: Sept. 27, 2002

2. Name and address of receiving party(ies):

Name: The Governor and Company of the Bank of Scotland

Internal Address: \_\_\_\_\_

Street Address: 14 Friar Lane

City: Leicester State: UK ZIP: LE1 5RH

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State Scotland
- Other

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
(Designations must be a separate document from Assignment)  
Additional name(s) & address(es) attached?  Yes  No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s)

76/414,736

B. Trademark registration No.(s)

2,239,928  
1,798,972

Additional numbers attached?  Yes  No

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

Name: Stephen L. Baker

Internal Address: \_\_\_\_\_

Street Address: 626 N. Thompson St.

City: Raritan State: NJ ZIP: 08869

6. Total number of applications and registrations involved: \_\_\_\_\_

3

7. Total fee (37 CFR 3.41):..... \$ 90 -

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number: \_\_\_\_\_

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

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.

Stephen L. Baker  
Name of Person Signing

[Signature]  
Signature

3/6/03  
Date

Total number of pages: 1

03/26/2003 TDIAZ1 00000160 76416736

01 FC:4521 40.00 DP  
02 FC:6522 50.00 DP

DATED

27 September

2002

(1) THE COMPANIES NAMED IN THIS DEED AS CHARGING COMPANIES

- and -

(2) THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND  
(as Security Trustee)

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COMPOSITE GUARANTEE  
AND DEBENTURE

---

WE HEREBY CERTIFY THAT THIS IS A TRUE  
AND CORRECT COPY OF THE ORIGINAL  
DATED THIS 4 DAY OF October 20 02  
...  
WRAGGE & CO.  
SOLICITORS  
BIRMINGHAM B3 2AS

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THIS COMPOSITE GUARANTEE AND DEBENTURE is made as a deed on *27 September* 2002

**BETWEEN**

- (1) THE COMPANIES LISTED IN SCHEDULE 1 HERETO (the "Initial Charging Companies"); and
- (2) THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND (as security trustee for the Security Beneficiaries (as defined below) (in such capacity, the "Security Trustee").

IT IS AGREED as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

Words and expressions defined in the Facilities Agreement for so long as the same remains in full force and effect (as defined below) shall, save as otherwise defined herein, bear the same meanings in this Composite Guarantee and Debenture (including the recitals), but so that, so far as the context admits, the following expressions shall have the respective meanings ascribed to them:

"Act" means the Law of Property Act 1925;

"Assigned Agreements" means the agreements assigned by or pursuant to this Composite Guarantee and Debenture;

"Base Rate" means the base lending rate from time to time of the Security Trustee;

"Charged Assets" means all property and assets from time to time charged or assigned by or pursuant to this Composite Guarantee and Debenture;

"Charging Companies" means the Initial Charging Companies and any company which accedes to the terms of this Composite Guarantee and Debenture pursuant to the terms of a duly executed Deed of Accession (each a "Charging Company");

"Collections Accounts" has the meaning ascribed to that term in Clause 12.1.2;

"Debtor" means any person who is liable (whether as principal debtor or as surety and whether actually or contingently) to discharge or pay a Receivable;

"Deed of Accession" means a deed of accession to this Composite Guarantee and Debenture in the form set out at Schedule 7;

"Default Rate" means the rate of 2 per cent per annum above the Base Rate or such other rate as may be agreed in writing between the relevant Charging Company and the Security Beneficiaries (whether under the Facilities Agreement or otherwise);

"Facilities Agreement" means the facilities agreement of even date herewith and made between the Principal Borrower (1), the Initial Charging Companies (2) The Governor and Company of the Bank of Scotland in various capacities (3-5) pursuant to which the Original Lender has agreed to make certain facilities available to the Initial Charging Companies and others;

other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to the relevant Investment or Group Shares (whether by way of conversion, redemption, bonus, preference, option or otherwise);

"**Security Beneficiaries**" has the meaning ascribed to that term in the Intercreditor Deed;

"**Secured Obligations**" means all indebtedness, liabilities and obligations which now or at any time hereafter may be due, owing or incurred in any manner whatsoever to the Security Beneficiaries by any Group Company whether actually or contingently and whether solely or jointly with any other person and whether as principal or surety and whether or not the Security Beneficiaries shall have been an original party to the relevant transaction and in whatever currency denominated including all liabilities from time to time assumed or incurred by the Security Beneficiaries at the request of any Group Company in connection with foreign exchange transactions, acceptances, discounting or otherwise or under guarantees, bonds, indemnities, documentary or other credits or any instruments whatsoever and including interest, discount, commission and other lawful charges or reasonable expenses which the Security Beneficiaries may in the course of their business charge in respect of any facilities or accommodation or service provided by the Security Beneficiaries or for keeping any Group Company's account; and

"**Security Shares**" means the Group Shares and the Related Rights accruing to all or any of the Group Shares;

## 1.2 Interpretation

- 1.2.1 References to Clauses, sub-Clauses, paragraphs and Schedules are to be construed, unless otherwise stated, as references to Clauses, sub-Clauses, paragraphs and Schedules of this Composite Guarantee and Debenture.
- 1.2.2 References in this Composite Guarantee and Debenture to any enactment shall be deemed to include references to such enactment as re-enacted, amended or extended for the time being.
- 1.2.3 Clause headings are for convenience only and shall in no way affect the construction of this Composite Guarantee and Debenture.
- 1.2.4 Section 61 of the Act shall govern the construction of this Composite Guarantee and Debenture.
- 1.2.5 References to the "**Charging Companies**", the "**Principal Borrower**", the "**Security Trustee**" and the "**Security Beneficiaries**" shall be construed so as to include their respective successors or permitted assignees (whether immediate or derivative).
- 1.2.6 References in this Composite Guarantee and Debenture to the singular include references to the plural and *vice versa*.
- 1.2.7 Any reference to this Composite Guarantee and Debenture, this security or any document shall, save as otherwise expressly provided herein, be construed as a reference to this Composite Guarantee and Debenture, this

security or such other document as amended, varied, supplemented, novated and/or replaced in any manner from time to time and, for the avoidance of doubt, shall be deemed to incorporate the provisions of any Deed of Accession entered into by any company, from time to time.

- 1.2.8 The terms of the other Finance Documents, and of any side letters between the parties thereto in relation to any of such documents are incorporated in this Composite Guarantee and Debenture to the extent required to ensure that any disposition of the Charged Assets contained in this Composite Guarantee and Debenture is a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- 1.2.9 The Security Trustee shall hold the benefit of the guarantees and covenants contained in this Composite Guarantee and Debenture and all its rights and claims hereunder, as security trustee for the Security Beneficiaries and any reference to security being granted or executed "**in favour of the Security Trustee**" shall mean such security being granted or executed in favour of the Security Trustee as security trustee for the Security Beneficiaries.
- 1.2.10 The obligations of any person being "**enforceable**" and "**binding**" shall be construed subject to the principle that equitable remedies are available at the discretion of the courts, the limitation on enforcement by laws relating to the insolvency, liquidation, administration and other laws affecting the rights of creditors, the time barring of claims, defences of set-off and counterclaim (save as expressly excluded in this Composite Guarantee and Debenture) and that which the courts hold to be matters of public policy.
- 1.2.11 References to the "**euro**" shall be construed as a reference to the single currency of participating member states of the European Union.

## 2. GUARANTEE AND INDEMNITY

- 2.1 Each Charging Company as principal obligor irrevocably and unconditionally:
  - 2.1.1 guarantees to the Security Trustee full, prompt and complete performance by each other Charging Company of all of the Secured Obligations owing by such Charging Company and the due and punctual payment of all the sums comprised in the Secured Obligations owing by each such Charging Company as and when they become due;
  - 2.1.2 undertakes to the Security Trustee that if any of the other Charging Companies fails to pay any sum comprised in the Secured Obligations on its due date it will pay such sum on demand as if it instead of such other Charging Company were the principal obligor in respect of those Secured Obligations; and
  - 2.1.3 undertakes to indemnify the Security Trustee as an additional and independent obligation against all losses, damages, costs and expenses incurred by the Security Beneficiaries (or any of them) arising from any failure by any of the other Charging Companies to pay the sums comprised in the Secured Obligations as and when they fall due.
- 2.2 The liabilities of the Charging Companies under the Guarantee are joint and several.

2.3 The Guarantee is given subject to and with the benefit of the provisions set out in Schedule 3.

### 3. COVENANT TO PAY

Each of the Charging Companies, as principal obligor and not merely as surety, covenants with the Security Trustee that it will pay or discharge on demand the Secured Obligations as and when they fall due. Any such amount not paid when due shall, to the extent not already bearing interest at the default rate applicable under the Facilities Agreement, bear interest (as well after as before judgment and payable on demand) at the Default Rate from the due date until the date such amount is unconditionally and irrevocably paid and discharged in full.

### 4. FIXED AND FLOATING CHARGES

#### 4.1 Fixed charges

As a continuing security for the payment of the Secured Obligations, subject to Clauses 4.4, 4.5 and 4.6 each Charging Company hereby, with full title guarantee, charges, and agrees to charge, in favour of the Security Trustee the following assets which are at any time owned by such Charging Company, or in which such Charging Company is from time to time interested:

- 4.1.1 by way of first legal mortgage all the freehold and leasehold property (if any) vested in or charged to such Charging Company including, without limitation, the property specified in Schedule 2, together with all buildings and fixtures (including trade fixtures) at any time thereon;
- 4.1.2 by way of first fixed charge all other interests (not being charged by Clause 4.1.1) in any freehold or leasehold property vested in or charged to such Charging Company, 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;
- 4.1.3 by way of first fixed charge all plant, machinery, computers, vehicles, office and other equipment and the benefit of all contracts, licences and warranties relating to the same;
- 4.1.4 by way of first fixed charge all Investments, together with all Related Rights from time to time accruing thereto;
- 4.1.5 by way of first fixed charge all rights and interests of such Charging Company in, and claims under, the Insurances and all proceeds thereof held by, or written in favour of, such Charging Company or in which such Charging Company is otherwise interested;
- 4.1.6 by way of first fixed charge all Intellectual Property now or at any time hereafter belonging to, or created by, or assigned to such Charging Company including, without limitation, the property specified in Schedule 8;
- 4.1.7 by way of first fixed charge the benefit of all licences, consents, agreements and authorisations held or utilised by such Charging Company in connection with its business or the use of any of its assets;



- 4.1.8 by way of first fixed charge (but subject to the provisions of Clause 12) all Receivables;
- 4.1.9 by way of first fixed charge all the goodwill and uncalled capital of such Charging Company;
- 4.1.10 by way of first legal mortgage/fixed charge all the Group Shares together with all the Related Rights from time to time accruing thereto; and
- 4.1.11 To the extent that the same do not fall within the assignment in clause 4.2, by way of first fixed charge all rights and interests of such Charging Company in, and claims under, and the benefit of, (i) the Acquisition Agreement and (ii) the IP Assignment and in both cases all proceeds of any claims thereunder;

## 4.2 Assignments

As a continuing security for the payment of the Secured Obligations and, in the case of the Receivables only, subject to the provisions of Clause 12, each Charging Company hereby, with full title guarantee, assigns and agrees to assign absolutely in favour of the Security Trustee all the rights, title, interest and benefit of such Charging Company in and to the Acquisition Agreement, the IP Assignment and the Receivables PROVIDED that in the absence of any written directions to the contrary from the Security Trustee (which directions shall only be given following the security constituted by this Composite Guarantee and Debenture becoming enforceable), each Charging Company shall be entitled to continue to deal with its various creditors in relation to the Receivables and PROVIDED FURTHER that until the security created by this Composite Guarantee and Debenture has become enforceable the relevant Charging Company shall be entitled to continue to deal with the counterparties to the Assigned Agreements.

