

TRADEMARK ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Adaptaflex Limited		01/04/2007	CORPORATION: UNITED KINGDOM
RECEIVING PARTY DATA			
Name:	The Royal Bank of Scotland PLC		
Street Address:	2 St Philips Place		
City:	Birmingham		
State/Country:	UNITED KINGDOM		
Postal Code:	B3 2RB		
Entity Type:	Public Limited Company: UNITED KINGDOM		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	2385073	ADAPTAFLEX	
Registration Number:	1967671	ADAPTAFLEX	
CORRESPONDENCE DATA			
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	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
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ATTORNEY DOCKET NUMBER:	17586-9004 (ADAPTAFLEX)		
DOMESTIC REPRESENTATIVE			
Name:			

CH \$65.00 2385073

Address Line 1:

Address Line 2:

Address Line 3:

Address Line 4:

NAME OF SUBMITTER:

Judith L. Grubner

Signature:

/judith l. grubner/

Date:

09/18/2007

Total Attachments: 87

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DATED 4 January 2007

THE COMPANIES identified in Schedule 1

THE ROYAL BANK OF SCOTLAND PLC

as Security Trustee

CERTIFIED TRUE COPY OF
ORIGINAL DOCUMENT

Browne Jacobson LLP

[Signature]
Victoria Square House

Victoria Square, Birmingham B2 4BU
DX: 727740 Birmingham 62

SECURITY AGREEMENT

Browne Jacobson LLP
Victoria Square House
Victoria Square
Birmingham
B2 4BU

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DATE

4th January

2007

PARTIES

1 THE COMPANIES whose names, registered numbers and registered offices are set out in Schedule 1 (collectively the "Charging Companies" and each a "Charging Company")

in favour of:

2 THE ROYAL BANK OF SCOTLAND PLC acting through its office at 2 St Philips Place, Birmingham, B3 2RB as agent and trustee for the Beneficiaries (as defined below) (the "Security Trustee")

IT IS AGREED AS FOLLOWS:

1 Definitions and interpretation

1.1 Unless otherwise provided in this Deed, terms defined in the Senior Facilities Agreement shall have the same meaning where used in this Deed.

1.2 Definitions

In this Deed, unless the context otherwise requires:

Accounts: means all accounts (including the Designated Accounts), and all moneys from time standing to the credit (including any interest thereon) of such accounts and all rights in relation thereto, with any bank, financial institution or other person in any jurisdiction now or at any time hereafter (and from time to time) owned, operated or held by any Charging Company or in which any Charging Company has an interest;

Assigned Documents: means the Acquisition Documents;

Beneficiaries: means the Security Trustee and each Finance Party;

Charged Property: means all the assets for the time being subject to the Security created by this Deed (and references to the Charged Property include references to any part of it);

Debts: means all book debts, other debts, receivables and liabilities of any kind whatsoever now or at any time hereafter (and from time to time) due, owing or payable to any Charging Company or in which any Charging Company has an interest and the proceeds of the same, including the benefit of any judgment or order to pay a sum of money, and the benefit of all rights, securities and guarantees of any nature

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whatsoever now or at any time enjoyed or held by it in relation to the same, and all bills of exchange, promissory notes and other negotiable instruments now or at any time hereafter (and from time to time) owned or held by any Charging Company or in which any Charging Company has an interest, including all liens, reservations of title, rights of tracing and other rights enabling any Charging Company to enforce such debts;

Declared Default: means an Event of Default in respect of which the Agent has exercised any of its rights under Clause 28.19 (*Acceleration*) of the Senior Facilities Agreement;

Designated Accounts: means each Mandatory Prepayment Account and each Holding Account;

Environment: means the air (including the air within buildings and the air within other natural or man-made structures above or below ground), water (including ground and surface water) and land (including surface and sub-surface soil) and any other meaning given to the term under Environmental Law;

Equipment: means all equipment, plant, machinery, tools, vehicles, furniture and other tangible moveable property now or at any time hereafter (and from time to time) owned by any Charging Company or in which any Charging Company has an interest, including any part thereof, together with all spare parts, replacements, modifications and additions thereto and the benefit of all contracts and warranties relating to the same;

Floating Charge Property: means all or any part of the assets for the time being subject to the floating charge created by this Deed;

Goodwill: means all goodwill (including brands and brand names not comprising Intellectual Property) of or in a Charging Company now or at any time hereafter (and from time to time);

Insurance Policies: means all contracts and policies of insurance or assurance (including the Key Man Policies and any insurance relating to the Properties or the Equipment) and all moneys payable under or pursuant to such policies and all rights and interests in such contracts and policies including the right to the refund of any premium, in each case, now or at any time hereafter (and from time to time) owned or taken out by any Charging Company or in which any Charging Company has an interest;

Intellectual Property: means all interests in respect of any patent (including supplementary protection certificates), trade mark, service mark, trade name, registered design, design right, copyright, know-how, utility model, topographical or similar right, moral right, invention,

confidential information, trade secret, database right, right in passing off and any other right in intellectual property subsisting anywhere in the world in any of the foregoing whether registered or unregistered and any registration, extension, renewal or application for registration, including all present and future fees, royalties and other income or rights, derived therefrom or incidental thereto and also including the benefit of all present and future agreements relating to the use of licensing or exploitation of any such rights, in each case, now or at any time hereafter (and from time to time) owned or held by any Charging Company or in which any Charging Company has an interest;

Other Rights: means the benefit of all agreements, licences, consents and authorisations relating to the business of any Charging Company or any Charged Property and the right to recover and receive all compensation which may be payable in respect of them, in each case, now or at any time hereafter (and from time to time) owned or held by any Charging Company or in which any Charging Company has an interest;

Pension Fund Interests: means all interests and rights now or at any time hereafter (and from time to time) owned or held by any Charging Company in relation to any pensions funds;

Principal Debtor: means: (a) each Borrower, (b) any Charging Company and (c) any other present or future Subsidiary of the Parent, in each case, to the extent only that it owes or incurs any Secured Liabilities to the Beneficiaries;

Properties: means all estates or interests in any freehold and leasehold properties (whether registered or unregistered) and all commonhold and other immovable properties now or at any time hereafter (and from time to time) owned by any Charging Company wheresoever situate and all buildings, structures and fixtures thereon and the proceeds of sale of all or any part thereof (including the properties which are briefly described in Schedule 2 (*Properties currently owned*));

Property Interests: means all interests in or over the Properties and all rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to the Properties, in each case, now or at any time hereafter (and from time to time) owned or held by any Charging Company;

Secured Documents: means the Finance Documents;

Secured Liabilities: means any and all present and future moneys, obligations and liabilities owed by any Principal Debtor to the Beneficiaries, whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity whatsoever including, inter alia, under or in connection with the Secured Documents

including such monies, obligations and liabilities which may arise pursuant to Clause 21.3;

Securities: means all stocks, shares, debentures, debenture stock, loan capital, securities, bonds and investments of any kind whatsoever (whether or not marketable) now or at any time hereafter (and from time to time) owned or held by any Charging Company or in which any Charging Company has an interest (whether certificated or uncertificated and whether in registered or unregistered form), together with all allotments offered or arising in respect thereof or incidental thereto and all stocks, shares, loan capital, securities, bonds, investments, rights, income, money or property accruing, deriving, offered or paid from time to time by way of dividend, distribution, interest, exchange, capital reorganisation, conversion, redemption, bonus, rights, preference, option or otherwise in respect thereof;

Securities Issuer: means the issuer of any Securities which are charged to the Security Trustee pursuant to this Deed;

Securities System: means any securities system and any other system or facility (whether established in the United Kingdom or elsewhere) providing means for the deposit of and/or clearance of transactions in Securities;

Securities System Rights: means all rights against the operator of any Securities System in relation to any Securities that are held in a Securities System or any participant in relation to any Securities, in each case, now or at any time hereafter (and from time to time) owned or held by any Charging Company;

Security Period: means the period starting on the date of this Deed and ending on the date on which the Secured Liabilities under the Secured Documents have been unconditionally and irrevocably paid and discharged in full;

Senior Facilities Agreement: means the agreement dated on or about the date of this Deed and made between, inter alia, Dundas Holdings Limited, Cable Management Products Limited and The Royal Bank of Scotland plc (as Agent, Mandated Lead Arranger, Lender and Security Trustee) relating to certain loan and other banking facilities of up to £34,000,000;

Uncalled Capital: means all the uncalled capital of a Charging Company now or at any time hereafter (and from time to time).

1.3 Construction

1.3.1 In this Deed (unless the context requires otherwise) any reference to:

- 1.3.1.1 each Charging Company, the Security Trustee, the Borrower, the Parent, the Beneficiaries, any Issuer or any other person shall be construed so as to include their successors in title, permitted assigns and permitted transferees;
- 1.3.1.2 "assets" includes present and future properties, revenues and rights of every description;
- 1.3.1.3 an "amendment" includes a supplement, restatement, variation, novation or re-enactment (and "amended" is to be construed accordingly);
- 1.3.1.4 an "authorisation" includes an authorisation, consent, licence, approval, resolution, exemption, filing, registration and notarisation;
- 1.3.1.5 a Secured Document or any other agreement or instrument is a reference to that Secured Document or other agreement or instrument as amended from time to time with the agreement of the relevant parties and (where such consent is, by the terms of this Deed or the relevant document, required to be obtained as a condition to such amendment being permitted) the prior written consent of the Security Trustee;
- 1.3.1.6 "including" means "including without limitation";
- 1.3.1.7 "indebtedness" includes any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent;
- 1.3.1.8 "owned" includes having legal or equitable title to or a right to have legal or equitable title transferred;
- 1.3.1.9 a "person" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
- 1.3.1.10 a "regulation" includes any regulation, rule, official directive, request, guideline or concession (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

- 1.3.1.11 a "law" includes a reference to the common law, any statute, bye-law, regulation or instrument and any kind of subordinate legislation, and any order, requirement, code of practice, circular, guidance note, licence, consent or permission made or given pursuant to any of the foregoing;
 - 1.3.1.12 a provision of law is a reference to that provision as amended or re-enacted from time to time;
 - 1.3.1.13 a time of day is a reference to London time;
 - 1.3.1.14 any gender includes a reference to the other genders;
 - 1.3.1.15 the singular includes a reference to the plural and vice versa; and
 - 1.3.1.16 a Clause or Schedule is to a Clause or Schedule (as the case may be) of or to this Deed.
- 1.3.2 Clause and Schedule headings are for ease of reference only.

1.4 **Clawback**

If the Security Trustee considers, acting reasonably, that an amount paid by any Charging Company in respect of the Secured Liabilities is capable of and reasonably likely to be avoided or otherwise set aside whether on the liquidation or administration of such Charging Company or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed until any applicable statutory time period for such clawback has expired.

1.5 **Nature of security over real property**

A reference in this Deed to any freehold, leasehold or commonhold property includes:

- 1.5.1 all buildings and fixtures (including trade and tenant's fixtures) which are at any time situated on that property;
- 1.5.2 the proceeds of sale of any part of that property; and
- 1.5.3 the benefit of any covenants for title given or entered into by any predecessor in title of any Charging Company in respect of that property or any monies paid or payable in respect of those covenants.

connection with any of the foregoing and (iv) any combination of any of the foregoing.

2 Covenants to pay

2.1 Covenant to pay

Each Charging Company hereby covenants with the Security Trustee (as trustee for the Beneficiaries) that it will on demand pay and discharge all Secured Liabilities owing or incurred from or by it to the Beneficiaries when they become due.

2.2 Further advances

This Deed secures further advances made under or pursuant to the terms of the Secured Documents and the Lenders are, subject to and upon the terms and conditions of the Secured Documents, under an obligation to make further advances.

3 Grant of security

3.1 Charging clause

As a continuing security for the payment or discharge of the Secured Liabilities, each Charging Company with full title guarantee or as beneficial owner hereby:

3.1.1 charges to the Security Trustee (as trustee for the Beneficiaries), by way of first legal mortgage, all its Properties which are listed in Schedule 2 (*Properties currently owned*);

3.1.2 charges to the Security Trustee (as trustee for the Beneficiaries), by way of first fixed charge all its:

3.1.2.1 Properties hereafter acquired by it;

3.1.2.2 Property Interests;

3.1.2.3 Equipment;

3.1.2.4 Securities;

3.1.2.5 Securities System Rights;

3.1.2.6 Intellectual Property;

3.1.2.7 Insurance Policies;

3.1.2.8 Debts;

- 3.1.2.9 Accounts, with the exception of trading accounts used in the ordinary course of a Charging Company's business;
- 3.1.2.10 Pension Fund Interests;
- 3.1.2.11 Goodwill and Uncalled Capital; and
- 3.1.2.12 Other Rights.