## 4.3 Floating charge

As further continuing security for the payment of the Secured Obligations, each Charging Company hereby charges with full title guarantee in favour of the Security Trustee by way of first floating charge all its assets and undertaking whatsoever and wheresoever situated both present and future not effectively charged by way of first fixed mortgage or charge pursuant to the provisions of Clause 4.1, including, without prejudice to the generality of the foregoing, heritable property and all other property and assets in Scotland.

## 4.4 Leasehold interests containing prohibition on charging

- 4.4.1 Until the relevant consent shall have been obtained, there shall be excluded from the charges created by Clause 4.1 (and the further assurance provisions set out in Clause 9) any leasehold property held by any Charging Company under a lease and any other property where the freehold is not owned where the terms of such lease or other arrangement either preclude absolutely the relevant Charging Company from creating any charge over its leasehold or other interest in such property, or require the consent of any third party prior to the creation of such charge and such consent shall not have been previously obtained (each an "Excluded Property");

- 4.4.2 With regard to each Excluded Property, the relevant Charging Company hereby undertakes within 14 days of the date hereof to make application for the consent of the third party from whom consent is required and, in respect of each lease which provides that the relevant third party will not unreasonably withhold its consent (each such Excluded Property in respect of which a relevant third party may not unreasonably withhold its consent to the creation of security, hereinafter referred to as a "**Relevant Property**") to use all reasonable endeavours (but not so as to incur costs which would in the reasonable opinion of the Security Trustee be excessive in the context of the value of the asset) to obtain such consent as soon as possible and to keep the Security Trustee informed of the progress of its negotiations with such third parties; and
- 4.4.3 Forthwith upon receipt of any such third party consent, the relevant Excluded Property shall thereupon be charged to the Security Trustee pursuant to the terms of Clause 4.1 (or, as the case may be, Clause 9). If required by the Security Trustee in respect of any Excluded Property, at any time following receipt of such consent, the relevant Charging Company will execute a legal mortgage in favour of, and in such form as is required by, the Security Trustee, subject only to the same containing terms and conditions which are no more onerous than those contained herein.

4.5 **Intellectual property interests containing prohibition on charging**

- 4.5.1 Until the relevant consent shall have been obtained, there shall be excluded from the charges created by Clause 4.1 (and the further assurance provisions set out in Clause 9) any Intellectual Property in which any Charging Company has an interest pursuant to any licence or other agreement, the terms of which either preclude the Charging Company from creating any security over its interest in such Intellectual Property, or require the consent of any third party prior to the creation of such charge and such consent shall not have been previously obtained (each an "**Excluded Intellectual Property Right**");
- 4.5.2 With regard to each Excluded Intellectual Property Right, the relevant Charging Company hereby undertakes within 14 days of the date hereof to make application for the consent of the third party from whom consent is required (where the identity of the relevant third party is known to the relevant Charging Company) to the creation of the charges contained in Clause 4.1 (and the further assurance provisions set out in Clause 9) and, in respect of any licence or agreement which provides that the relevant third party will not unreasonably withhold its consent (each such Excluded Intellectual Property Right in respect of which a relevant third party may not unreasonably withhold its consent to the creation of security, hereinafter referred to as a "**Relevant Intellectual Property Right**"), to use its best endeavours (but not so as to incur costs which would in the reasonable opinion of the Security Trustee be excessive in the context of the value of the asset) to obtain such consent as soon as possible and to keep the Security Trustee informed of the progress of its negotiations with such third parties; and
- 4.5.3 Forthwith upon receipt of any such third party consent, the relevant Excluded Intellectual Property Right shall thereupon be charged to the Security Trustee pursuant to the terms of Clause 4.1 (or, as the case may be,

Clause 9). If required by the Security Trustee in respect of any Excluded Intellectual Property Right, at any time following receipt of such consent the relevant Charging Company will execute security in favour of, and in such form as is required by, the Security Trustee, subject only to the same containing terms and conditions no more onerous than those contained herein.

#### 4.6 **Contracts and agreements containing prohibition on charging**

- 4.6.1 Until the relevant consent shall have been obtained, there shall be excluded from the charges created by Clauses 4.1.2, 4.1.3 and 4.1.7 (and the further assurance provisions set out in Clause 9) any contracts, licences and warranties relating to plant, machinery, computers, vehicles, office and other equipment and any licences, consents, agreements and authorisations held or utilised by any Charging Company in connection with its business or the use of any of its assets ("**Agreements**") the terms of which either preclude the Charging Company from creating any security over its interest in such Agreement, or require the consent of any third party prior to the creation of such charge and such consent shall not have been previously obtained (each an "**Excluded Agreement**");
- 4.6.2 With regard to each Excluded Agreement, the relevant Charging Company hereby undertakes within 14 days of the date hereof to make application for the consent of the third party from whom consent is required (where the identity of the relevant third party is known to the relevant Charging Company) to the creation of the charges contained in Clauses 4.1.2, 4.1.3 and 4.1.7 (and the further assurance provisions set out in Clause 9) and, in respect of any Agreement which provides that the relevant third party will not unreasonably withhold its consent (each such Excluded Agreement in respect of which a relevant third party may not unreasonably withhold its consent to the creation of security, hereinafter referred to as a "**Relevant Agreement**"), to use its best endeavours (but not so as to incur costs which would in the reasonable opinion of the Security Trustee be excessive in the context of the value of the asset) to obtain such consent as soon as possible and to keep the Security Trustee informed of the progress of its negotiations with such third parties; and
- 4.6.3 Forthwith upon receipt of any such third party consent, the relevant Excluded Agreement shall thereupon be charged to the Security Trustee pursuant to the terms of Clauses 4.1.2, 4.1.3 and 4.1.7 (or, as the case may be, Clause 9). If required by the Security Trustee in respect of any Excluded Agreement, at any time following receipt of such consent or, in respect of any Relevant Agreement, the earlier of the date of such receipt or the date falling 60 days after the date hereof, the relevant Charging Company will execute security in favour of, and in such form as is required by, the Security Trustee, subject only to the same containing terms and conditions no more onerous than those contained herein.

### 5. **CONVERSION OF FLOATING CHARGE**

#### 5.1 **Conversion of floating charge**

The Security Trustee may by written notice to a Charging Company convert the floating charge created by this Composite Guarantee and Debenture into a fixed charge as regards all or any of that Charging Company's assets specified in the notice if:

- 5.1.1 an Event of Default has occurred and is continuing; or
- 5.1.2 the Security Trustee in its reasonable opinion considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

## 5.2 Automatic conversion of floating charge

The floating charge created by a Charging Company under this Composite Guarantee and Debenture shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge in relation to any of the Charged Assets subject to the floating charge created by Clause 4.3 (a "Floating Charge Asset") if such Charging Company creates (or purports to create) an Encumbrance (other than a Permitted Security) on or over the relevant Floating Charge Asset without the prior consent in writing of the Security Trustee or if any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such Floating Charge Asset.

## 5.3 No waiver

The giving by the Security Trustee of a notice pursuant to Clause 5.1 in relation to any class of assets of any Charging Company shall not be construed as a waiver or abandonment of the rights of the Security Trustee to serve similar notices in respect of any other class of assets or of any of the other rights of the Security Trustee and/or the Security Beneficiaries.

## 6. CONTINUING SECURITY

- 6.1 This Composite Guarantee and Debenture shall be in addition to, and without prejudice to and shall not merge with, any other right, remedy, guarantee, mortgage or other security which the Security Trustee and/or the Security Beneficiaries may at any time hold for any of the Secured Obligations and this Composite Guarantee and Debenture may be enforced against each or any Charging Company without the Security Trustee and/or the Security Beneficiaries first having recourse to any other right, remedy, guarantee, mortgage or other security held or available to it.
- 6.2 This Composite Guarantee and Debenture shall remain in full force and effect as a continuing security until the Security Trustee shall have certified in writing that the Secured Obligations have been discharged in full.

## 7. PROVISIO FOR REDEMPTION

Subject to the other provisions of this Composite Guarantee and Debenture, following payment and discharge of all of the Secured Obligations the Security Trustee will promptly at the request and cost of the Charging Company release and re-assign all rights, title and interest charged or assigned pursuant to this Composite Guarantee and Debenture to the Charging Company or as the Charging Company shall direct.

## 10. REPRESENTATIONS AND WARRANTIES

10.1 Each Charging Company represents and warrants to the Security Trustee that:

### 10.1.1 Incorporation

(i) it is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation (ii) it has all necessary governmental and other consents, approvals, licences and authorities to carry on its business as it is being conducted except where failure to have the same would not have a Material Adverse Effect and (iii) it has the power to own its assets and carry on its business as it is being conducted;

### 10.1.2 Authority

it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents;

### 10.1.3 Obligations binding

subject to the Legal Reservations, the obligations expressed to be assumed by it in each Transaction Document are legal, valid, binding and enforceable obligations;

### 10.1.4 No contravention

the entry into and performance by it of, and the transactions contemplated by, the Transaction Documents do not and will not conflict with:

10.1.4.1 any law or regulation applicable to it;

10.1.4.2 its constitutional documents ; or

10.1.4.3 any agreement or instrument binding upon it or any of its assets to an extent which would have a Material Adverse Effect;

### 10.1.5 Property

Schedule 2 identifies all freehold and leasehold properties beneficially owned by each Charging Company as at the date of this Composite Guarantee and Debenture;

### 10.1.6 Intellectual Property

Schedule 8 identifies all the registered Intellectual Property beneficially owned by each Charging Company as at the date of this Composite Guarantee and Debenture; and

### 10.1.7 Group Shares

unless otherwise notified to and agreed by the Security Trustee it is the legal and beneficial owner of the Group Shares identified against its name in Schedule 4 (save in relation to those Group Shares held by a nominee for any such Charging Company in which case such Charging Company is the beneficial owner only of such Group Shares).

## 10.2 Matters represented

Each of the representations and warranties in Clauses 10.1.1 to 10.1.4 (inclusive) will be correct and complied with in all material respects at all times during the continuance of this security.

## 11. COVENANTS OF THE CHARGING COMPANIES

Each of the Charging Companies hereby covenants with the Security Trustee and covenants to procure or (where the relevant obligation is the responsibility of a third party) to use all reasonable endeavours to procure that each other Charging Company or third party (as the case may be) will:

### 11.1 Insurance

effect and maintain insurances at its own expense in respect of all its assets and business with reputable insurers. Such insurances shall:

- (i) provide cover against all risks which are normally and prudently insured against by other companies ;
  - (1) owning or possessing similar assets, including, without limitation, in the case of any freehold or leasehold property, loss or damage by fire, lightning, explosion, storm, tempest, flood, aircraft (other than hostile aircraft) and other aerial devices or articles dropped therefrom, including subsidence and, if deemed necessary by the Agent (acting reasonably), terrorism; and
  - (2) carrying on similar businesses, including, without limitation, insurance against business interruption, loss of profits, product liability, professional indemnity, pollution (including Environmental Claims) and public liability;
- (ii) be in such amounts as would in the circumstances be prudent for such companies and shall include, without limitation, an entitlement to receive the full replacement or reinstatement value from time to time of any assets destroyed or otherwise becoming a total loss, and in the case of any freehold or leasehold property, providing for architects' and surveyors' fees, demolition costs and the costs of shoring up and 3 years' loss of rent, in each such case subject to automatic index adjustment; and
- (iii) procure that the interest of the Security Trustee as mortgagee is noted on all relevant policies,

and each Charging Company will supply to the Security Trustee on request copies of each policy of insurance required to be maintained in accordance with this Clause 11.1, together with the current premium receipts relating thereto;

## 11.2 Maintenance

keep all buildings and erections forming part of the Charged Assets in a good state of repair, and keep all plant, machinery, fixtures, fittings and other effects for the time being owned by it in working order and condition (provided that in the case of any leasehold property comprising the Charged Assets this obligation shall be satisfied if the property is kept in such state of repair and condition that the relevant tenant shall have substantially complied with its covenants in relation to repair and decoration in the relevant lease);