3.1.3 assigns to the Security Trustee (as trustee for the Beneficiaries), the benefit of the Assigned Documents to which it is a party or an addressee and any claims arising under any of the same, and the benefit of any guarantee or security for the performance of the Assigned Documents; and

3.1.4 charges to the Security Trustee (as trustee for the Beneficiaries), by way of first floating charge, all of its undertaking, property, assets and rights whatsoever and wheresoever both present and future not effectively mortgaged, charged or assigned pursuant to Clauses 3.1.1 to 3.1.3 inclusive.

3.2 Title documents

Each Charging Company shall on the execution of this Deed (or, if later, the date of acquisition of the relevant Charged Property) deposit with the Security Trustee (and the Security Trustee shall during the continuance of this security be entitled to hold):

3.2.1 all deeds and documents of title relating to the Charged Property which are in its possession or control (and, if not within its possession and/or control, such Charging Company hereby undertakes to obtain possession of such deeds and documents of title);

3.2.2 all insurance policies relating to any of the Charged Property to which policies it is entitled to possession (including in particular each of the Key Man Policies); and

3.2.3 all certificates relating to the Securities and such instruments of transfer in blank and other documents as the Security Trustee may from time to time require for perfecting its title to the Securities or for vesting or enabling it to vest the Securities in itself or its nominee or in any purchaser.

3.3 Security notices

Each Charging Company shall immediately upon the execution of this Deed:

- 3.3.1 give notice in the form set out in Part I of Schedule 3 (*Form of notice to counterparties of Assigned Documents*) to the other parties to the Assigned Documents (excluding the Reports) to which it is a party of the assignment pursuant to Clause 3.1.3 of its rights and interest in and under such Assigned Documents and use all reasonable endeavours to procure that each addressee of such notice will promptly provide an acknowledgement to the Security Trustee in the form set out in Part II of Schedule 3 (*Form of acknowledgement from counterparties to Assigned Documents*); and
- 3.3.2 give notice in the form set out in Part I of Schedule 4 (*Form of notice of assignment to third party bank*) to any bank, financial institution or other person of the charging to the Security Trustee pursuant to Clause 3.1.2.9 of its rights and interests under such accounts and use all reasonable endeavours to procure that each addressee of such notice will promptly provide an acknowledgement to the Security Trustee in the form set out in Part II of Schedule 4 (*Form of acknowledgement from third party bank*).
- 3.4 Leasehold security restrictions
- 3.4.1 There shall be excluded from the charges created by Clause 3.1 (*Charging clause*) and from the operation of Clause 4.2 (*HMLR disposal restriction*) any leasehold property held by a Charging Company under a lease which either precludes absolutely or conditionally (including requiring the consent of any third party) that Charging Company from creating any charge over its leasehold interest in that property (each an "Excluded Property") until the relevant condition or waiver has been satisfied or obtained.
- 3.4.2 For each Excluded Property, each relevant Charging Company undertakes to:
- 3.4.2.1 apply for the relevant consent or waiver of prohibition or conditions immediately upon execution of this Deed and, to use all reasonable endeavours to obtain that consent or waiver of prohibition as soon as reasonably possible and to keep the Security Trustee informed of the progress of its negotiations to obtain such consent or waiver; and
- 3.4.2.2 immediately upon receipt of such consent or waiver, provide the Security Trustee with a copy.
- 3.4.3 Immediately upon receipt of the relevant waiver or consent, the relevant formerly Excluded Property shall stand charged to the Security Trustee (as trustee for the Beneficiaries) under Clause 3.1 (*Charging clause*). If required by the Security Trustee at any time following receipt of that waiver or consent, the relevant Charging Company will

execute a valid fixed charge in such form as the Security Trustee shall require.

3.5 Conversion of floating charge

If:

- 3.5.1 an Event of Default has occurred; or
- 3.5.2 any Charging Company creates or attempts to create a Security (other than a Permitted Security) or any trust in favour of another person over all or any of its assets or disposes or attempts to dispose of all or any of its assets other than in the ordinary course of its business; or
- 3.5.3 the Security Trustee reasonably considers any Charged Property to be in danger of being seized or sold under or pursuant to any form of distress, attachment, execution or other legal process or otherwise to be in jeopardy; or
- 3.5.4 the members of any Charging Company convene to consider a resolution to voluntarily wind such Charging Company up; or
- 3.5.5 any Charging Company is presented with a petition for the compulsory winding up of such Charging Company (save for any petition which is frivolous, vexatious or an abuse of the process which is dismissed within 14 days); or
- 3.5.6 if an administrator is appointed or the Security Trustee receives notice of an intention to appoint an administrator,

the floating charge created by this Deed will automatically and immediately (without notice) be converted into a fixed charge over the Floating Charge Property.

3.6 Assets acquired after any floating charge crystallisation

Any asset acquired by any Charging Company after any crystallisation of the floating charge created under this Deed which but for such crystallisation would be subject to a floating charge shall, (unless the Security Trustee confirms in writing to the contrary) be charged to the Security Trustee (as trustee for the Beneficiaries) by way of first fixed charge.

3.7 Reconversion of fixed charge assets into floating charge assets

The Security Trustee may at any time after any conversion of the floating charge over any Charged Property into a fixed charge in accordance with Clause 3.5 (*Conversion of floating charge*) reconvert such fixed charge into a floating charge.

3.8 Automatic Release from Fixed Charge for Assets Subject to a Permitted Disposal or Permitted Transaction

The Security Trustee confirms that any Charged Assets which are the subject of a Permitted Disposal or Permitted Transaction shall be automatically released from the fixed charge created by this Deed upon the occurrence of such Permitted Disposal or Permitted Transaction.

4 No other security interest or disposals

4.1 Negative pledge and disposal restrictions

Each Charging Company hereby covenants with the Security Trustee that it will not at any time, except with the prior written consent of the Security Trustee or in accordance with the terms of the Senior Facilities Agreement or this Deed:

4.1.1 create or purport to create or permit to subsist any Security on or in relation to the Charged Property other than this Deed; or

4.1.2 sell, assign, transfer, lease, licence, share occupation of, part with possession or otherwise dispose of (or purport to sell, assign, transfer, lease, licence, share occupation of, part with possession or otherwise dispose of) all or any part of the Charged Property or of the equity of redemption of any such Charged Property or any interest in any such Charged Property;

4.1.3 create or grant (or purport to create or grant) any interest in the Charged Property in favour of a third party.

4.2 HMLR disposal restriction

In respect of any Property or part of or interest in any Property title to which is registered at H.M. Land Registry each relevant Charging Company hereby applies to H.M. Chief Registrar to enter the following restriction on the register of that Charging Company's title to such Property:

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the Debenture dated [] 2007 in favour of The Royal Bank of Scotland plc referred to in the Charges Register".

5 Covenants relating to debts, Accounts and insurances

5.1 Preservation of debts

Each Charging Company shall not except with the prior written consent of the Security Trustee sell, factor, discount, release, exchange, compound, set-off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Debts save as hereinafter expressly provided.

5.2 Debts and Accounts

Each Charging Company shall:

- 5.2.1 as agent for the Security Trustee, collect and pay into the relevant Designated Accounts all sums due to be paid into the Designated Accounts in accordance with the terms of the Senior Facilities Agreement (and in particular Clause 12.4 (*Mandatory Prepayment Accounts and Holding Accounts*) of the Senior Facilities Agreement) and, pending such payment, hold those sums in trust for the Security Trustee;
- 5.2.2 not without the prior written consent of the Security Trustee withdraw any amounts standing to the credit of the Designated Accounts;
- 5.2.3 save as otherwise provided in Clauses 5.2.1 and 5.2.2, as agent for the Security Trustee, collect in and realise all Debts, pay the proceeds into its Accounts (other than the Designated Accounts) and, pending that payment, hold those proceeds in trust for the Security Trustee;
- 5.2.4 not without the prior written consent of the Security Trustee charge or assign or otherwise dispose of amounts standing to the credit of the Accounts (with the exception of trading accounts used in the ordinary course of that Charging Company's business) and comply with all instructions of the Security Trustee in respect of withdrawing all or any monies from time to time standing to the credit of the Accounts;
- 5.2.5 after the security constituted by this Deed has become enforceable (by virtue of Clause 14 (*Enforcement*)), comply with any notice served by the Security Trustee on that Charging Company prohibiting it from withdrawing all or any monies from time to time standing to the credit of its Accounts with the Security Trustee, any financial institution or other person, except with the prior written consent of the Security Trustee; and
- 5.2.6 after the security constituted by this Deed has become enforceable (by virtue of Clause 14 (*Enforcement*)) and if called upon so to do by the Security Trustee (acting reasonably), execute a legal assignment by way of security of the Debts to the Security Trustee (as trustee of the Beneficiaries) in such terms as the Security Trustee may require and give notice thereof to the debtors from whom the Debts are due, owing or incurred.

5.3 Insurance covenant

Each Charging Company hereby covenants with the Security Trustee that it will:

- 5.3.1 promptly pay all premiums and do all other things necessary to keep all of the Insurance Policies in force in accordance with the Senior Facilities Agreement;
- 5.3.2 at the request of the Security Trustee, produce to or deposit with the Security Trustee all Insurance Policies and the receipts for all premiums and other payments necessary for effecting and keeping up the Insurance Policies; and
- 5.3.3 (i) prior to the occurrence of a Declared Default, apply all sums received under any of the Insurance Policies in accordance with the terms of the Senior Facilities Agreement;
- (ii) following the occurrence of a Declared Default, pay all sums at any time (whether or not the security constituted by this Deed shall have become enforceable but subject always to the terms of the Senior Facilities Agreement) paid to it under any of the Insurance Policies to the Security Trustee (as trustee for the Beneficiaries) (and if the same are not paid directly to the Security Trustee by the insurers then the relevant Charging Company shall be trustee of the same for the benefit of the Security Trustee (as trustee for the Beneficiaries) and shall account to the Security Trustee accordingly) and such sums shall at the option of the Security Trustee be applied in making good or recouping expenditure in respect of the loss or damage for which such monies are received or (but subject to Clause 19.4 (*Suspense account*)) in or towards discharge or reduction of any of the Secured Liabilities.

6 Covenants relating to Key Man Policies

Each Charging Company covenants with the Security Trustee that:

- 6.1 it will not, and will use all reasonable endeavours to procure that none of its directors shall do any act or commit any default whereby any Key Man Policy may be rendered void or voidable;
- 6.2 if any or all of the Key Man Policies shall by any means become void the relevant Charging Company will, at its own cost, forthwith effect a similar policy or policies in lieu of such void policy or policies with an insurance office approved by the Security Trustee, such new policy or policies to be subject to a charge in substantially similar terms to the charge contained in this Deed;

- 6.3 the relevant Charging Company will duly and regularly pay all premiums and other sums of money which shall from time to time become payable for keeping on foot and renewing the Key Man Policies and will as soon as reasonably practicable produce to the Security Trustee the receipt for every such payment;
- 6.4 the Security Trustee may pay the said premiums and other sums of money and otherwise keep on foot and renew the Key Man Policies if the relevant Charging Company omits to do so and all moneys so paid by the Security Trustee under this power shall be reimbursed to the Security Trustee by the relevant Charging Company on demand;
- 6.5 the relevant Charging Company shall on demand fully indemnify the Security Trustee against all claims, proceedings, indemnities, costs and expenditure which the Security Trustee may incur in connection with all or any of the Key Man Policies or their assignment pursuant to this Deed.

7 **Covenants relating to the Properties**

Each Charging Company hereby covenants with the Security Trustee that it will:

7.1 **Maintenance and insurance**

7.1.1 keep all buildings on each of the Properties owned or leased by it and all fixtures belonging to it thereon and therein in good and substantial repair and condition; and

7.1.2 insure and keep insured (or, where relevant, ensure that the relevant landlord of the Properties insures) all such buildings and fixtures,

in each case in accordance with the terms of the Senior Facilities Agreement;

7.2 **Preservation of property, fixtures and equipment**

not without the prior written consent of the Security Trustee pull down or remove the whole or any part of any buildings forming part of any of the Properties make any alterations to any of the Properties (other than minor alterations which do not have an adverse effect on the market value of such Properties) or sever or unfix or remove any of the fixtures thereto nor (except for the purpose of effecting necessary repairs thereto or of replacing the same with new or improved models or substitutes) remove or make any alterations to any of the Equipment thereon or therein belonging to it or in use by it and will whenever any of the said Equipment is destroyed or damaged or deteriorates forthwith repair, replace and make good the same where in each case such action could reasonably be expected to have a Material Adverse Effect;

7.3 Conduct of business on Properties

carry on its trade and business on such parts (if any) of the Properties as are now or may hereafter be used for the purposes of trade or business in accordance with the standards of good management from time to time current in such trade or business if failure to so could reasonably be expected to have a Material Adverse Effect;

7.4 Information

7.4.1 within five Business Days after becoming aware thereof give full particulars to the Security Trustee of any material notice, order, direction, designation, resolution or proposal having specific application to any of the Properties or to the locality in which it is situated given or made by any planning authority or other public body or authority whatsoever to the extent only that the same could, if not implemented or complied with, reasonably be expected to have a Material Adverse Effect; and

7.4.2 (if the Security Trustee so requires (acting reasonably)) forthwith and at the cost of such Charging Company take all reasonable and necessary steps to comply with any such notice, order, direction, designation or resolution and make or join with the Security Trustee where the value of the Security Trustee's security is reasonably likely to be materially and adversely affected in making such objections or representations in respect of any such proposal as the Security Trustee may reasonably request;

7.5 Compliance with covenants; payment of rent

observe and perform all material covenants, stipulations and conditions to which each of the Properties or the user thereof is now or may hereafter be subject and (if the Security Trustee so requires) produce to the Security Trustee evidence sufficient to satisfy the Security Trustee that such covenants, stipulations and conditions have been observed and performed and (without prejudice to the generality of the foregoing) as regards any lease under which any of the Properties or any part of any of the Properties is held duly and punctually pay all rents due or to become due thereunder and perform and observe all the covenants and conditions on the part of the tenant which are therein contained where, in each case, failure to do so could reasonably be expected to have a Material Adverse Effect;

7.6 Maintenance of interests in Properties

not without the prior written consent of the Security Trustee grant or agree to grant any licence or tenancy affecting any of the Properties or any part of any of the Properties nor exercise the powers of leasing or agreeing to lease or of accepting or agreeing to accept surrenders conferred by Sections 99 or 100 of the Law of Property Act 1925 where

such license, tenancy or lease exceeds a period of ten years, nor in any other way dispose or agree to dispose of or surrender or create any legal or equitable estate or interest in any Property or any part thereof other than as permitted under the Senior Facilities Agreement;

7.7 Registration restrictions

procure that no person shall be registered under the Land Registration Acts 1925 to 2002 as proprietor of any of the Properties or any part thereof without the prior written consent of the Security Trustee and such Charging Company shall be liable for the costs incurred by the Security Trustee in lodging from time to time cautions against the registration of the title to any of the Properties or any part thereof;

7.8 Development restrictions

not without the prior written consent of the Security Trustee carry out or permit or suffer to be carried out on any of the Properties any development as defined in the Town and Country Planning Act 1990 or change or permit or suffer to be changed the user of any of the Properties where to do so could reasonably be expected to have a Material Adverse Effect;

7.9 No Restrictive Obligations

not without the prior consent of the Security Trustee enter into any onerous or restrictive obligations affecting any of the Properties or any part thereof or create or permit to arise any overriding interest or easement or right whatever in or over any of the Properties or any part thereof if to do so would materially and adversely effect the value of the security created under this Deed;

7.10 Proprietary rights

procure that no person shall become entitled to assert any proprietary or other like right or interest over any of the Properties or any part thereof without the prior written consent of the Security Trustee (such consent not to be unreasonably withheld or delayed) if to do so would materially and adversely effect the value of the security created under this Deed;

7.11 Payment of property taxes

promptly pay all taxes, fees, duties, rates, charges and other outgoings in respect of the Properties (if failure to do so could reasonably be expected to have a Material Adverse Effect) and if so requested by the Security Trustee (acting reasonably) produce evidence of payment to the Security Trustee;

7.12 Inspection

at any time while a Default is continuing, permit the Security Trustee, any Administrator and any Receiver (as each of those terms is defined in Clause 15.1 (*Appointment of Administrator or Receiver*)) and any person appointed by either of them to enter upon and inspect any Property during normal business hours and upon reasonable prior notice; and

7.13 Property information

inform the Security Trustee promptly of any acquisition by it of, or contract made by it to acquire, any freehold or leasehold property or any interest therein.

8 Covenants relating to the Equipment

8.1 Each Charging Company hereby covenants with the Security Trustee as follows:

8.1.1 Maintenance of equipment

to maintain the Equipment in good and serviceable condition (fair wear and tear excepted) and not to permit the same to be used or handled other than by persons properly qualified and trained or to be overloaded or to be used for any purpose for which the Equipment is not designed or reasonably suitable where failure to do so could be reasonably be expected to have a Material Adverse Effect;

8.1.2 Payment of equipment taxes

promptly to pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and on demand produce evidence thereof to the Security Trustee where failure to do so could reasonably be expected to have a Material Adverse Effect; and

8.1.3 Equipment information

to give the Security Trustee such information concerning the location, condition, use and operation of the Equipment as the Security Trustee may reasonably require and, following the occurrence of a Default which is continuing, to permit any persons designated by the Security Trustee at all reasonable times to inspect and examine the Equipment and the records maintained in connection therewith.

8.2 Equipment insurance

Each Charging Company shall at its own expense procure that the Equipment shall be covered and kept covered by insurance in

accordance with the terms of the Senior Facilities Agreement and shall if the Security Trustee so requires use all reasonable endeavours to procure that the interest of the Security Trustee is noted upon all such policies of insurance. Each Charging Company shall with respect to third party liabilities maintain insurance in such amount and on such terms as is usual for users of equipment of the same type as the Equipment.

9 Covenants relating to the Intellectual Property

Each Charging Company hereby covenants with the Security Trustee as follows:

9.1 Preservation of rights

to take all necessary action to safeguard and maintain its present and future rights in or relating to the Intellectual Property to the extent that failure to do so could be reasonably likely to have a Material Adverse Effect including, observing all material covenants and stipulations relating thereto and paying all applicable renewal fees, licence fees, registration taxes and other outgoings;

9.2 Consents

use all reasonable endeavours to obtain any consent required for the creation of a fixed charge over any of the Intellectual Property;

9.3 Registration of intellectual property

to use all reasonable efforts to effect registration of applications for registration of any Intellectual Property and keep the Security Trustee informed of all material matters relating to such registration;

9.4 Maintenance of intellectual property

not, without the consent of the Security Trustee, permit any Intellectual Property to be abandoned, cancelled or to lapse or to be liable to any claim of abandonment for non-use or otherwise; and

9.5 Disposal of Intellectual Property

not to sell transfer, license or otherwise dispose of all or any part of its Intellectual Property.

10 Provisions relating to the Securities

10.1 Registration of Securities

After the security constituted by this Deed has become enforceable in accordance with clause 14, the Security Trustee may at any time cause any or all of the Securities to be registered in the name of the Security Trustee or its nominee. Each Charging Company agrees to execute and deliver all such transfers and other documents and do all such things as may be necessary or desirable to achieve such registration.

10.2 Additional registration obligations

Each Charging Company hereby grants and agrees to procure as necessary, all consents, waivers, approvals and permissions which are necessary, under the articles of association of any Securities Issuer or otherwise, for the transfer of the Securities to the Security Trustee or its nominee or to a purchaser upon enforcement of this Deed. Each Charging Company further agrees to procure the amendment of the share transfer provisions of each Securities Issuer's articles of association in such manner as the Security Trustee may reasonably require in order to permit such a transfer.

10.3 Dividends and voting rights prior to enforcement

Until the security constituted by this Deed becomes enforceable in accordance with clause 14:

10.3.1 any cash dividends paid in respect of any of the Securities may be paid to the relevant Charging Subsidiary; if any such dividends are received by the Security Trustee or its nominee the Security Trustee or its nominee (as the case may be) shall, on request by the relevant Charging Company, pay such dividends to such Charging Company; and

10.3.2 the relevant Charging Company may exercise all voting and other rights and powers attaching to the Securities provided that such exercise would not prejudice the Security Trustee's security under this Deed or the value of the Securities or cause a Default.

10.4 Dividends and voting rights post enforcement

After the security constituted by this Deed has become enforceable in accordance with clause 14:

10.4.1 all dividends and other distributions paid in respect of the Securities and received by any Charging Company shall be held on trust for the Security Trustee (as trustee for the Beneficiaries) and forthwith paid into the Mandatory Prepayment Account or, if received by the Security Trustee,

shall be applied by the Security Trustee towards satisfaction of the Secured Liabilities; and

10.4.2 the Security Trustee may exercise, or direct the exercise of, all voting and other rights and powers attaching to the Securities as the Security Trustee may in its absolute discretion think fit and each Charging Company shall, and shall procure that its nominees shall, comply with any directions from the Security Trustee concerning the exercise of such rights and powers.

11 Covenants relating to the Securities

Each Charging Company further covenants with the Security Trustee that, except where permitted under the terms of the Senior Facilities Agreement:

11.1 Calls on Securities

it shall duly and promptly pay all calls, instalments and other moneys which may be payable from time to time in respect of the Securities, it being acknowledged by the Charging Companies that the Security Trustee shall be under no liability whatsoever in respect of any such calls, instalments or other moneys;

11.2 No alteration of Securities

it shall not without the Security Trustee's prior written consent amend, or agree to the amendment of, the memorandum or articles of association of any Securities Issuer or the rights or liabilities attaching to any of the Securities save as permitted under the Senior Facilities Agreement;

11.3 Preservation of Securities

it shall ensure (insofar as it is able by the exercise of all voting rights, powers of control and other means available to it to do so) that no Securities Issuer will save as permitted by the Senior Facilities Agreement:

11.3.1 consolidate or sub-divide any of its Securities or reduce or re-organise its share capital in any way;

11.3.2 issue any new shares or stock; or

11.3.3 refuse to register any transfer of any of its Securities which may be lodged for registration by or on behalf of the Security Trustee or a Charging Company in accordance with this Deed;

11.4 Securities information

it shall promptly send to the Security Trustee copies of all notices, circulars, reports, accounts and other documents which are sent generally to holders of any Securities or any class of such holders;

11.5 Preservation of charged property

save as expressly permitted under the Finance Documents, it shall not do, or to the extent reasonably within its control permit to be done, any act or thing which will or might materially diminish the value of any of the Charged Property or, subject to the Legal Reservations, the effectiveness of the security created by this Deed;

12 Power to remedy

If a Charging Company is at any time in breach of any of its obligations contained in this Deed, the Security Trustee shall be entitled (but shall not be bound) to remedy such breach and each Charging Company hereby irrevocably authorises the Security Trustee and its agents to do all such things necessary or desirable in connection therewith. The Charging Companies shall be liable to the Security Trustee for the expenses of the Security Trustee in so doing together with interest at the rate of interest applicable to a Facility B Loan under the Senior Facilities Agreement from the date of payment by the Security Trustee until the date of repayment and the Security Trustee shall as soon as reasonably practicable after exercising its rights under this Clause 12 notify the relevant Charging Companies of the action it has taken together with details of the costs incurred. The rights of the Security Trustee contained in this Clause 12 are without prejudice to any other rights of the Security Trustee hereunder. The exercise by the Security Trustee of its rights under this Clause shall not make the Security Trustee liable to account as a mortgagee in possession.

13 Representations and warranties

13.1 Representations and warranties

Each Charging Company represents and warrants to the Security Trustee as follows:

13.1.1 it is and will remain the absolute legal and beneficial owner of the Charged Property;

13.1.2 the Charged Property is free from any Security other than Permitted Security and the Security created by this Deed;

13.1.3 there are no covenants, undertakings, agreements, stipulations, reservations, conditions, interests, rights or other matters whatever

which materially adversely affect the Charged Property which could reasonably be expected to have a Material Adverse Effect;

13.1.4 nothing has arisen or has been created or is subsisting which would be an overriding interest in any of the Charged Property which could reasonably be expected to have a Material Adverse Effect;

13.1.5 it has received no notice of any adverse claims by any person in respect of the ownership of the Charged Property or any interest therein which could reasonably be expected to have a Material Adverse Effect; and

13.1.6 subject to the Legal Reservations and any reservations contained in any legal opinion delivered in connection with this Deed on or about the date of this Deed, this Deed creates the Security it purports to create and is not liable to be amended or otherwise set aside on its liquidation or otherwise.