## 11.3 Outgoings

ensure that it pays promptly all Taxes imposed upon it or any of its assets, income or profits or any transactions undertaken or entered into by it unless payment of such Taxes is being opposed in good faith, and adequate provision for payment has been made in it's accounts;

## 11.4 Inspection

upon reasonable notice being given by the Agent if an Event of Default is continuing, it will procure that any one or more representatives of the Agent and/or accountants or other professional advisers appointed by the Agent are allowed to have access during normal business hours to its assets, books and records, and are able to inspect and copy the same;

## 11.5 Comply with statutes

in relation to the Charged Assets, comply with all obligations under any present or future statute, regulation, order and instrument or under any bye-laws, regulations or requirements of any competent authority or other approvals, licences or consents and, if requested by the Security Trustee, produce to the Security Trustee, within 14 days of receipt of the same, every material notice, order or proposal given or made in relation to the Charged Assets by any competent authority and either comply with the same or make such objections and representations against the same as the Security Trustee may require or approve;

## 11.6 Comply with covenants

observe and perform all covenants and stipulations from time to time affecting any part of the Charged Assets, or the manner of use or the enjoyment of the same and shall not, except with the prior written consent of the Security Trustee, such consent not to be unreasonably withheld or delayed, enter into any onerous or restrictive obligations affecting any part thereof;

## 11.7 Licences

not, except with the prior written consent of the Security Trustee, confer on any person any right or licence to occupy any land or buildings forming part of the Charged Assets or enter into any licence to assign or sub-let any part of the Charged Assets provided that this provision shall not apply to the grant of any service occupancy agreements in respect of any residential accommodation;

## 11.8 Planning Acts

not carry out any development within the meaning of the Planning Acts in or upon the Charged Assets or any part thereof without first obtaining such permissions as may be required under or by virtue of the Planning Acts and, in the case of development involving a substantial change in the structure or a change of use of the Charged Assets or any part thereof, without first obtaining the written consent of the Security Trustee;

#### 11.9 **Deposit of documents**

unless the Security Trustee otherwise confirms in writing, deposit with the Security Trustee all deeds and documents of title relating to the Charged Assets, except in relation to those Charged Assets which comprise Intellectual Property;

#### 11.10 **Intellectual Property**

ensure that each Charging Company will:

- (i) observe and comply with all obligations and laws to which it is subject in its capacity as registered proprietor, beneficial owner, user, licensor or licensee of its Material Intellectual Property or any part thereof;
- (ii) do all acts as are reasonably practicable to maintain, protect and safeguard its Material Intellectual Property (including the commencement of legal proceedings unless the Agent following request by the Company considers (acting reasonably) such action would not be to the relevant Group Company's benefit) and not discontinue the use of any of its Material Intellectual Property, nor allow it to be used in such a way that it is put at risk by becoming generic or by being identified as disreputable in any material way;
- (iii) not change the specification referred to in any of its registration of any Material Intellectual Property or so far as it is lawfully able to permit any disclaimer, condition, restriction, memorandum or other thing to be entered on the registration of any of the trade marks comprised within such Material Intellectual Property, the effect of which will be to materially and adversely affect the value of such trade marks;
- (iv) make such registrations and pay all fees as are necessary to keep the registered Material Intellectual Property in force and record its interest in such Material Intellectual Property so far as it is lawfully able to;
- (v) not assign, sever, dispose of, or otherwise part with control of its Material Intellectual Property;
- (vi) maintain a centralised record of all its Material Intellectual Property (including details of agents engaged in relation to registrations thereof); and
- (vii) as and when reasonably requested by the Security Trustee, promptly provide the Security Trustee with a copy of the record described in Clause 11.10(vi) and/or a written summary of all its Material Intellectual Property created or acquired since the date of this Composite Guarantee and Debenture or the date of the last notification, in accordance with the provisions of this Clause 11.10(vii);



## 11.11 Property acquisitions

### 11.11.1 Notification

notify the Security Trustee forthwith upon the exchange of contracts and completion of the acquisition by that Charging Company of any freehold or leasehold property; and

### 11.11.2 Security

within 7 working days of demand made to such Charging Company by the Security Trustee, execute and deliver to the Security Trustee any legal mortgage or, in the case of property situated in Scotland, a standard security, in favour of the Security Trustee of any freehold or leasehold property which becomes vested in it after the date of this Composite Guarantee and Debenture and all fixtures and fittings thereon to secure the payment or discharge of the Secured Obligations, such legal mortgage or standard security to be in such form as the Security Trustee may reasonably require. Any security document required to be executed by a Charging Company pursuant to this Clause 11.11.2 will be prepared by the Security Trustee at the proper and reasonable cost of such Charging Company and will contain terms and conditions that are no more onerous than those contained herein. In the case of any leasehold property in relation to which the consent of the landlord in whom the reversion of that lease is vested is required in order for the Charging Company to perform any of its obligations under this Clause 11.11.2, the Charging Company shall not be required to perform that particular obligation unless and until it has obtained the landlord's consent (which it shall use its reasonable endeavours to do);

## 11.12 HM Land Registry

in respect of any freehold or leasehold land which it may hereafter acquire and which is registered land (or unregistered land subject to compulsory first registration), apply to the Chief Land Registrar for the registration of a Restriction against the registered titles in the following terms:

*"Except under an order of the Registrar no disposition by the proprietor of the land is to be registered without the consent of the proprietor for the time being of the charge dated [ ] 2002 in favour of The Governor and Company of the Bank of Scotland (as security trustee)".*

## 11.13 Security Trustee may insure

If default shall at any time be made by any Charging Company in effecting or keeping up the insurances referred to in Clause 11.1, or in producing any such policy or receipt to the Security Trustee on demand, the Security Trustee may take out or renew such policies of insurance in any sum which the Security Trustee may reasonably think expedient and all monies expended by the Security Trustee in respect thereof shall be deemed to be properly paid by the Security Trustee, and shall be reimbursed by the relevant Charging Company on demand and shall bear interest at the Default Rate from the date of payment until the date of reimbursement. This Composite Guarantee and Debenture shall be a security for the reimbursement to the Security Trustee of such monies together with such interest as aforesaid; and

#### 11.14 Application of monies

All claims and monies received or receivable under any insurances charged or assigned pursuant to this Composite Guarantee and Debenture shall (subject to the rights of any claims of any lessor or landlord of any part of the Charged Assets) be applied, in repairing, replacing, restoring or rebuilding the property damaged or destroyed or in making good the relevant insured loss or matter or, after the occurrence of an Event of Default which is continuing, in permanent reduction of the Secured Obligations in such order as the Security Trustee sees fit.

#### 11.15 Notice of Charge and Assignment

Forthwith upon request by the Security Trustee give notice of charge or assignment under this Composite Guarantee and Debenture in form and substance satisfactory to the Security Trustee (acting reasonably) and shall use all reasonable endeavours to procure that each addressee of such notice of charge or assignment acknowledges the same in form and substance satisfactory to the Security Trustee within 21 days of the date of such notice of charge or assignment.

### 12. RECEIVABLES

#### 12.1 Dealings with and realisation of Receivables

Each Charging Company will:

12.1.1 without prejudice to Clauses 8 (*Negative Pledge*) and 12 (*Receivables*) but in addition to the restrictions in those Clauses, not, without the prior written consent of the Security Trustee, sell, assign, charge, factor or discount or in any other manner deal with any of the Receivables;

12.1.2 collect all Receivables in the ordinary course of trading as agent for the Security Trustee and immediately upon receipt pay all monies which it may receive in respect of the Receivables into such specially designated account(s) with the Security Trustee or such other account(s) with such other bank as the Security Trustee may from time to time direct (such account(s) together with all additions to or renewals or replacements thereof (in whatever currency) being the "**Collections Accounts**") all monies which it shall receive in respect thereof forthwith on receipt and pending such payment, hold all monies so received upon trust for the Security Trustee PROVIDED that this provision shall not apply to Receivables in respect of a foreign business operation which are placed in an account maintained in accordance with clause 25.20(c) of the Facilities Agreement;

12.1.3 where any Collections Account is not maintained with the Security Trustee (and will not be closed within 90 days from the date of this Composite Guarantee and Debenture in accordance with clause 25.20(d) of the Facilities Agreement or is an account that is not maintained in accordance with clause 25.20(c) of the Facilities Agreement), deliver to the bank with which the relevant Collections Account is maintained a notice to that bank and use all reasonable endeavours to procure that that bank has signed and delivered to the Security Trustee a letter, in each case in substantially the form set out in Schedule 6 (*Form of notice to Bank operating Collections Accounts*);

12.1.4 deal with the uncollected Receivables in accordance with any directions given in writing from time to time by the Security Trustee (acting reasonably) and, in default of and subject to such directions, in accordance with this Composite Guarantee and Debenture; and

12.1.5 at any time after the security constituted by this Composite Guarantee and Debenture has become enforceable execute and deliver to the Security Trustee a legal assignment of the Receivables to the Security Trustee (to the extent that the Receivables have not already been assigned to the Security Trustee) on such terms as the Security Trustee may require and give notice of it to the debtors from whom the Receivables are due owing or incurred and take any other steps as the Security Trustee may require to perfect such legal assignment.

## 12.2 Particulars of Receivables

Each Charging Company will deliver to the Security Trustee such information as to the amount and nature of its Receivables as the Security Trustee may from time to time reasonably require, taking into account the requirements of the Finance Documents.

12.3 Before the security constituted by this Composite Guarantee and Debenture shall have been enforced the monies credited to the Collections Account may be withdrawn by the relevant Charging Company and applied by it for any lawful purpose.

12.4 Upon the security constituted by this Composite Guarantee and Debenture being enforced the Security Trustee (or a Receiver) may (subject to the payment of any claims having priority to this security) withdraw amounts standing to the credit of each Collections Account to meet any amount due and payable in respect of the Secured Obligations.

12.5 The Security Trustee or a Receiver shall not be responsible to any Charging Company for any non-payment of any liability of any Charging Company which could be paid out of monies standing to the credit of the relevant Collections Account, nor be liable to any Charging Company for any withdrawal wrongly made if made in good faith, except for gross negligence or wilful default.

12.6 The Security Trustee may delegate its powers of withdrawal under this clause to the administrative receiver, and/or manager appointed pursuant to this Composite Guarantee and Debenture.

12.7 Prior to the floating charge constituted by clause 4.3 of this Composite Guarantee and Debenture being converted into a fixed charge by operation of law, pursuant to Clause 5 (*Conversion of Floating Charge*) or otherwise any monies received by the relevant Charging Company and paid into the Collections Account in respect of the Receivables shall upon payment stand released from the fixed charge contained in clause 4.1.8 hereof and shall stand subject to the floating charge contained in clause 4.3 of this Deed but such release shall in no respects derogate from the subsistence of the said fixed charge on all other Receivables for the time being outstanding.

### 13. ENFORCEMENT OF SECURITY

- 13.1 The security constituted by this Composite Guarantee and Debenture shall become immediately enforceable upon the occurrence of an Event of Default which is continuing and the power of sale and other powers conferred by section 101 of the Act, as varied or amended by this Composite Guarantee and Debenture, shall be immediately exercisable upon and at any time after the occurrence of any Event of Default which is continuing. After the security constituted by this Composite Guarantee and Debenture has become enforceable, the Security Trustee may in its absolute discretion enforce all or any part of this security in such manner as it sees fit.
- 13.2 For the benefit of any purchaser or third party dealing with any Receiver or the Security Trustee in connection with this Composite Guarantee and Debenture, for the purposes of section 101 of the Act it is hereby expressly agreed that the power of sale referred to thereunder has arisen and sections 93 and 103 of the Act shall not apply to this security. The statutory powers of leasing conferred on the Security Trustee shall be extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee shall think fit and without the need to comply with any of the provisions of sections 99 and 100 of the Act.