13.2 Repetition

The representations and warranties set out in Clause 13.1 (*Representations and warranties*) will be deemed to be repeated by each Charging Company on each day any of the representations in the Senior Facilities Agreement are deemed to be repeated by reference to the facts and circumstances then existing.

13.3 Notice of breach

Each Charging Company will promptly upon becoming aware of the same give the Security Trustee notice in writing of any breach of any representation or warranty set out in Clause 13.1 (*Representations and warranties*).

14 Enforcement

14.1 Enforcement events

The security constituted by this Deed shall become enforceable if an Event of Default (as defined in the Senior Facilities Agreement) occurs and is continuing, and thereupon and at any time thereafter (whether or not any of the above events is continuing), without prejudice to any other rights of the Security Trustee, the powers of sale under the Law of Property Act 1925 and all other powers of the Security Trustee shall immediately be exercisable and the Security Trustee may in its absolute discretion enforce all or any part of the security created by this Deed as it sees fit.

14.2 Statutory power of sale

The statutory power of sale shall, as between the Security Trustee and a purchaser from the Security Trustee, arise on and be exercisable at any time after the execution of this Deed, provided that the Security Trustee shall not exercise such power of sale until the Security constituted by this Deed has become enforceable pursuant to Clause 14.1 (*Enforcement events*).

14.3 Extension of statutory powers

The statutory powers of sale, leasing and accepting surrenders exercisable by the Security Trustee under this Deed are extended so as to authorise the Security Trustee, whether in its own name or in that of a Charging Company, to grant a lease or leases of the whole or any part or parts of the freehold and leasehold property of a Charging Company with whatever rights relating to other parts of it and containing whatever covenants on the part of such Charging Company and generally on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) and whether or not at a premium as the Security Trustee thinks fit.

14.4 No obligation to enquire

No person dealing with the Security Trustee or any Receiver appointed hereunder, or its agents or brokers, shall be concerned to enquire whether the security constituted by this Deed has become enforceable, or whether any power exercised or purported to be exercised has become exercisable, or whether any money remains due upon this Deed, or as to the necessity or expediency of the stipulations and conditions subject to which any sale of any Charged Property shall be made, or otherwise as to the propriety or regularity of any sale of any of the Charged Property, or to see to the application of any money paid to the Security Trustee or such Receiver, or its agents or brokers, and such dealing shall be deemed to be within the powers hereby conferred and to be valid and effectual accordingly.

14.5 No liability as mortgagee in possession

Neither the Security Trustee nor the Receiver shall be liable to account as mortgagee in possession in respect of all or any of the Charged Property nor shall either of them be liable for any loss upon realisation of, or for any neglect or default of any nature whatsoever in connection with, all or any of the Charged Property for which a mortgagee in possession might as such be liable.

15 Administrator or Receiver

15.1 Appointment of Administrator or Receiver

At any time after the security constituted by this Deed becomes enforceable, or at the request of the relevant Charging Company, the Security Trustee may without further notice, under seal or by writing under hand of a duly authorised officer of the Security Trustee:

15.1.1 appoint any person or persons to be an administrator of any Charging Company pursuant to the Insolvency Act 1986 (the "Administrator", which expression shall, where the context so admits, include any person substituted as administrator under the power herein contained); or

15.1.2 appoint any person or persons to be a receiver or a receiver and manager or (if permitted by law) an administrative receiver of all or any part of the Charged Property of any Charging Company (the "Receiver", which expression shall, where the context so admits, include any person substituted as receiver or receiver and manager or administrative receiver under the power herein contained); and

15.1.3 (subject to Section 45 of the Insolvency Act 1986) from time to time remove any person appointed to be Receiver and appoint another in his place.

15.2 **More than one appointment**

Where more than one person is appointed Administrator or Receiver, they will have power to act separately (unless the appointment by the Security Trustee specifies to the contrary).

15.3 **Additional powers**

15.3.1 The powers of sale and appointing an Administrator or a Receiver conferred by this Deed shall be in addition to all statutory and other powers of the Security Trustee under the Insolvency Act 1986 and the Law of Property Act 1925 or otherwise and shall be exercisable without the restrictions contained in Sections 103 and 109 of that Act or otherwise.

15.3.2 The power to appoint a Receiver (whether conferred by this Deed or by statute) shall be and remain exercisable by the Security Trustee notwithstanding any prior appointment in respect of all or any part of the Charged Property.

15.4 **Agent of the Company**

Any Receiver shall be the agent of the relevant Charging Company and the relevant Charging Company shall be solely responsible for his acts and remuneration as well as for any defaults committed by him.

16 **Powers of Receiver**

Any Receiver shall in addition to the powers conferred on him by the Law of Property Act 1925 and (if applicable) the Insolvency Act 1986 have power to do all such acts and things as an absolute owner could do in the management of such of the Charged Property over which he is appointed and in particular:

16.1 Power to repair and develop Properties

to undertake or complete any works of repair, building or development on the Properties;

16.2 Power to surrender leases

to grant or to accept surrenders of any leases or tenancies affecting the Properties upon such terms and subject to such conditions as he thinks fit;

16.3 Power to employ

to provide services and employ or engage such managers, contractors and other personnel and professional advisors on such terms as he deems expedient;

16.4 Power to make VAT elections

to make such elections for value added tax purposes as he thinks fit;

16.5 Power to charge for remuneration

to charge and receive such sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) as the Security Trustee may prescribe or agree with him;

16.6 Power to realise Charged Property

to collect and get in the Charged Property in respect of which he is appointed or any part thereof and for that purpose to make such demands and take any proceedings as may seem expedient and to take possession of the Charged Property with like rights;

16.7 Power to manage

to carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Charging Company concerned;

16.8 Power to dispose of Charged Property

to grant options and licences over all or any part of the Charged Property, sell or concur in selling, assign or concur in assigning, lease or concur in leasing and accept or concur in accepting surrenders of leases, of all or any of the Charged Property in such manner and generally on such terms and conditions as he thinks fit (fixtures and plant and machinery may be severed and sold separately from the premises in which they are contained without the consent of any Charging Company) and to carry any such sale, assignment, leasing or surrender into effect. Any such sale may be for such consideration as he shall think fit and he may promote or concur in promoting a company to purchase the property to be sold;

16.9 Power to sell Debts

to sell and assign all or any of the Debts in respect of which he is appointed in such manner and generally on such terms and conditions as he thinks fit;

16.10 Power to make settlements

to make any arrangement, settlement or compromise between the Charging Company concerned and any other person which he may think expedient;

16.11 Power to improve Equipment

to make and effect such improvements to the Equipment as he may think expedient;

16.12 Power to make calls on company members

to make calls conditionally or unconditionally on the members of the Charging Company concerned in respect of the uncalled capital with such and the same powers for that purpose and for the purpose of enforcing payments of any calls so made as are conferred by the Articles of Association of the Charging Company concerned on its directors in respect of calls authorised to be made by them;

16.13 Power to appoint

to appoint managers, officers, servants, workmen and agents for the aforesaid purposes at such salaries and for such periods and on such terms as he may determine;

16.14 Power to insure

if he thinks fit, but without prejudice to the indemnity contained in Clause 18 (*Indemnity*), to effect with any insurer any policy or policies

of insurance either in lieu or satisfaction of or in addition to such indemnity;

16.15 Powers under statute

to exercise all powers provided for in the Law of Property Act 1925 in the same way as if he had been duly appointed thereunder and to exercise all powers provided for an administrative receiver in Schedule 1 to the Insolvency Act 1986;

16.16 Power to borrow

for any of the purposes authorised by this Clause to raise money by borrowing from the Security Trustee or from any other person on the security of all or any of the Charged Property in respect of which he is appointed upon such terms (including, if the Security Trustee shall consent, terms under which such security ranks in priority to this Deed) as he shall think fit;

16.17 Power to redeem prior Security

to redeem any prior Security and to settle and pass the accounts to which the Security relates and any accounts so settled and passed will be conclusive and binding on the Charging Companies and the moneys so paid will be deemed to be an expense properly incurred by him;

16.18 Incidental powers

to do all such other acts and things as he may consider to be incidental or conducive to any of the matters or powers aforesaid or which he lawfully may or can do as agent for the Charging Company concerned; and

16.19 Scope of powers

to exercise any of the above powers on behalf of the Charging Company concerned or on his own behalf or in the case of the power contained in Clause 16.12 (*Power to make calls on company members*) on behalf of the Directors of the Charging Company concerned.

17 Application of proceeds

17.1 Order of application

The Receiver shall apply all monies received by him (other than insurance monies):

17.1.1 first in paying all rents, taxes, rates and outgoings whatsoever affecting any Charged Property;

- 17.1.2 secondly in paying all costs, charges and expenses of and incidental to his appointment and the exercise of his powers and all outgoings paid by him;
- 17.1.3 thirdly in paying his remuneration (as agreed between him and the Security Trustee);
- 17.1.4 fourthly in or towards discharge of the Secured Liabilities in such order and manner as provided for in the Intercreditor Agreement; and
- 17.1.5 finally in paying any surplus to the Charging Companies or any other person entitled to it.

17.2 Section 109(8) Law of Property Act 1925

Neither the Security Trustee nor any Receiver shall be bound (whether by virtue of Section 109(8) of the Law of Property Act 1925, which is hereby varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order as between any of the Secured Liabilities.

18 Indemnity

Each Charging Company hereby agrees to indemnify and hold harmless the Security Trustee and any Receiver from and against all actions, claims, expenses, demands and liabilities whether arising out of contract or in tort or in any other way incurred or which may at any time be incurred by him or by any manager, agent, officer, servant or workman for whose debt, default or miscarriage he may be answerable for anything done or omitted to be done in the exercise or purported exercise of his powers under the provisions of this Deed or pursuant hereto, provided that neither the Security Trustee nor any Receiver shall be entitled to be indemnified in respect of any part of the foregoing which results from such party's gross negligence or wilful default or breach of contract.

19 Powers of the Security Trustee

19.1 Power to dispose of chattels

At any time after the Security constituted by this Deed shall have become enforceable the Security Trustee or any Receiver may dispose of any chattels or produce found on any Property as agent for the relevant Charging Company and, without prejudice to any obligation to account for the proceeds of any sale of such chattels or produce the Security Trustee or the Receiver shall be indemnified by such Charging Company against any liability arising from such disposal.

19.2 **Prior Security**

At any time after the security constituted by this Deed shall have become enforceable or after any powers conferred by any Security having priority to this Deed shall have become exercisable the Security Trustee may redeem such or any other prior Security or procure the transfer thereof to itself and may settle and pass the accounts of the encumbrancer and any account so settled and passed shall be conclusive and binding on the relevant Charging Company and all monies paid by the Security Trustee to the encumbrancer in accordance with such accounts shall as from such payment be due from such Charging Company to the Security Trustee and shall bear interest and be secured as part of the Secured Liabilities.

19.3 **Currencies of denomination**

For the purpose of or pending the discharge of any of the Secured Liabilities the Security Trustee may convert any monies received, recovered or realised by the Security Trustee under this Deed (including the proceeds of any previous conversion under this Clause) from their existing currencies of denomination into such other currencies of denomination as the Security Trustee may think fit and any such conversion shall be effected at the Security Trustee's then prevailing spot selling rate of exchange for such other currency against the existing currency. Each previous reference in this Clause to a currency extends to funds of that currency and for the avoidance of doubt funds of one currency may be converted into different funds of the same currency.

19.4 **Suspense account**

All monies received recovered or realised by the Security Trustee under this Deed (including the proceeds of any conversion pursuant to Clause 19.3 (*Currencies of denomination*)) may at the discretion of the Security Trustee, acting reasonably, be credited to any suspense or impersonal account and shall bear interest at such rate, if any, as may be agreed in writing between the Security Trustee and the relevant Charging Company and may be held in such account for so long as the Security Trustee thinks fit pending the application from time to time (as the Security Trustee shall be entitled to do as it may think fit) of such monies and accrued interest thereon (if any) in or towards the discharge of any of the Secured Liabilities.