### 14. APPOINTMENT AND POWERS OF RECEIVER

- 14.1 At any time after this security becomes enforceable, or if so requested by any Charging Company by written notice at any time, the Security Trustee may without further notice appoint any person (or persons) to be a Receiver of all or any part of the Charged Assets and/or of the income thereof.
- 14.2 The Security Trustee may remove from time to time any Receiver appointed by it (subject to the provisions of Section 45 of the Insolvency Act 1986 in the case of an administrative receivership) and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated for whatever reason.
- 14.3 If at any time and by virtue of any such appointment there is more than one Receiver of all or any part of the Charged Assets and/or the income thereof, such persons shall have power to act individually (unless the contrary shall be stated in the deed(s) or other instrument(s) appointing them).
- 14.4 Any Receiver shall (in addition to the powers conferred by the Act and Schedule 1 of the Insolvency Act 1986 or any other statute from time to time in force) have the following powers:
- 14.4.1 to take possession of, collect and get in all or any part of the Charged Assets and/or income in respect of which he was appointed;
  - 14.4.2 to manage the Charged Assets and the business of the relevant Charging Company or Charging Companies;
  - 14.4.3 to redeem any security and to borrow or raise any money and secure the payment of any money in priority to the Secured Obligations for the purpose

of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;

- 14.4.4 to alter, improve, develop, complete, construct, modify, refurbish or repair any building or land and to complete or undertake or concur in the completion or undertaking (with or without modification) of any project in which the relevant Charging Company or Charging Companies were concerned or interested prior to his appointment, being a project for the alteration, improvement, development, completion, construction, modification, refurbishment or repair of any building or land;
  - 14.4.5 to sell or concur in selling, leasing or otherwise disposing of all or any part of the Charged Assets in respect of which he was appointed without the need to observe the restriction imposed by Section 103 of the Act;
  - 14.4.6 to carry out any sale, lease or other disposal of all or any part of the Charged Assets by conveying, transferring, assigning or leasing the same in the name of the relevant Charging Company or Charging Companies and, for that purpose, to enter into covenants and other contractual obligations in the name of, and so as to bind, the relevant Charging Company or Charging Companies;
  - 14.4.7 to take any such proceedings, in the name of the relevant Charging Company or Charging Companies or otherwise, as he shall think fit in respect of the Charged Assets and/or income in respect of which he was appointed, including proceedings for recovery of rent or other monies in arrears at the date of his appointment;
  - 14.4.8 to enter into or make any such agreement, arrangement or compromise as he shall think fit;
  - 14.4.9 to insure, and renew any insurances in respect of, the Charged Assets as he shall think fit, or as the Security Trustee shall direct;
  - 14.4.10 to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit, including, without prejudice to the generality of the foregoing power, to employ his partners and firm;
  - 14.4.11 to operate any rent review clause in respect of any property in respect of which he was appointed or any part thereof and to apply for any new or extended lease; and
  - 14.4.12 to do all such other things as may seem to him to be incidental or conducive to any other power vested in him in the realisation of this security.
- 14.5 In making any sale or other disposal in the exercise of their respective powers, the Receiver or the Security Trustee may accept, as and by way of consideration for such sale or other disposal, cash, shares, loan capital or other obligations, including, without limitation, consideration fluctuating according to or dependent upon profit or turnover and consideration the amount whereof is to be determined by a third party. Any such consideration may be receivable in a lump sum or by instalments and upon receipt by the Receiver, shall *ipso facto* be and become charged with the payment of the Secured Obligations. Any contract for any such sale or other disposal by the

Receiver or the Security Trustee may contain conditions excluding or restricting the personal liability of the Receiver and the Security Trustee.

- 14.6 Any Receiver appointed hereunder shall be the agent of the relevant Charging Company in each case and (subject to the provisions of the Companies Act 1985 and the Insolvency Act 1986) the relevant Charging Company or Charging Companies shall be solely responsible for his acts and defaults (except for wilful acts of default and recklessness) and for his remuneration.
- 14.7 Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Security Trustee (or failing such agreement to be fixed by the Security Trustee).
- 14.8 Only monies actually paid by a Receiver to the Security Trustee in satisfaction or discharge of the Secured Obligations shall be capable of being applied by the Security Trustee in satisfaction thereof.
- 14.9 Neither the Security Trustee nor any Receiver shall be liable in respect of all or any part of the Charged Assets 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.
- 14.10 Without prejudice to the generality of Clause 14.9, entry into possession of the Charged Assets shall not render the Security Trustee or the Receiver liable to account as mortgagee in possession and if and whenever the Security Trustee enters into possession of the Charged Assets, it shall be entitled to any time at its discretion to go out of such possession.
- 14.11 All or any of the powers which are conferred by this Composite Guarantee and Debenture on a Receiver may be exercised by the Security Trustee without first appointing a Receiver or notwithstanding the appointment of any Receiver.

## 15. APPLICATION OF PROCEEDS

- 15.1 All monies received by the Security Trustee or any Receiver appointed under this Composite Guarantee and Debenture shall (subject to any rule of law to the contrary and to the rights and claims of any person having a security ranking in priority to the security constituted by this Composite Guarantee and Debenture) be applied in the following order:
  - 15.1.1 in payment of the costs, charges and expenses of and incidental to the appointment of the Receiver and the payment of his remuneration;
  - 15.1.2 in payment and discharge of any liabilities incurred by the Receiver on the behalf of the Charging Companies in the exercise of any of the powers of the Receiver;
  - 15.1.3 in providing for the matters (other than the remuneration of the Receiver) specified in the first three paragraphs of Section 109(8) of the Act;
  - 15.1.4 in or towards the satisfaction of the Secured Obligations; and

15.1.5 any surplus shall be paid to the Charging Companies or other person entitled to it.

15.2 The provisions of Clause 15 shall take effect as and by way of variation and extension to the provisions of Section 109 of the Act, which provisions as so varied and extended shall be deemed incorporated in this Composite Guarantee and Debenture.

## 16. POWER OF ATTORNEY

Each Charging Company, by way of security, with effect from the date when an Event of Default occurs and for as long as the same is continuing irrevocably appoints the Security Trustee and every Receiver of the Charged Assets (or any part thereof) appointed hereunder and any person nominated for the purpose by the Security Trustee or any Receiver (in writing under hand signed by an officer of the Security Trustee 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 sign or execute (using the company seal where appropriate) any deed, document, agreement and instrument required under the terms of this Composite Guarantee and Debenture and, following the occurrence of an Event of Default and for as long as the same is continuing, to do all such acts or things as may be required by the Security Trustee or any Receiver hereunder or in the exercise of any of their powers, and each Charging Company hereby covenants with the Security Trustee to ratify and confirm all acts or things made, done or executed by such attorney as aforesaid.

## 17. PROTECTION OF THIRD PARTIES

No purchaser from or other person dealing with the Security Trustee or with any Receiver shall be obliged or concerned to enquire whether the right of the Security Trustee to appoint a Receiver or the right of the Security Trustee or any Receiver to exercise any of the powers conferred by this Composite Guarantee and Debenture in relation to the Charged Assets or any part thereof have arisen or become exercisable by the Security Trustee or by any such Receiver, nor be concerned with notice to the contrary, nor with the propriety of the exercise or purported exercise of any such powers and the title of such a purchaser and the position of such a person shall not be impeachable by reference to any of those matters.

## 18. NOTICE OF SUBSEQUENT ENCUMBRANCE

If the Security Trustee or any other Security Beneficiary receives notice (whether actual or otherwise) of any subsequent Encumbrance, other than a Permitted Security, affecting any part of the Charged Assets and/or the proceeds of sale thereof, it may open a new account or accounts for any of the Charging Companies in its books and if it does not do so then, as from the time of receipt of such notice by the Security Trustee or such other Security Beneficiary, all payments made by such Charging Company to the Security Trustee or such other Security Beneficiary shall be treated as having been credited to the new account of such Charging Company and not as having been applied in reduction of the Secured Obligations.

## 19. CONSOLIDATION OF ACCOUNTS AND SET-OFF

19.1 Each of the Security Beneficiaries shall be entitled, at any time or times after the occurrence of an Event of Default which is continuing and without notice to the Charging Companies (both before and after demand):

19.1.1 to combine or consolidate all or any sums of money now or hereafter standing to the credit of the then existing accounts (including each of the Collections Accounts) of any of the Charging Companies with that Security Beneficiary with the liabilities to that Security Beneficiary of any of the Charging Companies; and

19.1.2 to set-off or transfer any sum or sums standing to the credit of any one or more of such accounts (including each of the Collections Accounts) in or towards satisfaction of any of the liabilities of all or any of the Charging Companies to that Security Beneficiary on any other account or in any other respect.

The liabilities referred to in this Clause 19 may be actual, contingent, primary, collateral, several or joint liabilities, and the accounts, sums and liabilities referred to in this Clause 19 may be denominated in any currency.

19.2 If the amounts concerned are expressed in a different currency then each of the Security Beneficiaries may exercise all such rights and is authorised to effect any necessary conversions at a market rate of exchange selected by it.

19.3 If the relevant obligation or liability is unliquidated or unascertained the relevant Security Beneficiary may set-off the amount it estimates (in good faith) will be the final amount of such obligation or liability once it becomes liquidated or ascertained.

## 20. CURRENCY AND THE EURO

20.1 All monies received or held by the Security Trustee or any Receiver under this Composite Guarantee and Debenture may be converted from their existing currency into such other currency as the Security Trustee considers necessary or desirable to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Spot Rate of Exchange.

20.2 No payment to the Security Trustee (whether under any judgment or court order or in the liquidation or dissolution of any of the Charging Companies or otherwise) shall discharge the obligation or liability of any Charging Company in respect of which it was made, unless and until the Security Trustee shall have received payment in full in the currency in which the obligation or liability was incurred and, to the extent that the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability expressed in that currency, the Security Trustee shall have a further separate cause of action against such Charging Company and shall be entitled to enforce the security constituted by this Composite Guarantee and Debenture to recover the amount of the shortfall.

20.3 If Sterling is, or is to be replaced by the euro, the Security Trustee may notify the Charging Companies of any amendments to this Composite Guarantee and Debenture which the Security Trustee considers necessary to reflect that replacement and to put the Security Trustee and each of the Security Beneficiaries in the same position, so far as possible, that such persons would have been in if no such replacement had occurred. Upon such notification this Composite Guarantee and Debenture shall be deemed to be amended in accordance with such notification.



**21. APPROPRIATION AND SUSPENSE ACCOUNT**

- 21.1 Subject to Clause 20.2, the Security Trustee may apply all payments received for the Secured Obligations to reduce any part of those liabilities as it thinks fit.
- 21.2 All monies received, recovered or realised by the Security Trustee under this Composite Guarantee and Debenture may at the discretion of the Security Trustee (acting reasonably) be credited to any suspense account for so long as the Security Trustee (acting reasonably) determines (with interest accruing thereon at such rate, if any, as the Security Trustee may determine for the account of the relevant Charging Company) without the Security Trustee having any obligation to apply the same or any part thereof in or towards the discharge of any of the Secured Obligations provided that the Security Trustee must apply such moneys to discharge any of the Secured Obligations if such application would discharge all of the Secured Obligations.

**22. PAYMENTS**

- 22.1 Subject to Clause 22.2, all payments to be made by any Charging Company in respect of this Composite Guarantee and Debenture, shall be made in immediately available funds to the credit of such account as the Security Trustee may designate. All such payments shall be made free and clear of, and without any deduction for, or on account of, any set-off or counterclaim or, except to the extent compelled by law, any deduction on account of any Taxes.
- 22.2 If any Charging Company is compelled by law to withhold or deduct any Taxes from any sum payable hereunder to the Security Trustee or any of the Security Beneficiaries, the sum so payable by such Charging Company shall be increased so as to result in the receipt by the Security Trustee or such Security Beneficiary of a net amount equal to the full amount expressed to be payable hereunder, provided that, in the event of conflict with any provision of the Facilities Agreement, the provisions in the Facilities Agreement shall prevail and the terms and provisions of Clause 18 (Deduction of Tax) of the Facilities Agreement shall apply to this Composite Guarantee and Debenture mutatis mutandis as if such clauses were repeated herein.