20 **Power of attorney; confirmation**

20.1 **Power of attorney**

Each Charging Company hereby irrevocably appoints the Security Trustee and (jointly and severally) each and every Receiver appointed

by the Security Trustee under the provisions of this Deed to be the attorney of such Charging Company and in its name and on its behalf and as its act and deed or otherwise to sign, execute, seal, deliver, complete any blanks in and otherwise perfect any deed, assurance, agreement, instrument or act which such Receiver or the Security Trustee may consider expedient in the exercise of any of his or its powers or in respect of such Charging Company's obligations under this Deed. The power of attorney hereby granted is to secure the performance of obligations owed to the donees within the meaning of the Powers of Attorney Act 1971.

20.2 Confirmation

Each Charging Company covenants with the Security Trustee and with any Receiver that if required to do so it shall ratify and confirm:

20.2.1 all transactions entered into by the Security Trustee and/or any Receiver in the proper exercise of its or their powers in accordance with this Deed; and

20.2.2 all transactions entered into by the Security Trustee and/or any Receiver in signing, sealing, delivering and otherwise perfecting any assignment, mortgage, charge, security, document or other act.

21 Independent and continuing security

21.1 Independent security

This Deed shall be in addition to and independent of every other security or guarantee which the Security Trustee may at any time hold for any of the Secured Liabilities and it is hereby declared that no prior security held by the Security Trustee over the whole or any part of the Charged Property shall merge in the security created by this Deed.

21.2 Continuing security

This Deed shall remain in full force and effect as a continuing security for the Secured Liabilities, notwithstanding any settlement of account or intermediate payment or other matter or thing whatsoever, unless and until the Security Trustee discharges this Deed in writing.

21.3 Discharge conditional

Any release, discharge or settlement between any Charging Company and the Security Trustee shall be deemed conditional upon no payment or security received by the Security Trustee in respect of the Secured Liabilities being avoided or reduced or ordered to be refunded pursuant to any provision of any enactment relating to insolvency, bankruptcy, winding-up, administration or receivership and, notwithstanding any

such release, discharge or settlement the Security Trustee shall be entitled to recover the value or amount of such security or payment from the Charging Company concerned subsequently as if such settlement, discharge or release had not occurred and each Charging Company agrees with the Security Trustee accordingly and charges the Charged Property and the proceeds of sale thereof with any liability under this Clause, whether actual or contingent.

22 Further assurance

As and when required by the Security Trustee (acting reasonably) each Charging Company, at its own cost, shall execute such further legal or other mortgages, charges or transfers in favour of the Security Trustee as the Security Trustee shall from time to time require over all or any part of the Charged Property, further to secure the payment of the Secured Liabilities, such further mortgages, charges or transfers to be prepared at the cost of the Charging Companies and to contain a power of sale and such other clauses for the benefit of the Security Trustee as the Security Trustee may reasonably require.

23 Indulgence

The Security Trustee may in its discretion grant time or other indulgence or make any other arrangement, variation or release with any person or persons not party hereto (whether or not such person or persons are jointly liable with any of the Principal Debtors) in respect of any of the Secured Liabilities or of any other security therefor without prejudice either to this Deed or to the liability of the Charging Companies for the Secured Liabilities.

24 Costs

Each Charging Company shall pay or reimburse to the Security Trustee and any Receiver, within 3 Business Days of demand, on a full indemnity basis, all costs, charges and expenses (including legal fees) in any way incurred by the Security Trustee and/or the Receiver in relation to the operation (but not the negotiation) of this Deed or the Charged Property or in protecting, perfecting preserving or enforcing (or attempting to do so) any of the Security Trustee's rights under this Deed or in suing for or recovering any of the Secured Liabilities (including the costs of any proceedings in relation to this Deed or the Secured Liabilities).

25 New accounts; set-off

25.1 New accounts

If the Security Trustee receives notice of any subsequent charge or other interest affecting all or part of the Charged Property the Security Trustee may open a new account or accounts for the relevant Charging

Company in its books and (without prejudice to the Security Trustee's right to combine accounts) no money paid to the credit of such Charging Company in any such new account will be appropriated towards or have the effect of discharging any part of the Secured Liabilities. If the Security Trustee does not open a new account or accounts immediately on receipt of such notice then unless the Security Trustee gives express written notice to the contrary to the relevant Charging Company as from the time of receipt of such notice by the Security Trustee all payments made by the relevant Charging Company to the Security Trustee in the absence of any express appropriation by such Charging Company to the contrary shall be treated as having been credited to a new account of such Charging Company and not as having been applied in reduction of the Secured Liabilities and interest shall, in each case, accrue on such amounts at the rate at which interest is charged on the Secured Liabilities which would otherwise have been discharged.

25.2 Security Trustee set-off rights

If the Security Trustee shall have more than one account for any Charging Company in its books the Security Trustee may at any time after the security constituted by this Deed has become enforceable or the Security Trustee has received notice of any subsequent charge or other interest affecting all or any part of the Charged Property and without prior notice in that behalf forthwith transfer all or any part of the balance standing to the credit of any such account to any other such account which may be in debit but the Security Trustee shall notify the relevant Charging Company of the transfer having been made.

26 Miscellaneous

A certificate by the Security Trustee as to any amount for the time being due to it from any Charging Company shall be conclusive evidence of the amount so due in the absence of any manifest error.

27 Demands and notices

27.1 Mode of service

Any demand for payment and any other demand, notice, consent or communication made or given on or to a Charging Company or the Security Trustee under or in connection with this Deed may be left at the relevant address for such Charging Company or the Security Trustee referred to in Clause 36.2 of the Senior Facilities Agreement or sent there by first class post or facsimile. Any demand on a Charging Company shall be validly made whether or not it contains an accurate statement of the amount of the Secured Liabilities.

27.2 Delivery

Any demand for payment and any other demand, notice, consent or communication made by or given on or to a Charging Company or the Security Trustee shall be effective when delivered or deemed delivered in accordance with Clause 36.3 of the Senior Facilities Agreement.

28 Rights cumulative

The rights and powers which this Deed confers on the Security Trustee are cumulative, may be exercised as often as the Security Trustee considers appropriate, and are in addition to its rights and powers under the general law. The rights of the Security Trustee (whether arising under this Deed or under the general law) shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing; and, in particular, any failure to exercise or any delay in exercising any such right shall not operate as a variation or waiver of that or any other such right; any defective or partial exercise of any such right shall not preclude any other or further exercise of that or any other such right; and no act or course of conduct or negotiation on its part or on its behalf shall in any way preclude the Security Trustee from exercising any such right or constitute a suspension or variation of any such right.

29 Consolidation

The restriction on the right of consolidating mortgages contained in Section 93 of the Law of Property Act 1925 shall not apply to this Deed.

30 No set-off

Each Charging Company waives any right of set-off it may have now or at any time in the future in respect of the Secured Liabilities (including sums payable by such Charging Company under this Deed).

31 Assignment and transfer

31.1 Assignment by Security Trustee

The Security Trustee may at any time without the consent of any Charging Company, assign or transfer the whole or any part of its rights under this Deed in accordance with the terms of the Senior Facilities Agreement.

31.2 Assignment by Charging Company

No Charging Company may assign any of its rights or transfer any of its obligations under this Deed or enter into any transaction which would result in any of these rights or obligations passing to another person.

32 Disclosure

Each Charging Company hereby consents to the disclosure by the Security Trustee of any information about it, this Deed, the Charged Property and the Secured Liabilities, subject to clause 29.8 of the Senior Facilities Agreement which shall be deemed incorporated herein, mutatis mutandis.

32.1 Disclosure to Security Trustee's assignee

to any person to whom the Security Trustee has assigned or transferred or proposes or may propose to assign or transfer all or any of its rights and benefits under this Deed or the Secured Liabilities; or

32.2 Disclosure to contracting parties

to any person with whom the Security Trustee has entered or proposes or may propose to enter into any contractual arrangements in connection with this Deed or the Secured Liabilities; or

32.3 Disclosure to agent

to any subsidiary or agent of the Security Trustee; or

32.4 Other disclosure

to any other person if required or permitted by law to do so.

33 Severability

If any of the provisions of this Deed is or becomes invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be affected or impaired thereby.

34 Release

Subject to Clause 21.3 (*Discharge conditional*), upon the expiry of the Security Period (but not otherwise) the Security Trustee shall at the request and cost of the Charging Companies, take whatever action is necessary to release the Charged Property from the security constituted by this Deed.

35 Governing law

This Deed is governed by, and shall be construed in accordance with, English law.

Counterparts

This Deed may be executed in one or more counterparts all of which when taken together shall be deemed to constitute one and the same instrument.

In Witness whereof this Deed has been executed by the Charging Companies and is intended to be and is hereby delivered as a deed the day and year first above written and has been signed on behalf of the Security Trustee.

SCHEDULE 1

Charging Companies

Name	Registered Number	Registered Office
Dundas Group Holdings Limited	06032799	Fleming Way, Crawley, West Sussex RH10 9YX
Dundas Holdings Limited	06034359	Fleming Way, Crawley, West Sussex RH10 9YX
Dundas Pty Limited	06034601	Fleming Way, Crawley, West Sussex RH10 9YX
Cable Management Products Ltd	00675001	Fleming Way, Crawley, West Sussex RH10 9YX
Adaptaflex Ltd	01085977	Fleming Way, Crawley, West Sussex RH10 9YX
Kopex International Ltd	00426887	Fleming Way, Crawley, West Sussex RH10 9YX
Elkay Electrical Manufacturing Co Ltd	00187153	Fleming Way, Crawley, West Sussex RH10 9YX
Harnessflex Ltd	02130654	Fleming Way, Crawley, West Sussex RH10 9YX

SCHEDULE 2

Properties

- 1 Land and buildings on the east side of Station Road, Coleshill, registered at HM Land Registry with title number WK345555.

SCHEDULE 3

Part I

Form of notice to counterparties of Assigned Documents

From: [relevant Charging Company]

To: [counterparty]

[] 200[]

Dear Sirs

We refer to the [describe relevant Assigned Document] (the "Agreement")

We hereby notify you that pursuant to a Security Agreement dated [] we have assigned to The Royal Bank of Scotland plc (the "Security Trustee") by way of security all our right, title, interest and benefit in and to the Agreement.

We further notify you that:

- (a) we may not agree to amend, modify or terminate the Agreement without the prior written consent of the Security Trustee except where such amendment, modification or termination [i] could not reasonably be expected materially and adversely to affect the interests of the Beneficiaries; [or (ii) would not change the date, amount or method of payment of interest or principal on the Loan Notes [or the dividends on the Preference Shares]];
- (b) subject to paragraph (a) above you may continue to deal with us in relation to the Agreement until you receive written notice to the contrary from the Security Trustee. Thereafter we will cease to have any right to deal with you in relation to the Agreement and therefore from that time you should deal only with the Security Trustee;
- (c) you are authorised to disclose information in relation to the Agreement to the Security Trustee on request;
- (d) you must pay all monies to which we are entitled under the Agreement direct to the Security Trustee (and not to us) if the Security Trustee so instructs in writing; and
- (e) the provisions of this notice may only be revoked with the written consent of the Security Trustee.

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

- (i) you agree to the terms set out in this notice and to act in accordance with its provisions; and
- (ii) you have not received notice that we have assigned our rights under the Agreement to a third party or created any other interest (whether by way of security or otherwise) in the Agreement in favour of a third party.

The provisions of this notice are governed by English law.

Yours faithfully

.....
for and on behalf of
[]

Part II

Form of acknowledgement from counterparties of Assigned Documents

From: [counterparty]

To: The Royal Bank of Scotland plc

Copy to: [relevant Charging Company]

[] 200[]

We hereby acknowledge receipt of the notice dated [], a copy of which is attached to the acknowledgment (the "Notice") and confirm the matters set out in paragraphs (i) and (ii) of the Notice.

.....
for and on behalf of
[counterparty]

SCHEDULE 4

Part I

Form of notice of assignment to third party bank

To: [name and address of third party bank]

Attention: []

200[]

Dear Sirs

We hereby give you notice that by a Security Agreement dated [] 2007 (a copy of which is attached) we have assigned to The Royal Bank of Scotland plc (the "Security Trustee") all our right, title and interest in and to all sums of money which are now or may from time to time in the future be held in account number [] in our name with you (the "Account") together with all interest credited thereto and the debts represented by those sums.