**23. DELAY, OMISSION, AMENDMENTS AND CONSENTS**

- 23.1 No failure to exercise, nor any delay in exercising, on the part of the Security Trustee any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof, or the exercise of any other power or right. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.
- 23.2 Any provision of this Composite Guarantee and Debenture may be amended only if the Security Trustee and the Charging Companies so agree in writing and any breach hereof may be waived before or after it occurs only if the Security Trustee so agrees in writing. A waiver given or consent granted by the Security Trustee under this Composite Guarantee and Debenture will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

24. COSTS AND EXPENSES

- 24.1 Each Charging Company shall reimburse the Security Trustee and any Receiver in respect of all reasonable expenses, including, without limitation, reasonable legal, valuation, accountancy and consultancy fees (and any value added or similar tax thereon) incurred by the Security Trustee or the Security Beneficiaries in connection with:
- 24.1.1 the negotiation, preparation, execution and completion of this Composite Guarantee and Debenture, or any of the documents referred to herein; and
  - 24.1.2 any actual or proposed amendment or extension of, or any waiver or consent under, this Composite Guarantee and Debenture.
- 24.2 Each Charging Company shall reimburse the Security Trustee or the Security Beneficiaries and any Receiver for all costs and expenses, including, without limitation, legal fees (and any value added or similar tax thereon) incurred in connection with the enforcement or preservation of any of their respective rights under this Composite Guarantee and Debenture, or any of the documents referred to herein.
- 24.3 The amounts payable under Clauses 24.1 and 24.2 shall carry interest at the Default Rate (as well after as before any judgment) from the dates on which they were paid, incurred or charged by the Security Trustee or the Security Beneficiaries or the Receiver (as the case may be) and shall form part of the Secured Obligations and accordingly be secured on the Charged Assets under the charges contained in this Composite Guarantee and Debenture. All such interest shall be compounded at the end of such period or periods as the Security Trustee or the Security Beneficiaries may select.
- 24.4 Each Charging Company shall pay all present and future stamp, registration and similar taxes or charges which may be payable, or determined to be payable, in connection with the execution, delivery, performance or enforcement of this Composite Guarantee and Debenture or any judgment given in connection therewith and shall indemnify the Security Trustee, the Security Beneficiaries and the Receiver against any and all liabilities, including, without limitation, penalties with respect to, or resulting from, its delay or omission to pay any such stamp, registration and similar taxes or charges.

25. MISCELLANEOUS

- 25.1 All of the provisions of this Composite Guarantee and Debenture are severable and distinct from one another and the illegality, invalidity or unenforceability of any provision of this Composite Guarantee and Debenture under the law of any jurisdiction shall not affect the validity or enforceability of such provision under the law of any other jurisdiction, nor the legality, validity or enforceability of any other provision of this Composite Guarantee and Debenture.
- 25.2 This Composite Guarantee and Debenture may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered to any party shall be an original, but all the counterparts shall constitute one and the same instrument.

**26. ASSIGNMENT**

The Security Trustee may assign or transfer all or any part of its rights under this Composite Guarantee and Debenture in accordance with and subject to the provisions of the Intercreditor Deed.

**27. AGREEMENTS TO PREVAIL**

Where any provision in this Composite Guarantee and Debenture conflicts with a clause in the Facilities Agreement, the terms of the Facilities Agreement shall prevail for so long as the same remains in full force and effect. Where the context permits the rights and remedies of the Security Trustee under the Intercreditor Agreement, the Facilities Agreement and this Composite Guarantee and Debenture are cumulative.

**28. NOTICES**

28.1 All communications to be made hereunder shall be made by facsimile or otherwise in writing.

28.2 Any notices, proceedings or other documents to be served on any of the Charging Companies pursuant to this Composite Guarantee and Debenture shall be made or delivered to it at the address and/or facsimile number set out under its name at the end of this Composite Guarantee and Debenture marked for the attention of the person named in that section or at such other address and/or facsimile number as a Charging Company may hereafter advise the Security Trustee of in writing.

28.3 Any notice to the Security Trustee shall be addressed to the Security Trustee as set out under its name at the end of this Composite Guarantee and Debenture and marked for the attention of the person named in that section or to such other address as the Security Trustee may hereafter notify the other parties to this Composite Guarantee and Debenture.

28.4 Any notice to any Charging Company shall be deemed to have been given:

28.4.1 if delivered personally, at the time of such delivery;

28.4.2 if posted, on the second Business Day following the day on which it was despatched by first class mail (airmail, if appropriate) postage prepaid; and

28.4.3 if sent by facsimile transmission, on the Business Day on which transmitted.

28.5 Any notice to the Security Trustee shall be deemed to have been given only on actual receipt by the Security Trustee.

**29. THIRD PARTY RIGHTS**

Save for any purchaser or third party dealing with any Receiver or the Security Trustee in connection with Clause 13.2, a person who is not a party to this Composite Guarantee and Debenture shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Composite Guarantee and Debenture. This clause does not affect any right or remedy of any person which exists, or is available, otherwise than pursuant to that Act.

30. **GOVERNING LAW AND JURISDICTION**

30.1 This Composite Guarantee and Debenture shall be governed by, and construed in accordance with, the laws of England.

30.2 Each of the parties to this Composite Guarantee and Debenture irrevocably agrees for the benefit of each other that the courts of England shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes which may arise out of, or in connection with, this Composite Guarantee and Debenture and, for such purposes, the parties hereto irrevocably submit to the jurisdiction of such courts.

**IN WITNESS WHEREOF** the Charging Companies have each duly executed this Composite Guarantee and Debenture as a deed the day and the year first before written

SCHEDULE 1

The Charging Companies

Company Name	Registered No.	Registered Office
U-POL PRODUCTS LIMITED	4512086	1/3 Totteridge Lane, Whetstone, London, N20 0EY
U-POL LIMITED	464919	1/3 Totteridge Lane, Whetstone, London, N20 0EY

## SCHEDULE 2

### The Properties

#### FREEHOLD PREMISES

21/23 Dennington Road Industrial Estate, Wellingborough, NN8 2QH one part being registered at HM Land Registry with title absolute under title numbers NN200313, NN169953, NN146527 and the other part held pursuant to a conveyance dated 12 August 1964 between the Urban District Council of Wellingborough (1) and W David & Sons Limited (now called U-Pol Limited) (2).

#### LEASEHOLD PREMISES

Premises at 1 Totteridge Lane, Whetstone, London N20 6EY registered at HM Land Registry under title number NGL639397.

## SCHEDULE 3

### The Guarantee

1. The Guarantee is to be binding on the Charging Companies and each of them as a continuing security for the full amount which is now or in the future becomes due or owing to the Security Trustee and shall remain in full force and effect notwithstanding (a) any payments from time to time made to the Security Trustee or to the Security Beneficiaries, (b) any notice of determination by any Charging Company or (c) any settlement of account or any other thing whatsoever.
2.
  - 2.1 If, notwithstanding paragraph 1 of this Schedule 3, the Guarantee is determined for any reason, on the expiry of one month from the date of receipt by the Security Trustee of written notice to the Security Trustee from a Charging Company to discontinue it in respect of the liability of that Charging Company, the liability of that Charging Company shall be crystallised (subject to paragraph 2.2 of this Schedule 3) except as regards interest, commission, banking charges and expenses, without affecting the liability of any Charging Company who shall not have given notice to the Security Trustee of discontinuance.
  - 2.2 Notice of discontinuance under paragraph 2.1 of this Schedule 3 shall not affect the liability of the Charging Company giving such notice for the amount recoverable at the date of the expiry of the notice and that Charging Company shall continue to be liable for all sums which will or may become due to the Security Trustee from any Charging Company under or in respect of any dealing, transaction or engagement effected or entered into before that date or after that date but pursuant to any commitment, express or implied, assumed or undertaken by the Security Trustee or any Security Beneficiary to any Charging Company before that date.
  - 2.3 If for any reason the Guarantee shall cease to be a continuing security to the Security Trustee, the Security Trustee may either continue any then existing account(s) or open one or more new accounts for any of the Charging Companies, but in any case the obligations of each Charging Company under the Guarantee at the date the Guarantee ceases to be a continuing security shall remain unaffected by and be computed without regard to any payment into or out of any such account.
3. The liabilities of each of the Charging Companies to the Security Trustee under the Guarantee shall not be discharged, impaired or in any way affected as a result of:
  - 3.1 any time or indulgence or waiver given to, or composition made with any of the Charging Companies or any other person;
  - 3.2 any other right, remedy, guarantee, mortgage or other security held by or available to the Security Trustee or the Security Beneficiaries being or becoming wholly or in part void, voidable or unenforceable on any ground whatsoever or by the Security Trustee or any of the Security Beneficiaries from time to time dealing with, exchanging, varying, realising, releasing or failing to perfect or enforce any of the same;

- 3.3 the insolvency, receivership, liquidation, administration of or analogous proceedings relating to any of the Charging Companies or any other person;
  - 3.4 any amendment, variation or modification to, or replacement, or increase in the amount, of the Facilities Agreement or any other agreement or arrangement recording or securing or comprising the Secured Obligations;
  - 3.5 the taking, variation, compromise, renewal or release or refusal or neglect to perfect or enforce any rights, remedies or securities against any of the Charging Companies or any other person;
  - 3.6 any change in the constitution of the Security Trustee or the Security Beneficiaries (or any of the successors or assigns of the Security Trustee or the Security Beneficiaries) or as a result of the amalgamation or consolidation by the Security Trustee or the Security Beneficiaries with any other company or entity;
  - 3.7 any other act, omission, circumstance, matter or thing which but for this paragraph might operate to discharge, impair or otherwise affect the obligations of any Charging Company under the Guarantee whether in whole or in part.
4. The Guarantee (and the obligations of each charging company) shall continue in full force and effect notwithstanding:
- 4.1 the fact that any purported obligation of any of the Charging Companies or any other person to the Security Trustee (or any security therefor) becomes wholly or partly illegal, invalid or unenforceable in any respect whether or not known to the Security Trustee or the relevant Charging Company;
  - 4.2 any incapacity or any change in the constitution of, or any amalgamation or reconstruction of, any Charging Company or any other person or any other matter whatsoever;
  - 4.3 the failure of any Charging Company to be bound by the Guarantee for any reason whatsoever.
5. Subject to paragraph 6 of this Schedule 3, until all of the Secured Obligations have been irrevocably paid and discharged in full, no Charging Company will:
- 5.1 be subrogated to or otherwise entitled to participate in, any security or monies held, received or receivable by the Security Trustee or be entitled to any right of contribution in respect of any payment made by any Charging Company hereunder;
  - 5.2 exercise or enforce any of its rights of subrogation and indemnity against any of the Charging Companies;
  - 5.3 following a claim being made on a Charging Company hereunder, demand or accept repayment of any monies due from any of the Charging Companies to it or claim any set-off or counterclaim against any of the Charging Companies;
  - 5.4 claim or prove in a liquidation or other insolvency proceeding of any of the Charging Companies in competition with the Security Trustee or the Security Beneficiaries.



6. Following the making of a demand under the Guarantee, each Charging Company will (at its own cost) promptly take such of the steps or action as are referred to in paragraph 5 of this Schedule 3 as the Security Trustee may from time to time stipulate.
7. Each Charging Company shall promptly pay to the Security Trustee an amount equal to any set-off, proof or counterclaim exercised by it against any other Charging Company and shall hold in trust for and promptly pay or transfer to the Security Trustee any payment or distribution or benefit of security in fact received by it whether arising as a result of a breach of paragraph 5 of this Schedule 3 or compliance with directions given under paragraph 6 of this Schedule 3;
8.
  - 8.1 If the Security Trustee (on the basis of legal advice received by it for this purpose) reasonably considers that any amount paid by a Charging Company in respect of the Secured Obligations is capable of being avoided or set aside on the liquidation or administration of any Charging Company or otherwise, then such amount shall not be considered to have been paid for the purposes of the Guarantee.
  - 8.2 Any release, settlement or discharge between any Charging Company and the Security Trustee shall be conditional upon no payment, assurance or security received by the Security Trustee from such 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 (English or foreign) relating to insolvency, liquidation or analogous circumstances in force from time to time and accordingly (but without limiting the other rights of the Security Trustee hereunder), the Security Trustee shall be entitled to recover from such Charging Company the value which the Security Trustee has placed upon such security or the amount of any such payment as if such release, settlement or discharge had not occurred.
  - 8.3 Except in respect of the refinancing of the Secured Obligations by a third party financier as a result of which the Secured Obligations are repaid in full (but not in part only) to the Security Trustee, the Security Trustee may, following the discharge of all the Secured Obligations, retain any security held by it under this Composite Guarantee and Debenture until it is satisfied (acting reasonably) that it will not have to make any repayment under any law referred to in paragraph 8.2 of this Schedule 3.
  - 8.4 The Guarantee is and will remain the property of the Security Trustee after any release or settlement of any Charging Company's liability to the Security Trustee.
9. For the purposes of the liability of each Charging Company to the Security Trustee under the Guarantee (including the liability of each Charging Company for interest) every sum of money which may now or in the future be or become due or owing to the Security Trustee (or would have become so due or owing were it not for the liquidation or insolvency of any other company) shall be deemed to continue due and owing to the Security Trustee until the same shall be actually repaid to the Security Trustee notwithstanding the winding up or insolvency of any company or any other event whatever.
10. The Guarantee shall constitute the primary obligations of each of the Charging Companies and the Security Trustee shall not be obliged to make a demand on any Charging Company before enforcing its rights against any other Charging Company under the Guarantee.

11.

- 11.1 The Guarantee given by each Charging Company under this Composite Guarantee and Debenture shall be construed as if it were a separate guarantee and indemnity by each Charging Company in respect of the obligations owed by each other Charging Company to the Security Trustee.
- 11.2 Each Charging Company agrees and consents to be bound by the terms of the Guarantee notwithstanding that one or more of the other Charging Companies which was or were intended to execute this Guarantee may not do so or may not be bound by it for any reason.

SCHEDULE 4

Group Shares

Charging Companies	Name of company in which shares are held	Class of shares	Number of shares held
U-POL PRODUCTS LIMITED	U-POL LIMITED	Ordinary shares of £1.00 each	15,000

## SCHEDULE 5

### Special provisions relating to the Security Shares

#### 1. Certificated Group Shares

Each Charging Company shall, by way of security for the Secured Obligations, in respect of all Group Shares which are in certificated form:

- 1.1 immediately deliver to the Security Trustee (or as it shall direct) all certificates and other documents of title to such Group Shares together with instruments of transfer executed in blank in respect of such Group Shares and left undated; and
- 1.2 immediately on receipt of any certificate and other documents of title to any further or other Group Shares deliver them to the Security Trustee together with instruments of transfer executed in blank and left undated.

2. The Security Trustee may, at any time following the occurrence of an Event of Default which is continuing, complete the instruments of transfer on behalf of the relevant Charging Company in favour of itself or such other person as it shall select.

3. Until an Event of Default occurs:

- 3.1 each Charging Company will be entitled to receive and retain all dividends, distributions and other monies paid on or derived from the Group Shares; and
- 3.2 each Charging Company will be entitled to exercise all voting and other rights and powers attaching to the Group Shares, **provided** that it will not exercise any such voting rights or powers in a manner prejudicial to the interests of the Security Trustee under this Composite Guarantee and Debenture including, without limitation, to have the effect of changing the terms of the Group Shares (or any class of them or any Related Rights).

4. At any time when any Group Shares are registered in the name of the Security Trustee or its nominee, the Security Trustee will not be under any duty to ensure that any dividends, distributions or other monies payable in respect of those Group Shares are duly and promptly paid or received by it or its nominee or to verify that the correct amounts are paid or received or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of or in substitution for, any of those Group Shares.

5. It is expressly agreed that, notwithstanding anything to the contrary herein contained, each Charging Company shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of the Security Shares.

SCHEDULE 6

Form Of Notice To Bank Operating Collection Account

[address]

[ ◆ ]

[ Date ]

Dear Sirs

Re: [ ◆ ]

We advise that [ ◆ ] ("the Companies") have granted us a Composite Guarantee and Debenture ("the Debenture") containing, inter alia, fixed charges on their book debts and a covenant to pay such book debts into their accounts with us or such other accounts as we may direct.

The Companies have advised us that they wish to maintain accounts at your office at [ ◆ ] and we have agreed that:

- such accounts are designated by us as being accounts into which the book debts of the Companies may be paid;
- you may collect instruments/credits payable to or endorsed in favour of the Companies to such accounts; and
- you may permit the Companies to draw against credit balances in such account and the proceeds of instruments/credits collected from time to time to such accounts.

Please sign and return to us the attached copy of this letter by way of confirmation of your agreement to the above arrangements and as confirmation that:

- (a) no security rights, rights of counterclaim, rights of set-off or any other equities whatsoever have arisen in your favour against the Companies in respect of the amounts standing to the credit of the bank accounts of the Companies with you or the debts represented thereby or any part thereof and you will not make any claim or demand or exercise any right of counterclaim, rights of set-off or any other equities whatsoever in respect of any amounts standing to the credit of the Companies' bank accounts with you or any part thereof;
- (b) as at the date of this letter, you have not received any notice that any third party has or will have any right or interest whatsoever in or has made or will be making any claim or demand or is taking any action whatsoever against any amounts standing to the credit of the Companies' bank accounts with you or the debts represented thereby or any part thereof; and
- (c) in the event you become aware at any time that any person or entity other than Bank of Scotland has or will have any right or interest whatsoever in the amounts standing to the

credit of the Companies' bank accounts or any part thereof, you will forthwith give written notice of the terms of such right or interest to us.

Please note that our agreement is given without prejudice to, and shall not derogate or detract from, the nature of the charge over the book debts of the Companies created by the Debenture.

Our agreement to the above arrangement shall continue until [ ♦ ] unless you receive earlier written notice from us cancelling or varying this agreement.

Yours faithfully

.....  
For and on behalf of

**the Governor and Company of the Bank of Scotland**

We acknowledge and agree to the arrangements as set out above:

Date:

.....  
Authorised Signatory

[ ♦ ]

## SCHEDULE 7

### Deed of Accession

THIS SUPPLEMENTAL DEED is made on [◆ ] 200◆

#### BETWEEN:

- (1) THE COMPANIES LISTED IN SCHEDULE 1 (each an "Acceding Company", together the "Acceding Companies");
- (2) THE COMPANIES LISTED IN SCHEDULE 2 (together the "Existing Charging Companies"); and
- (3) [◆ NAME OF SECURITY TRUSTEE] (the "Security Trustee").

#### WHEREAS

This Supplemental Deed is supplemental to a composite guarantee and debenture dated [◆ ] 2001 and made between, *inter alia*, the Existing Charging Companies (1) and the Security Trustee (2) (the "Composite Guarantee and Debenture").

IT IS AGREED and declared as follows:

#### 1. DEFINITIONS

- 1.1 Words or expressions defined (including by reference) in the Composite Guarantee and Debenture shall, unless otherwise defined herein, bear the same meaning in this Supplemental Deed (including the recital hereto).
- 1.2 The principles of construction set out in clause 1.2 of the Composite Guarantee and Debenture shall apply *mutatis mutandis* to this Supplemental Deed as if the same were set out in full herein.

#### 2. ACCESSION OF THE ACCEDING COMPANY

- 2.1 By its execution of this Supplemental Deed, each of the Acceding Companies unconditionally and irrevocably undertakes to and agrees with the Security Trustee to observe and be bound by the terms and provisions of the Composite Guarantee and Debenture as if it were an original party thereto as one of the Charging Companies.
- 2.2 Without prejudice to the generality of sub-clause 2.1, each Acceding Company hereby:
  - 2.2.1 (jointly and severally with the other Charging Companies) covenants and guarantees in the terms set out in clauses 2 and 3 of, and schedule 3 to, the Composite Guarantee and Debenture; and
  - 2.2.2 with full title guarantee, charges and assigns to the Security Trustee for the payment and discharge of all monies and liabilities hereby, or by the

Composite Guarantee and Debenture, covenanted to be paid or discharged by it, all its property, assets and undertaking on the terms set out in clause 4 of the Composite Guarantee and Debenture.

2.3 The Existing Charging Companies hereby consent to the accession of the Acceding Companies to the Composite Guarantee and Debenture on the terms of clauses 2.1 and 2.2 of this Supplemental Deed and agree that the Composite Guarantee and Debenture shall hereafter be read and construed as if the Acceding Companies had been named therein as Charging Companies.

3. **INTERPRETATION**

This Supplemental Deed shall hereafter be read as one with the Composite Guarantee and Debenture, so that all references in the Composite Guarantee and Debenture to "*this Deed*", "*herein*" and similar expressions shall include references to this Supplemental Deed.

4. **DELIVERY**

This Supplemental Deed shall be treated as having been executed and delivered as a deed only upon being dated.

5. **COUNTERPARTS**

This Supplemental Deed may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered to any party shall be an original, but all the counterparts shall constitute one and the same instrument.

6. **THIRD PARTY RIGHTS**

A person who is not a party to this Supplemental Deed shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Supplemental Deed. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

7. **GOVERNING LAW AND JURISDICTION**

7.1 This Supplemental Deed shall be governed by, and construed in accordance with, the laws of England.

7.2 Each of the parties to this Supplemental Deed irrevocably agrees for the benefit of the Security Trustee that the courts of England shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes which may arise out of, or in connection with, this Supplemental Deed and, for such purposes, the parties hereto irrevocably submit to the jurisdiction of such courts.

**IN WITNESS** whereof each of the parties to this Supplemental Deed have duly executed this deed the day and year first above written.