We hereby irrevocably instruct and authorise you:

- 1 to credit to the Account all interest from time to time earned on the sums of money held in the Account;
- 2 to disclose to the Security Trustee, without any reference to or further authority from us and without any liability or inquiry by you as to the justification for such disclosure, such information relating to the Account and the sums in the Account as the Security Trustee may, at any time and from time to time, request you to disclose to it;
- 3 to hold all sums from time to time standing to the credit of the Account in our name with you to the order of the Security Trustee;
- 4 to pay or release all or any part of the sums from time to time standing to the credit of the Account in our name with you in accordance with the written instructions of the Security Trustee at any time and from time to time; and
- 5 to comply with the terms of any written notice or instructions in any way relating to the Account or the sums standing to the credit of the Account from time to time which you may receive at any time from the Security Trustee without any reference to or further authority from us and without any liability or inquiry by you as to the justification for or validity of such notice or instructions.

These instructions cannot be revoked or varied without the prior written consent of the Security Trustee.

This letter is governed by English law.

Please confirm your acceptance of the above instructions by returning the attached acknowledgement to the Security Trustee with a copy to ourselves.

Yours faithfully

By:
for and on behalf of
[*relevant Charging Company*]

Part II

Form of acknowledgement from third party bank

To: The Royal Bank of Scotland plc
2 St Philips Place
Birmingham
B3 2RB

200[]

Dear Sirs

We confirm receipt of a notice dated [] 2007 (the "Notice") from [*relevant Charging Company*] (the "Company") of an assignment, upon the terms of a Security Agreement dated [] 2007, of all the Company's right, title and interest in and to all sums of money which are now or may from time to time in the future be held in account number [] with us in the name of the Company (the "Account") together with interest relating thereto.

We confirm that:

- 1 we accept the instructions and authorisations contained in the notice and undertake to comply with its terms; the credit balance on the Account as at today's date is £[];
- 3 we have not received notice of the interest of any third party in the Account or in the sums of money held in the Account or the debts represented by those sums and we will notify you promptly should we receive notice of any third party interest;
- 4 we have not claimed or exercised, nor will claim or exercise, any security interest or right of set-off or combination or counterclaim or other right in respect of the Account, the sums of money held in the Account or the debts represented by those sums; and
- 5 we will not seek to modify, vary or amend the terms upon which sums are deposited in the Account without your prior written consent.

This letter shall be governed by English law.

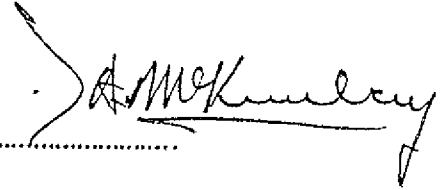
Yours faithfully

.....
for and on behalf of
[*third party bank*]

THE CHARGING COMPANIES

EXECUTED as a DEED and)
DELIVERED by)
DUNDAS GROUP HOLDINGS LIMITED)
acting by)

Director

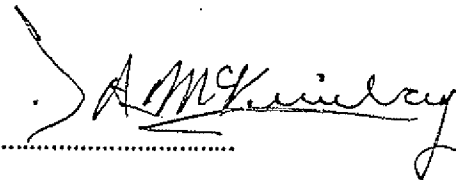


Director / Secretary



EXECUTED as a DEED and)
DELIVERED by)
DUNDAS HOLDINGS LIMITED)
acting by)

Director

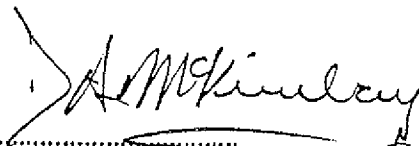


Director/Secretary

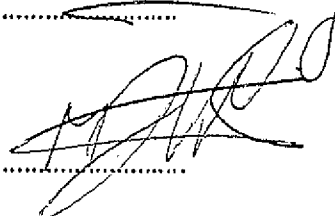


EXECUTED as a DEED and)
DELIVERED by)
DUNDAS PTY LIMITED)
acting by)

Director

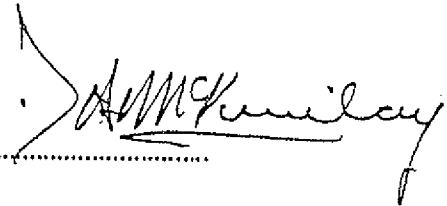


Director/Secretary



EXECUTED as a DEED and)
DELIVERED by)
CABLE MANAGEMENT PRODUCTS)
LIMITED acting by:)

Director

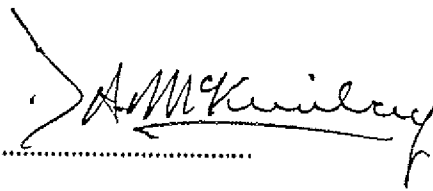


Director/Secretary




EXECUTED as a DEED and)
DELIVERED by)
ADAPTAFLEX LIMITED)
acting by:)

Director

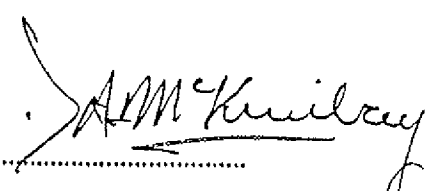


Director/Secretary



EXECUTED as a DEED and)
DELIVERED by)
KOPEX INTERNATIONAL LIMITED)
acting by:)

Director

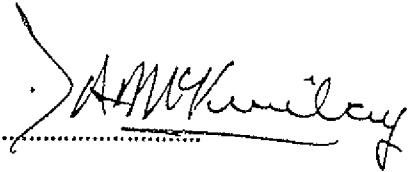


Director/Secretary



EXECUTED as a DEED and)
DELIVERED by)
ELKAY ELECTRICAL MANUFACTURING)
COMPANY LIMITED)
acting by:)

Director



Director/Secretary



EXECUTED as a DEED and)
DELIVERED by)
HARNESSFLEX LIMITED)
acting by:)

Director

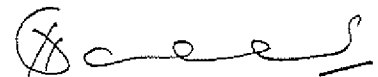


Director/Secretary



THE SECURITY TRUSTEE

SIGNED by)
for and on behalf of THE ROYAL BANK OF)
SCOTLAND PLC)



By:

Address:

Fax Number:

Attention:

DATED 4th January 2007

ADAPTAFLEX LIMITED (1)

and

THE ROYAL BANK OF SCOTLAND PLC (AS SECURITY TRUSTEE) (2)

CERTIFIED TRUE COPY OF
ORIGINAL DOCUMENT
Browne Jacobson LLP
Browne Jacobson
Victoria Square House
Victoria Square, Birmingham B2 4BU
DX: 727740 Birmingham 62

INTELLECTUAL PROPERTY RIGHTS CHARGE

brownejacobson

Ref: DAA/Sweep

Execution Copy

Browne Jacobson LLP
Victoria Square House
Victoria Square
Birmingham
B2 4BU

Telephone: (0121) 237 3900
Fax: (0121) 236 1291
DX: 727740 Birmingham 62
Email : info@brownejacobson.com

TRADEMARK
REEL: 003623 FRAME: 0054

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TRADEMARK

THIS DEED is dated this 4th day of January 2007

BETWEEN

- (1) ADAPTAFLEX LIMITED registered number 01085977, whose registered office is at Fleming Way, Crawley, West Sussex RH10 9YX (the "Company"); and
- (2) THE ROYAL BANK OF SCOTLAND PLC as Security Trustee (as defined below)

NOW THIS DEED WITNESSES as follows

1 Definitions

In this Deed (unless otherwise defined below), words or expressions defined in the Senior Facilities Agreement (as defined below) shall, until the Senior Discharge Date, bear the same meaning in this Deed. In addition, in this Deed the following expressions have the following meanings:

<u>Expression</u>	<u>Meaning</u>
"Beneficiaries"	means collectively the Security Trustee and each Finance Party
"Copyright Works"	the copyright works listed in Schedule 4
"Deed"	this Deed of Charge and its Schedules
"Designs"	the Unregistered Designs and the registered designs for applications for registered designs and rights of a similar nature, short particulars of which are set out in Schedule 3 and all registered designs granted pursuant to such registered design applications
"Enforcement Date"	shall have the meaning given to it in the Intercreditor Agreement
"Exploitation Agreement"	any present and future agreement between the Company and a third party to exploit and utilise any of the Secured Property for that third party to

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manufacture and/or produce products or provide services using such Secured Property (including those agreements short particulars of which are set out in Schedule 5

"Finance Party"

shall have the meaning given to it in the Senior Facilities Agreement

"Intellectual Property Rights"

all of the Company's intellectual and industrial property rights of any description whatsoever which are assigned to or licensed to the Company or which have been acquired by or created by the Company prior to the date of this Deed or are acquired by or created by or assigned to or licensed to the Company at any time in the future including patents, know-how, registered trade marks, registered designs, utility models, applications for and rights to apply for any of the foregoing, unregistered design rights, unregistered trade marks, rights to prevent passing off for unfair competition and copyright, database rights, topography rights and any other rights in any invention, discovery or process, in each case in the United Kingdom and all other countries in the world together with all renewals and extensions

"Intercreditor Agreement"

means an intercreditor agreement dated on or around the date of this Deed made between, inter alia, the Security Trustee (in various capacities) Lloyds Development Capital Limited (in various capacities), Dundas Group Holdings Limited and its Subsidiaries (including the Company)

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"Monies and Liabilities"

means all and any present and future moneys, obligations and liabilities owed by the Company to the Beneficiaries, whether actual or contingent and whether owed jointly or severally, as principal or surety and/or in any other capacity whatsoever including, inter alia, under or in connection with the Finance Documents

"Obligations"

the obligations of the Company under and pursuant to this Deed

"Patents"

the patents, applications for patents and rights of a similar nature, short particulars of which are set out in Schedule 2 and all patents granted pursuant to such patent applications

"Physical Materials"

every item of physical material of any description in respect of which Intellectual Property Rights may subsist and in respect of each such item the original copy or version owned by or obtained by the Company and surplus materials associated with the foregoing which shall include without limitation any designs, sketches, calculations, diagrams, computations, source codes, models, computer programs, photographs, books and other records in any medium and any other material of any description in which Intellectual Property Rights may be incorporated

"Purchaser"

any purchaser of or any person who acquires for money or money's worth any of the Secured Property or any security interest or right or any other interest of

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- any nature whatsoever in any of it
- "Receiver" any receiver or manager or administrative receiver of the Company
- "Secured Property"
- (i) the Patents, the Trade Marks, the Designs, the Copyright Works, the Intellectual Property Rights and other related property and rights (including any Intellectual Property Rights) charged by the provisions of this Deed;
 - (ii) the goodwill relating to any of the Intellectual Property Rights;
 - (iii) all rights and interests of the Company in any Exploitation Agreement and all royalties and income payable under any such agreement;
 - (iv) all the Company's right, title and interest throughout the world in the Third Party Rights;
 - (v) the Physical Materials;
 - (vi) all the plant, machinery and equipment relating to the Intellectual Property Rights or the Third Party Rights or the Physical Materials;
 - (vii) the interest of the Company in and to all proceeds of any insurance policy over any of the property and rights charged by this Deed together with the benefit of any rights of the Company under such policy;

"Security Period"	means the period starting on the date of this Deed and ending on the date on which the Monies and Liabilities under this Deed have been unconditionally and irrevocably paid and discharged in full
"Security Trustee"	means The Royal Bank of Scotland Plc in its capacity as security agent and trustee for, among others, the Finance Parties and any successor appointed under the terms of the Senior Facilities Agreement
"Senior Discharge Date"	shall have the meaning given to it in the Intercreditor Agreement
"Senior Facilities Agreement"	means the facilities agreement dated on or around the date of this Deed made between, inter alia, The Royal Bank of Scotland Plc in its capacity as Agent, Arranger and Security Trustee and the Company which expression shall include such agreement as assigned, transferred, modified, amended, supplemented, extended, restated and/or replaced from time to time including, without limitation, any increase or variation in the amount of any facility made available under such agreement
"Third Party"	a third party to any Exploitation Agreement executed pursuant to clause 7 of this Deed
"Third Party Rights"	any Intellectual Property Rights of any description whatever which are licensed to the Company now or in the future (including under the terms of the existing licences short particulars of which are set

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	out in Schedule 6)
"Trade Marks"	the registered and unregistered trade marks, applications for registered trade marks and rights of a similar nature, short particulars of which are set out in Schedule 1 and all trade marks registrations granted pursuant to such trade mark applications
"Unregistered Designs"	the unregistered designs short particulars of which are set out in Schedule 3, Part 3
"Warranties and Undertakings"	the warranties and undertakings of the Company under or pursuant to this Deed

2 Interpretation

- 2.1 In this Deed the masculine includes the feminine and the neuter, and the singular includes the plural and vice versa as the context admits or requires.
- 2.2 The expression "person" means any individual, firm, body corporate or unincorporated association.
- 2.3 The index and headings to the clauses of and Schedule to this Deed are for convenience only and will not affect its construction or interpretation.
- 2.4 References to a statute or statutory provision include, unless the context otherwise requires, a reference to that statute or statutory provision as from time to time amended, modified, extended, re-enacted, consolidated and all statutory instruments, orders, by-laws, directions and notices made pursuant to it whether made before or after the date of this Deed.
- 2.5 Any reference in this Deed to a clause or Schedule is a reference to a clause of or Schedule to this Deed and references in any Schedule to paragraphs relate to the paragraphs in that Schedule.
- 2.6 The Schedules form part of this Deed and will have the same force and effect as if expressly set out in the body of this Deed and any reference to this Deed will include the Schedules.