SCHEDULE 1

The Acceding Companies

Company Name	Registration Number
◆	◆

SCHEDULE 2

The Existing Charging Companies

Company Name	Registration Number
◆	◆

**CHARGING COMPANIES**

**EXECUTED** (but not delivered until )  
the date hereof) as a Deed by )  
[◆NAME OF ACCEDING )  
COMPANY] acting by:

Director

Director/Secretary

**EXECUTED** (but not delivered until )  
the date hereof) as a Deed by )  
[◆NAME OF ACCEDING )  
COMPANY] acting by:

Director

Director/Secretary

**SECURITY TRUSTEE**

**SIGNED** by [◆ )  
for and on behalf of [◆NAME OF )  
**SECURITY TRUSTEE**] in the )  
presence of:

SCHEDULE 8

Intellectual Property

Trade Marks

Country	Origin	Trademark	International Classes	Application No	Application Date	Registration No	Registration Date	Next Renewal Due	Status
African Union (AIPO)		P.38 Letter & numerals	1, 19	3200001599	03-Nov-2000	43346	16-Mar-2001	03-Nov-2010	Registered
African Union (AIPO)		U-POL word	1, 2, 21			28846	30-Mar-1989	30-Mar-1999	Registered
African Union (AIPO)		U-POL word	19	3200001600	03-Nov-2000	43347	16-Mar-2001	03-Nov-2010	Registered
Australia		ISOPON word	19			A311,188	12-Sep-1977	12-Sep-2008	Registered
Australia		PLAST X word	1, 2, 3	908726	08-Apr-2002				Pending
Australia	IR-Prot.	STRONGHOLD word	1	775638	18-Feb-2002	775638	18-Feb-2002	18-Feb-2012	Registered
Australia		U-POL word	1, 2, 17, 19, 21	746524	17-Oct-1997	746524	17-Oct-1997	17-Oct-2007	Registered
Belarus		U-POL word	1, 2, 3, 17, 19, 21	19991082	23-Jul-1999	15094	22-Mar-2002	23-Jul-2009	Registered
Benelux		DAVID'S P. 38 logo	2, 17, 19			050222	27-Aug-1971	27-Aug-2010	Registered
Benelux		ISOPON word	1, 2, 17, 19			010784	27-Aug-1971	27-Aug-2002	Registered
Benelux		U-POL word	2, 17, 19			377187	17-Sep-1981	17-Sep-2011	Registered
Burundi		P.38 Letter & numerals	1, 19	3664/BUR	13-Nov-2000	3664/BUR	13-Nov-2000		Registered
Burundi		U-POL word	1, 19	3663/BUR	13-Nov-2000	3663/BUR	13-Nov-2000		Registered

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Community Trademark	ISOPON word	1, 2, 19	1881887	19-Sep-2000	1881887	04-Feb-2002	19-Sep-2010	Registered
Community Trademark	STRONGHOLD word	1		14-Feb-2002				Pending
Community Trademark	U-POL word	1, 2, 3, 17, 19, 21	438887	23-Dec-1996	438887	16-Dec-1999	23-Dec-2006	Registered
Denmark	ISOPON word	19			1625/1960	16-Jul-1960	16-Jul-2010	Registered
Denmark	P. 38 label	2, 19			860/1971	02-Apr-1971	02-Apr-2011	Registered
Estonia	U-POL word	1, 2, 19	M200001485	03-Oct-2000	34959	21-Sep-2001	21-Sep-2011	Registered
Fiji	U-POL word	4			24054	28-Jun-1983	28-Jun-2004	Registered
France	DAVID'S P. 38 label	1, 17, 19	123549	01-Dec-1971	1695958	01-Dec-1971	21-Sep-2011	Registered
France	FIBRAL word	1, 21			1235439	11-Apr-1983	11-Apr-2003	Registered
France	GRAV/PLUS word	2			1516141	23-Feb-1989	23-Feb-2009	Registered
France	GRAVITEX word	2			1281283	03-Aug-1984	03-Aug-2004	Registered
France	FIGRE SEAL words	17			1503729	25-Jan-1988	25-Jan-2008	Registered
France	TOPSTOP device	1			1584138	26-Mar-1990	25-Mar-2010	Registered
France	U-POL word	19			1578484	18-Mar-1980	01-Mar-2010	Registered
France	ZIG ZAG words	17			1501626	25-Jan-1988	25-Jan-2008	Registered
Germany	P. 38 label	2		25-Aug-1970	892563	25-Aug-1970	31-Aug-2010	Registered
Ghana	DAVID'S P.38 word & numerals	19			24350	20-Apr-1989	20-Apr-2010	Registered
Ghana	DAVID'S P.38 word & numerals	1			24292	20-Apr-1989	20-Apr-2010	Registered

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Ghana	U-POL word	2	31790	06-Nov-2000	165/1977	03-Jun-1977	03-Jun-2007	Pending
Iceland	ISOPON word	19						Registered
Iceland	ISOPON word	1, 2	3459/2000	02-Oct-2000	1015/2001	02-Nov-2001	02-Nov-2011	Registered
Iceland	U-POL word	1, 2, 19	3460/2000	02-Oct-2000	1501/2000	28-Nov-2000	28-Nov-2010	Registered
India	U-POL word	2	961026	04-Oct-2000				Pending
India	U-POL word	1	961025	04-Oct-2000				Pending
Ireland	ISOPON word	19			64820	13-Oct-1962	13-Oct-2004	Registered
Ireland	U-POL word	19	1089/89		B133308	01-Mar-1989	01-Mar-2010	Registered
Ireland	U-POL word	1			B133306	01-Mar-1989	01-Mar-2010	Registered
Ireland	U-POL word	2	1088/89		B133307	01-Mar-1989	01-Mar-2010	Registered
Ireland	U-POL word	21	1090/89		B133309	01-Mar-1989	01-Mar-2010	Registered
Japan	U-POL word	17, 21	10714890	24-Feb-1998	4539327	25-Jan-2002	25-Jan-2007	Registered
Kazakhstan	U-POL word	1, 2, 3, 17, 19, 21	14171	18-Aug-1999				Pending
Kenya	DAVID'S ISOPON word	21			25510	24-Dec-1978	24-Dec-1999	Registered
Kenya	DAVID'S ISOPON words	1			25509	24-Dec-1978	24-Dec-1999	Registered
Kenya	DAVID'S P.38 words and numerals	1			36516	10-Aug-1988	10-Aug-2009	Registered
Kenya	P. 38 label	21			17865	09-Sep-1970	09-Sep-2005	Registered
Lithuania	GRAVITEX word	2	962786	18-Nov-1996	32741	27-Apr-1999	18-Nov-2006	Registered

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Lithuania	U-POL word	1, 2, 3, 19, 21	962785	18-Nov-1996	34829	31-Aug-1999	18-Nov-2006	Registered
Madagascar	ISOPON P.38 word	1, 19	95:00380D	03-Mar-1995	01142	03-Mar-1995	02-Mar-2005	Registered
Malaysia	ISOPON P.40 word & numeral	21	MA/3184/90	18-May-1990				Pending
Mauritius	DAVIDS ISOPON words	19			275	21-Sep-1978	21-Sep-2013	Registered
Nigeria	DAVIDS P. 38 logo	19			30562	15-Mar-1977	15-Mar-2012	Registered
Nigeria	ISOPON word	19			30844	30-Mar-1977	30-Mar-2012	Registered
Nigeria	U-POL word	2	TP47495	08-Nov-2000				Pending
Norway	ISOPON word	1			57731	23-Mar-1959	23-Mar-2009	Registered
Poland	U-POL word	1, 2, 19	Z-143794	26-Jan-1995	98607	26-Jan-1995	26-Jan-2005	Registered
Portugal	DAVIDS P.38 word letter and numeral	1		15-Jul-1985	230781	16-Sep-1991	16-Sep-2011	Registered
Portugal	DAVIDS P.38 word letter and numerals	21		15-Jul-1985	230782	16-Sep-1991	16-Sep-2011	Registered
Portugal	GRAVITEX word	2	248698	11-Jul-1988	248698	08-Apr-1992	08-Apr-2012	Registered
Portugal	ISOPON word	21		15-Jul-1985	230784	16-Sep-1991	16-Sep-2011	Registered
Portugal	ISOPON word	1	230783	12-Jul-1985	230783	17-May-1995	17-May-2005	Registered
Portugal	U-POL word	1	248699	11-Jul-1988	248699	08-Apr-1992	08-Apr-2012	Registered
Portugal	U-POL word	19	248701	11-Jul-1988	248701	06-Apr-1992	06-Apr-2012	Registered
Portugal	U-POL word	21	248702	11-Jul-1988	248702	08-Apr-1992	08-Apr-2012	Registered
Portugal	U-POL word	2	248700	11-Jul-1988	248700	08-Apr-1992	08-Apr-2012	Registered

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Qatar		P.38 letter and numeral	1	24624	Qatar	08-Jan-2001												Pending
Qatar		P.38 letter and numeral	19	24625	Qatar	08-Jan-2001												Pending
Qatar		U-POL word	1	24626	Qatar	08-Jan-2001												Pending
Qatar		U-POL word	19	24627	Qatar	08-Jan-2001												Pending
Russian Federation	IR-ProL	STRONGHOLD word	1	775638	Russian Federation	18-Feb-2002	775638				18-Feb-2002							Registered
Russian Federation		U-POL word	1,2	98714748	Russian Federation	03-Sep-1998	184690				03-Sep-1998							Registered
Rwanda		U-POL word	1,2,19		Rwanda	07-Mar-2001												Pending
Saudi Arabia		U-POL word	1		Saudi Arabia		23468				23-Mar-1991							Registered
Saudi Arabia		U-POL word	2	67836	Saudi Arabia	08-Nov-2000												Pending
Saudi Arabia		U-POL word	3	67837	Saudi Arabia	08-Nov-2000												Pending
Saudi Arabia		U-POL word	19	67838	Saudi Arabia	08-Nov-2000												Pending
Saudi Arabia		U-POL word	21	67839	Saudi Arabia	08-Nov-2000												Pending
South Africa		P.38 label	19		South Africa		B695734				01-Dec-1969							Registered
South Africa		U-POL word	1	09715201	South Africa	08-Oct-1997	9715201				08-Oct-1997							Registered
South Africa		U-POL word	2	9715202	South Africa	08-Oct-1997	9715202				08-Oct-1997							Registered
South Africa		U-POL word	3	9715203	South Africa	08-Oct-1997	9715203				08-Oct-1997							Registered
South Africa		U-POL word	17	9715204	South Africa	08-Oct-1997	9715204				08-Oct-1997							Registered
South Africa		U-POL word	19	9715205	South Africa	08-Oct-1997	9715205				08-Oct-1997							Registered

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South Africa	U-POL word	21	97/15206	08-Oct-1997	97/15206	08-Oct-1997	97/15206	08-Oct-2007	Registered
Spain	DAVID'S P. 38 logo	19			837941	20-Mar-1979	30-Jan-2007	Registered	
Spain	ISOPON word	21			1205321	20-Feb-1990	20-Feb-2010	Registered	
Spain	U-POL word	1	1689944	12-Mar-1992	1689944	12-Mar-1992	12-Mar-2012	Registered	
Spain	U-POL word	21	1689945	12-Mar-1992	1689945	12-Mar-1992	12-Mar-2012	Registered	
Switzerland	DAVID'S P. 38 label	2			385614	22-Oct-1970	03-Oct-2010	Registered	
Taiwan	GRAVITEX word	3			544321	16-Dec-1991	15-Dec-2011	Registered	
Taiwan	U-POL word	1	84009530	04-Mar-1995	727124	16-Sep-1996	15-Sep-2006	Registered	
Taiwan	U-POL word	2	89062783	27-Oct-2000	964745	16-Oct-2001	15-Oct-2011	Registered	
Tanganyika	DAVID'S word	1	25579	30-Dec-1997	25579	30-Dec-1997	30-Dec-2004	Registered	
Tanganyika	ISOPON word	1	25580	30-Dec-1997	25580	30-Dec-1997	30-Dec-2004	Registered	
Tanganyika	P. 38 letter & numeral	1			19906	18-Dec-1985	18-Dec-2006	Registered	
Turkey	U-POL word	4			123035	28-Jun-1990	28-Jun-2010	Registered	
Uganda	P. 38 label	19			12035	04-Sep-1970	04-Sep-2005	Registered	
Ukraine	U-POL word	1, 2, 3, 17, 19, 21	99072632/T	23-Jul-1999				Pending	
United Arab Emirates	U-POL word	1	40748	27-Jan-2001	30070	08-Jan-2002	27-Jan-2011	Registered	
United Arab Emirates	U-POL word	19	40749	27-Jan-2001	30069	08-Jan-2002	27-Jan-2011	Registered	
United Kingdom	BARCOAT word	2	2017389	10-Apr-1995	2017389	10-Apr-1995	10-Apr-2005	Registered	