- 2.7 This Deed is drawn up in the English language and may be translated into any other language. If there is any conflict in meaning between the English and other language versions, the English language version will prevail.
- 2.8 Any reference to this Deed or any other agreement or document will be construed as a reference to this Deed or, as the case may be, that other agreement or document; as it may have been, or may from time to time be, amended, varied, supplemented, substituted, novated or assigned.
- 2.9 References to times of the day are to the time in London, England.
- 2.10 Any reference to a "day" or a "Business Day" will mean a period of 24 hours running from midnight to midnight.
- 2.11 Any reference to a "month" is a reference to the period of a calendar month.
- 2.12 Any references to "writing" or "written" includes references to any communication effected by post, facsimile or any comparable means [but not including e-mail].
- 2.13 Any reference to a "year" means a period of 365 days (or, where that period includes a 29th February, 366 days).
- 2.14 Any obligations on a party not to do or omit to do anything includes an obligation not to allow that thing to be done or omitted by a third party.
- 2.15 Any sum payable by one party to the other under this Deed will be exclusive of any VAT which may be chargeable, which will be payable in addition to the sum in question at the rate for the time being prescribed by law on delivery of a valid VAT invoice.
- 2.16 Any phrase in this Deed introduced by the term "include", "including" "in particular" or any similar expression will be construed as illustrating and will not limit the sense of the words preceding that term.

3 Covenant

The Company hereby covenants with the Security Trustee (as trustee for the Beneficiaries) that it will on demand pay and discharge all Monies and Liabilities owing or incurred from or by it to the Beneficiaries when they become due.

4 Charging Clause

As a continuing security for the payment of all Monies and Liabilities and the performance of all Obligations and the observance of the Warranties and Undertakings, the Company with full title guarantee hereby:

4.1 charges to the Security Trustee by way of first fixed charge (subject to clause 4.2):

4.1.1 all present and future right, title and interest in and to the Secured Property; and

4.1.2 all present and future rights of action under the Secured Property including without limitation the right to ask for and recover damages in respect of infringements of any of the Secured Property wheresoever or howsoever occurring whether such infringement occurred before or after the date of this Deed and whether or not the Company has commenced proceedings in respect of such infringement.

4.2 assigns by way of security to the Security Trustee all present and future right, title and interest in and to any unregistered Intellectual Property Rights comprising the Secured Property including the Unregistered Designs and the Copyright Works.

5 Redemption

5.1 This Deed shall remain in full force and effect as a continuing security for the Security Trustee notwithstanding any settlement of account or any other act, event or matter whatever until the execution by the Security Trustee of:

5.1.1 an absolute and unconditional release of the Obligations; or

5.1.2 a receipt in respect of the final repayment of all and not part only of the Monies and Liabilities secured hereby.

5.2 Subject to the final repayment to the Security Trustee of the Monies and Liabilities, the Security Trustee shall at the request and cost of the Company discharge this security and re-assign to the Company any of the Secured Property assigned to the Security Trustee.

6 Further Assurance

6.1 The Company shall at any time if and when required by the Security Trustee execute:

6.1.1 such further legal or other charges or assignments in favour of the Security Trustee as the Security Trustee shall from time to time require over all or any of the Secured Property; and

6.1.2 any other transfers or documents the Security Trustee may from time to time require for perfecting its title to the same or for vesting or enabling it to vest the same in itself or its nominees or in any purchaser,

to secure all Monies and Liabilities and Obligations covenanted to be paid or otherwise secured under this Deed or to facilitate the realisation of the Secured Property or the exercise of the powers conferred on the Security Trustee.

6.2 All such further charges, assignments and documents as may be executed in accordance with the provisions of clause 6.1 shall be prepared by or on behalf of the Security Trustee at the cost of the Company and shall contain:

6.2.1 an immediate power of sale without notice;

6.2.2 a clause excluding section 93 and the restrictions contained in section 103 Law of Property Act 1925; and

6.2.3 such other clauses for the benefit of the Security Trustee as the Security Trustee may reasonably require.

6.3 The Company shall properly register in such register or registers and with such authorities as may be available for the purpose, and whether in the United Kingdom or elsewhere, and in such name or names as may be required by the law and practice of the place of registration, such of the following as are capable of registration:

6.3.1 this Deed and any documents required by the Security Trustee pursuant to this Deed;

6.3.2 all licences or other interests relating to the Secured Property; and

6.3.3 all future charges, assignments, documents and assurances made, executed or given pursuant to this Deed.

6.4 If so required by the Security Trustee, the Company shall allow the Security Trustee (at the Company's expense) to make any of the registrations referred to in clause 6.3 and give it all reasonable assistance in relation to such registrations and the Company hereby appoints the Security Trustee as its authorised agent to make any filings, registrations or renewals at the Patent Office or otherwise as shall be necessary to give effect to clause 6.3.

6.5 The Company acknowledges that the Secured Property is subject to the relevant intellectual property laws (including without limitation as to security) of the jurisdiction in which each part of the Secured Property is registered or exists and accordingly this Deed shall be subject to such amendments and variations as may be required to comply with the law of the relevant jurisdiction and the Company shall:

6.5.1 execute such amendments, variations, further charges and assignments as may be reasonably required by the Security Trustee to charge the Secured Property in such jurisdiction[s] to the Security Trustee; and

6.5.2 not oppose or assist any third party to oppose any present or future applications for registration by the Security Trustee in the jurisdiction[s] in which each part of the Secured Property is registered or exists.

7 Future Exploitation

7.1 Subject to clause 8.2.7 the Company may enter into Exploitation Agreements in respect of the Secured Property PROVIDED THAT:

7.1.1 each such Exploitation Agreement shall:

(a) be made on an arm's length basis on the best reasonably obtainable commercial terms;

(b) be non-transferable;

(c) contain terms required by the Security Trustee to protect the rights of the Security Trustee under this Deed (including

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without limitation the Security Trustee's rights of termination); and

(d) contain an irrevocable payment direction countersigned by the Third Party requiring payment of all sums payable to the Company by the Third Party pursuant to that Exploitation Agreement to be made to the Company's bank account nominated by the Security Trustee; and

7.1.2 the Company undertakes to execute and deliver to the Security Trustee (at the Company's cost and free from any escrow) such form of security assignment from the Company of all sums payable pursuant to that Exploitation Agreement as the Security Trustee may require and to procure the execution and delivery (free from any escrow) to the Security Trustee a notice of acknowledgement from the Third Party of the said notice of the security assignment in such manner and form as the Security Trustee may require; and

7.1.3 there has been no breach or non-performance by the Company of any of its warranties or obligations hereunder.

8 Representations, Warranties and Covenants by the Company

8.1 The Company represents and warrants to the Security Trustee that:

8.1.1 the Company has and will at all times during the lifetime of this Deed have the necessary power and right to enter into and perform its obligations under this Deed;

8.1.2 this Deed constitutes the Company's legal, valid, binding and enforceable obligations and is a security over the Secured Property in accordance with its terms;

8.1.3 all necessary authorisations and consents to enable or entitle the Company to enter into this Deed have been obtained and will remain in full force and effect during the subsistence of the security constituted by this Deed;

8.1.4 each part of the Secured Property is subsisting and is, to the best of the Company's knowledge, understanding and belief, valid;

8.1.5 the Company:

- (a) is properly registered as the sole registered proprietor of the patents, registered trade marks and registered designs;
- (b) is properly the sole applicant in the applications of the Trade Marks, Patents and the Designs;
- (c) has a good title to the Secured Property;
- (d) has not charged or encumbered any part of the Secured Property; and
- (e) has not done or omitted to do any act, matter or thing whereby its title to any part of the Secured Property may be impugned or encumbered;
- (f) has not done or omitted to do any act, matter or thing whereby its registration of any of the patents, registered trade marks or registered designs comprised in the Secured Property may be invalidated in whole or in part and is not aware of any reason that might result in such invalidation; and
- (g) has not done or omitted to do any act, matter or thing whereby the application for registration of any of the patent applications, trade mark applications and registered design applications comprised in the Secured Property may be refused in whole or in part and is not aware of any reason that might result in such refusal;

8.1.6 any and all renewal fees payable in respect of the Secured Property by the date of this Deed have been duly paid;

8.1.7 it has not received any notice from any third party alleging infringement of third party rights by use of any of the Secured Property; and

8.1.8 it is unaware of any infringement relating to any of the Secured Property that is subsisting or that has occurred.

8.2 The Company further covenants with the Security Trustee that the Company shall:

8.2.1 immediately notify the Security Trustee in writing:

- (a) of anything which it has reason to believe may be an infringement of any of the Secured Property;
- (b) of any communication that it receives from any third party alleging that any of the Secured Property or the manufacture, distribution, sale, licensing and/or use by the Company of the subject matter of any of the Secured Property may infringe the intellectual property rights of any third party;
- (c) if the Company becomes aware that the value of any or all of the Secured Property is or might be materially diminished for any reason (including without limitation the emergence of new technology that supersedes or is expected to supersede the Patents);
- (d) if it proposes to cease exploiting any or all of the Secured Property either itself or by way of Exploitation Agreement[s];
- (e) if any claim for entitlement or any application for amendment, revocation or opposition is made in respect of any or all of the Secured Property on any grounds; or

8.2.2 promptly pay all prosecution and renewal fees, taxes, fees, licence duties, registration charges, insurance premiums and other outgoings relating to any of the Secured Property and produce to the Security Trustee on demand such evidence of payment as the Security Trustee may require;

8.2.3 obtain all necessary certificates, licences, permits and authorisations from time to time required for the protection of the Secured Property;

8.2.4 do all in the Company's power and influence to protect and preserve all of the Secured Property (including without limitation prosecuting all applications to grant it, taking proceedings in respect of any infringement of it and defending any claims made relating to such

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matters or validity of the Secured Property and any infringement action brought against the Company relating to the subject matter of any of the Secured Property);

- 8.2.5 not without the prior written consent of the Security Trustee and subject as provided in clause 7, whether in equity or in law, sell, transfer, dispose of, assign, license or otherwise deal with or part with possession or control of any of the Secured Property or any part of it or any interest in it (or attempt to do any of those things) or directly or indirectly create or permit there to exist any security, interest or lien or other encumbrance whatever in them;
- 8.2.6 not allow any counterclaim or set-off in respect of any sum payable in relation to any of the Secured Property;
- 8.2.7 not enter into Exploitation Agreements without the prior written consent of the Security Trustee (which consent may be withheld at the Security Trustee's absolute discretion) and to supply the Security Trustee with a copy of each Exploitation Agreement entered into by the Company;
- 8.2.8 not amend, modify, vary or waive any of the Company's rights under or pursuant to any Secured Property without the prior written consent of the Security Trustee;
- 8.2.9 conduct and carry on its business in a proper, efficient and business-like manner and not make any substantial alteration in the nature of or mode of conduct of that business and keep or cause to be kept proper books of account relating to such business;
- 8.2.10 furnish to the Security Trustee at the same time as it provides its Quarterly Financial Statements a certificate signed by a director of the Company detailing any developments to and any licensing and disposal of the Intellectual Property Rights, the due date for payment of renewal fees in respect of the Intellectual Property Rights, payments made of such fees, any new Intellectual Property Rights (including any new Third Party Rights), any infringement action and any other matters relating to the Secured Property which may affect its value;