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United Kingdom	BODYMAN word	1				1166489	15-Dec-1981	15-Dec-2002	Registered
United Kingdom	BODYMAN word	21				1166490	15-Dec-1981	15-Dec-2002	Registered
United Kingdom	DAVID'S METALIK words	1				1391197	07-Jul-1989	07-Jul-2006	Registered
United Kingdom	DAVID'S P. 38 label	19				959990	21-May-1970	21-May-2005	Registered
United Kingdom	DAVIDS word	1, 2, 3, 21				1166494	15-Dec-1981	15-Dec-2012	Registered
United Kingdom	DEEPCOAT words	2	2017384	10-Apr-1995		2017384	10-Apr-1995	10-Apr-2005	Registered
United Kingdom	EASYLITE word	1	1415002	22-Feb-1990		B1415002	22-Feb-1990	22-Feb-2007	Registered
United Kingdom	FASTGLAS word	1, 21	2016232	31-Mar-1995		2016232	31-Mar-1995	31-Mar-2005	Registered
United Kingdom	FIBRAL word	21				1398522	04-Oct-1989	04-Oct-2006	Registered
United Kingdom	FILABAG word	1	2017724	12-Apr-1995		2017724	12-Apr-1995	12-Apr-2005	Registered
United Kingdom	GALVX word	1	2017386	10-Apr-1995		2017386	10-Apr-1995	10-Apr-2005	Registered
United Kingdom	GRAVITEX word	2				1230786	23-Nov-1984	23-Nov-2005	Registered
United Kingdom	G-TEX word	2				B1243533	07-Jun-1985	07-Jun-2006	Registered
United Kingdom	ISOPON word	19				758455	11-Oct-1956	11-Oct-2005	Registered
United Kingdom	ISOPON word	1				863405	17-Apr-1964	17-Apr-2009	Registered
United Kingdom	ISOPON word	8				1166498	15-Dec-1981	15-Dec-2002	Registered
United Kingdom	ISOPON word	1, 2, 3, 8, 21				1166499	15-Dec-1981	15-Dec-2012	Registered
United Kingdom	P-38 Letter & numerals	1				1166502	15-Dec-1981	15-Dec-2012	Registered

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United Kingdom	P-40 Letter & numerals	21				1166503	15-Dec-1981	15-Dec-2012	Registered
United Kingdom	PLAST 'X' word	1, 2, 3	2204287	28-Jul-1999		2204287	28-Jul-1999	28-Jul-2009	Registered
United Kingdom	QUICK SAND words and device	1	1577839	13-Jul-1994		1577839	13-Jul-1994	13-Jul-2011	Registered
United Kingdom	REFACE word	1	2017390	10-Apr-1995		2017390	10-Apr-1995	10-Apr-2005	Registered
United Kingdom	SMOOTH 7 word and numeral	1	2016227	31-Mar-1995		2016227	31-Mar-1995	31-Mar-2005	Registered
United Kingdom	STRONGHOLD word	1	2292107	07-Feb-2002		2292107	07-Feb-2002	07-Feb-2012	Registered
United Kingdom	THE BIG SMOOTH EASY ONE THE BIG SMOOTH EASY 1 words and numeral (series of 2)	1	2016196	31-Mar-1995		2016196	31-Mar-1995	31-Mar-2005	Registered
United Kingdom	TOP STOP words	1	2016230	31-Mar-1995		2016230	31-Mar-1995	31-Mar-2005	Registered
United Kingdom	U-POL TIGER SEAL words	17				B1324910	23-Oct-1987	23-Oct-2008	Registered
United Kingdom	U-POL TOP STOP words	1				B1351865	13-Jul-1988	13-Jul-2005	Registered
United Kingdom	U-POL TOP STOP words	19				B1351866	13-Jul-1988	13-Jul-2005	Registered
United Kingdom	U-POL word	1				B1198564	28-Jun-1983	28-Jun-2004	Registered
United Kingdom	U-POL word	21				B1198565	28-Jun-1983	28-Jun-2004	Registered
United Kingdom	U-POL word	2				B1284323	07-Oct-1986	07-Oct-2007	Registered
United Kingdom	U-POL word	8				B1284325	07-Oct-1986	07-Oct-2007	Registered
United Kingdom	U-POL word	19				B1284326	07-Oct-1986	07-Oct-2007	Registered
United Kingdom	ZINC 182 word & numerals	2	2017385	10-Apr-1995		2017385	10-Apr-1995	10-Apr-2005	Registered
United States of America	PLAST 'X' logo	1, 2, 3	76416736	05-Jun-2002					Pending

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United States of America	U-POL word	1, 21	74/06/1994	23-May-1990	1798972	19-Oct-1993	19-Oct-2003	Registered
United States of America	U-POL word	2, 3	75/503817	17-Jun-1998	239928	11-Apr-2000	11-Apr-2010	Registered
WIPO	STRONGHOLD word	1	775638	18-Feb-2002	775638	18-Feb-2002	18-Feb-2012	Registered
Zanzibar	DAVID'S word		500/97	05-Nov-1997	866/99	05-Nov-1997	05-Nov-2011	Registered
Zanzibar	ISOPON word		499/97	05-Nov-1997	867/99	05-Nov-1997	05-Nov-2011	Registered
Zanzibar	P-38 letter and numeral	1	203/85	04-Dec-1985	203/85	04-Dec-1985	04-Dec-2013	Registered

### Design Rights

Country	Design Registration No.	Title	Filing Date	Our Renewal Fee Ref	Renewal Fee Due	Registered Design Expiry Date
UK	2005115	Applicator Gun	02/03/90	RD023	02/03/05	02/03/15
UK	2005116	Applicator Nozzle	02/03/90	RD024	02/03/05	02/03/15
UK	2050640	Filler Bag	22/09/95	RD255	22/09/05	22/09/20

### Patent Rights

Country	Patent No.	Title	Filing Date	Our Renewal Fee Ref	Renewal Fee Due	Patent Expiry Date
Europe	EP0852557	Hand Holdable Manually Dispensing Mastic Container	26/09/96		26/09/03	
Europe	EP0485496	Dispensing Apparatus	03/08/90		03/08/03	

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Australia	627926	Dispensing Apparatus	03/08/90	RC040	03/08/03	03/08/10
Austria	485496	Dispensing Apparatus	03/08/90	RC062	31/08/03	03/08/10
Belgium	485496	Dispensing Apparatus	03/08/90	RC063	03/08/03	03/08/10
Denmark	485496	Dispensing Apparatus	03/08/90	RC064	31/08/03	03/08/10
France	485496	Dispensing Apparatus	03/08/90	RC065	31/08/03	03/08/10
Germany	485496	Dispensing Apparatus	03/08/90	RC066	31/08/03	03/08/10
Ireland	62650	Dispensing Apparatus	01/08/90	RC528	01/08/02	01/08/10
Italy	485496	Dispensing Apparatus	03/08/90	RC067	31/08/03	03/08/10
Netherlands	485496	Dispensing Apparatus	03/08/90	RC069	31/08/03	03/08/10
Portugal	94900	Dispensing Apparatus	03/08/90	RC510	18/09/03	18/09/12
Spain	485496	Dispensing Apparatus	03/08/90	RC070	31/08/03	03/08/10
Sweden	485496	Dispensing Apparatus	03/08/90	RC071	31/08/03	03/08/10
Switzerland	485496	Dispensing Apparatus	03/08/90	RC072	31/08/03	03/08/10
UK	485496	Dispensing Apparatus	03/08/90	RA106	03/08/03	03/08/10
USA	5294024	Dispensing Apparatus	03/08/90	RC189	15/09/05	15/03/11
Hong Kong	1002955	Filler Paste Container	28/03/96	RC708	27/03/03	27/03/16
UK	2314069	Filler Paste Container	28/03/96	RA565	28/03/03	28/03/16
Australia	718883	Hand Holdable Manually Dispensing Mastic Container	26/09/96	RC515	26/09/03	26/09/16
Belgium	852557	Hand Holdable Manually Dispensing Mastic Container	26/09/96	RC779	30/09/03	26/09/16
China	2005115	Hand Holdable Manually Dispensing Mastic Container	26/09/96	RC528	26/09/02	26/09/16
Czech Republic	PV 1998-916	Hand Holdable Manually Dispensing Mastic Container	26/09/96	RC846	26/09/03	26/09/16

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France	852557	Hand Holdable Mastic Container	Manually Dispensing	26/09/96	RC780	30/09/03	26/09/16
Germany	852557	Hand Holdable Mastic Container	Manually Dispensing	26/09/96	RC781	30/09/03	26/09/16
Greece	852557	Hand Holdable Mastic Container	Manually Dispensing	26/09/96	RC782	30/09/03	26/09/16
Hong Kong	1009789	Hand Holdable Mastic Container	Manually Dispensing	26/09/96	RC814	25/09/05	25/09/16
Italy	852557	Hand Holdable Mastic Container	Manually Dispensing	26/09/96	RC783	26/09/03	26/09/16
Lithuania	852557	Hand Holdable Mastic Container	Manually Dispensing	26/09/96	RC796	30/09/03	26/09/16
New Zealand	318833	Hand Holdable Mastic Container	Manually Dispensing	26/09/96	RC745	26/09/03	26/09/16
Russian Federation	2179947	Hand Holdable Mastic Container	Manually Dispensing	26/09/96	RC837	26/09/03	26/09/16
Singapore	51703	Hand Holdable Mastic Container	Manually Dispensing	26/09/96	RC737	26/09/03	26/09/16
Spain	852557	Hand Holdable Mastic Container	Manually Dispensing	26/09/96	RC784	30/09/03	26/09/16
UK	2328925	Hand Holdable Mastic Container	Manually Dispensing	26/09/96	RA621	26/09/03	26/09/16
UK	852557	Hand Holdable Mastic Container	Manually Dispensing	26/09/96	RA663	26/09/03	26/09/16
USA	6003730	Hand Holdable Mastic Container	Manually Dispensing	26/09/96	RC692	21/06/03	26/09/16

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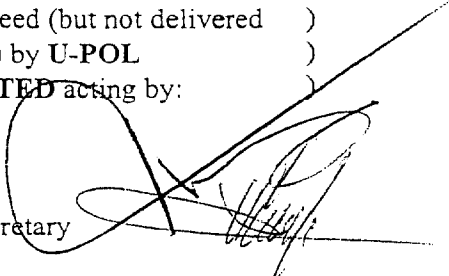
EXECUTION PAGE

CHARGING COMPANIES

EXECUTED as a Deed (but not delivered )  
until the date hereof) by U-POL )  
PRODUCTS LIMITED acting by: )

Director

Director/Secretary



Address: 1/3 Totteridge Lane,  
Whetstone, London,  
N20 0EY

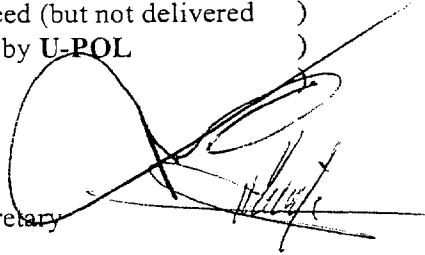
Attention: Company Secretary

Facsimile No: 020 8492 5911

EXECUTED as a Deed (but not delivered )  
until the date hereof) by U-POL )  
LIMITED acting by: )

Director

Director/Secretary



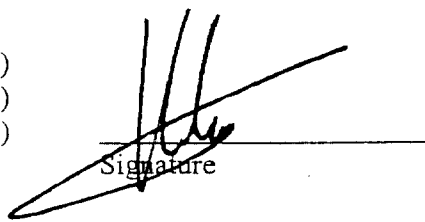
Address: 1/3 Totteridge Lane,  
Whetstone, London,  
N20 0EY

Attention: Company Secretary

Facsimile No: 020 8492 5911

SECURITY TRUSTEE

SIGNED by )  
for and on behalf of THE GOVERNOR AND )  
COMPANY OF THE BANK OF )  
SCOTLAND: )

  
Signature

Address: 14 Friar Lane. Leicester,  
LE1 5RA

Attention: Steve Harris, Relationship  
Director

Facsimile No: 0116 280 9032