- 8.2.11 not do or cause or permit to be done anything which may in any way prejudice the value to the Security Trustee of the Secured Property;
- 8.2.12 within seven days of request deliver to, or to the order of, the Security Trustee all Physical Materials, copies of all documents, manuals, instruction books and other documentation required or necessary to exploit or maintain the Secured Property;
- 8.2.13 maintain the Physical Materials in good and serviceable condition (fair wear and tear excepted) and to ensure that they are used, handled and maintained only by persons properly qualified and to ensure that they are only used for the purpose for which the Physical Materials are suitable and maintain all plant, machinery, fixtures and fittings and other effects relating to the Secured Property in good repair and condition;
- 8.2.14 permit any persons designated by the Security Trustee at all reasonable times to inspect and examine the Physical Materials and the records maintained in connection with them;
- 8.2.15 maintain insurances on and in relation to the Secured Property with reputable underwriters or insurers against all risks for its full replacement value and otherwise to such extent as is usual for companies carrying on a business as that carried on by the Company and to ensure that the Security Trustee's interest is noted on each policy and the Company agrees that in the event of failure on the part of the Company to pay any premium in respect of any such policies the Security Trustee may pay such premium itself or effect such new policies of insurance and the amount of the premiums and all costs and expenses relating to the payment of such premiums and all such new policies of insurance shall be repaid by the Company and until so repaid shall form part of the Monies and Liabilities;
- 8.2.16 not permit any application or the registration of any of the Secured Property to be abandoned or to be cancelled or to lapse or any licence agreement in respect of the Third Party Rights to be terminated or rescinded or lapse other than by expiry of time.

Enforceability

- 9.1 The security constituted by this Deed shall become enforceable and the Security Trustee may exercise all the powers on mortgagees by the Law of Property Act 1925 (as varied or extended by this Deed), all the powers conferred on the holder of a qualifying floating charge (as defined in the Insolvency Act 1986) by the Insolvency Act 1986 and all or any of the rights and powers conferred by this Deed without further notice to the Company upon and at any time after the Enforcement Date.
- 9.2 Any money received under the powers conferred by this Deed shall, subject to the discharge of any prior-ranking claims, be paid or applied in or towards satisfaction of the Monies and Liabilities in the manner applicable under clause 17 (*Application of Proceeds*) of the Security Agreement.
- 9.3 Section 103 Law of Property Act 1925 and the restriction contained in section 93 Law of Property Act 1925 shall not apply to the security created by this Deed.
- 9.4 Any monies received from any insurance in respect of loss or damage to the Secured Property shall, as the Security Trustee requires, either be applied in making good the loss or damage in respect of which the monies are received or be paid to the Security Trustee in or towards payment of the Monies and Liabilities or such part or parts thereof as the Security Trustee requires.

10 Appointment of Receiver

- 10.1 The Security Trustee may, at any time after this security shall have become enforceable or at the request of the Company, appoint in writing a Receiver of the Secured Property or any part or parts thereof upon such terms as to remuneration and otherwise as it shall think fit and may from time to time remove any Receiver and appoint another in his or their stead.
- 10.2 If a Receiver is appointed, such Receiver shall be the agent of the Company and the Company shall (subject as otherwise provided by law) alone be personally liable for the remuneration, costs and expenses of the Receiver and the acts and defaults of the Receiver, who shall have the power to:
- 10.2.1 take possession of, get in and enforce the Secured Property;

- 10.2.2 take any steps that may be necessary or desirable to effect compliance with any or all of the Obligations and to carry on, manage or concur in carrying on and managing the business of the Company or any part of the same in relation to the Secured Property, and for any of those purposes to raise or borrow from the Security Trustee or otherwise any money that may be required upon the security of the whole or any part of the Secured Property;
- 10.2.3 institute proceedings and sue in the name of the Company and to appoint managers, agents, servants and workmen at such salaries as the Receiver may determine;
- 10.2.4 sell or license, or concur in selling or licensing the Secured Property and the interest of the Company in any Exploitation Agreement or otherwise deal therewith and on such terms in the interest of the Security Trustee as the Receiver thinks fit; and
- 10.2.5 make any arrangement or compromise and enter into any contract or do any other act or make any omission which it shall think expedient in the interest of the Security Trustee and to do any other act or thing which a Receiver appointed under the Law of Property Act 1925 or the Insolvency Act 1986 would have the power to do subject to the provisions of this Deed.

11 Power of Attorney

- 11.1 The Company by way of security hereby irrevocably appoints the Security Trustee as attorney (with full power to appoint substitutes and to delegate) for the Company, in its name and on its behalf, and as its act and deed or otherwise to execute and deliver and otherwise perfect any agreement, assurance, deed, instrument or document, or perform any act, which may be required of the Company under this Deed, or may be deemed by such attorney necessary or desirable for any purpose of this Deed or to enhance or perfect the security intended to be constituted by it including, without limitation:
- 11.1.1 for perfecting title to or for vesting the Secured Property in the Company or the Security Trustee or its nominees or in any Purchaser;

- 11.1.2 to make any amendment, alteration or addition to the Secured Property;
 - 11.1.3 to take or defend proceedings involving the Secured Property or its subject matter including without limitation infringement, revocation, opposition and entitlement claims;
 - 11.1.4 for the maintenance and entering into of any Exploitation Agreement or any agreement in respect of the Third Party Rights; and
 - 11.1.5 otherwise generally to sign, seal and deliver and otherwise perfect any such transfers or other documents and any such legal or other charges or assignments over the Secured Property required by the Security Trustee and all such deeds and documents and do all such acts and things as may be required for the full exercise of the powers hereby conferred, including without limitation any sale or other disposition, realisation or getting in by the Security Trustee or its nominees of the Secured Property.
- 11.2 Without prejudice to the generality of the provisions contained in clause 11.1 (*Power of Attorney*), the Company hereby covenants with the Security Trustee that if required so to do the Company will ratify and confirm:
- 11.2.1 all transactions entered into by the attorney or by the Company at the instance of the Security Trustee in the proper exercise of its powers in accordance with this Deed; and
 - 11.2.2 all transactions entered into by the attorney in signing, sealing, delivering and otherwise perfecting any such assignment, security, deed, assurance, document or act.
- 11.3 The power of attorney granted by clause 11 (*Power of Attorney*) is, as regards the Security Trustee and its delegates (and as the Company irrevocably acknowledges), granted irrevocably and for value as part of the security constituted by this Deed to secure proprietary interests in and the performance of obligations owed to the respective donees within the meaning of the Powers of Attorney Act 1971.

12 Protection of Third Parties

- 12.1 No Purchaser from the Security Trustee or any Receiver or other person dealing with the Security Trustee or any Receiver shall be concerned to enquire whether any of the powers which they have exercised or purported to exercise has arisen or become exercisable, or whether the Monies and Liabilities remain outstanding, or as to the propriety or validity of the exercise or purported exercise of any such power, and the title of a Purchaser and the position of such a person shall not be prejudiced by reference to any of those matters.
- 12.2 The receipt of the Security Trustee or any Receiver shall be an absolute and conclusive discharge to a Purchaser and shall relieve such person of any obligation to see to the application of any monies paid to or by the direction of the Security Trustee or any Receiver.

13 Protection of the Security Trustee

- 13.1 Neither the Security Trustee nor any Receiver shall be liable in respect of any loss or damage that arises out of the exercise or the attempted or purported exercise of or the failure to exercise any of their respective powers.
- 13.2 Without prejudice to the generality of clause 13 above, entry into possession of the Secured Property or any part of it shall not render the Security Trustee or any Receiver liable to account as chargee in possession and if and whenever the Security Trustee or any Receiver enters into possession of the Secured Property or any part of it, the Security Trustee or any Receiver shall be entitled at any time at its discretion to go out of such possession.
- 13.3 If the Security Trustee receives notice of any subsequent charge or interest affecting all or any of the Secured Property, it may open a new account or accounts for the Company in its books and if it does not do so then (unless it gives express written notice to the contrary to the Company) as from the time of receipt of such notice by the Security Trustee all payments made by the Company to the Security Trustee (in the absence of any express appropriation to the contrary) shall be treated as having been credited to a new account of the Company and not as having been applied in reduction of the Monies and Liabilities.

14 Indemnity

- 14.1 The Company will fully indemnify the Security Trustee and any Receiver appointed hereunder on demand from and against any expense (including legal fees on a full indemnity basis), loss, fees (including registration fees), damage or liability which the Security Trustee or, as the case may be, any Receiver may incur in connection with the negotiation, preparation, execution, modification, amendment, release and/or enforcement or attempted enforcement of, or preservation of the Security Trustee's (or any Receiver's) rights under, this Deed or in relation to any of the Secured Property, including any present or future stamp or other taxes or duties and any penalties or interest with respect thereto which may be imposed by any competent jurisdiction in connection with the execution or enforcement of this Deed or in consequence of any payment being made pursuant to this Deed (whether made by the Company or a third person) being impeached or declared void for any reason whatsoever.
- 14.2 The Company undertakes to indemnify, keep indemnified and hold harmless the Security Trustee from and against all costs (including the costs of enforcement), expenses, liabilities, injuries, direct, indirect or consequential loss (all three of which terms include without limitation pure economic loss, loss of profits, loss of business, depletion of goodwill and like loss), damages, claims, demands, proceedings or legal costs (on a full indemnity basis) and judgments which the Security Trustee incurs or suffers as a result of any breach or non-performance by the Company of any of the Company's undertakings, warranties or obligations under this Deed.
- 14.3 The Company shall indemnify the Security Trustee in full for any loss, expense or injury incurred by the Security Trustee in any claim:
- 14.3.1 that any of the Secured Property infringes the intellectual property rights of any third party;
 - 14.3.2 that any of the Secured Property is wholly or partially invalid or held to be unenforceable by or not the property of the Company; or
 - 14.3.3 that the Company is in breach of any of its warranties under clause 8.

15 Other Security

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

16 The Security Trustee's Certificate

Any certificate or determination of the Security Trustee as to the amount of any Monies and Liabilities or, without limitation, any other matter provided for in this Deed shall, in the absence of manifest error, be conclusive and binding on the Company.

17 Assignment

17.1 The Security Trustee may at any time without the consent of the Company, assign or transfer the whole or any part of its rights under this Deed in accordance with the terms of the Senior Facilities Agreement.

17.2 The Company may not assign any of its rights or transfer any of its obligations under this Deed or enter into any transaction which would result in any of these rights or obligations passing to another person.

18 Service of Demands and Notices

18.1 Any demand for payment and any other demand, notice, consent or communication made or given on or to the Company or the Security Trustee under or in connection with this Deed may be left at the relevant address for the Company or the Security Trustee referred to in Clause 36.2 of the Senior Facilities Agreement or sent there by first class post or facsimile. Any demand on the Company shall be validly made whether or not it contains an accurate statement of the amount of the Secured Liabilities.

18.2 Any demand for payment and any other demand, notice, consent or communication made by or given on or to the Company or the Security Trustee shall be effective when delivered or deemed delivered in accordance with Clause 36.3 of the Senior Facilities Agreement.

19 Security Trustee, Perpetuity Periods and No Partnership

19.1 The Security Trustee hereby declares itself to be a trustee of this Deed (and any other security in its favour created pursuant to this Deed) for the Beneficiaries. The retirement of the Security Trustee from being trustee and the appointment of any new trustee shall be effected in the manner provided in the Intercreditor Agreement.

19.2 The perpetuity period applicable to the trusts hereby constituted shall be 80 years.

19.3 Nothing in this security shall constitute or be deemed to constitute a partnership between the Beneficiaries (or between any of them).

20 Miscellaneous

20.1 No failure or delay by the Security Trustee in exercising any right, power or remedy will operate as a waiver of it nor will any partial exercise preclude any further exercise or the same, or of some other right, power or remedy.

20.2 If any clause or part of this Deed is found by any court, tribunal, administrative body or authority of competent jurisdiction to be illegal, invalid or unenforceable then that provision will, to the extent required, be severed from this Deed and will be ineffective without, as far as is possible, modifying any other clause or part of this Deed and this will not affect any other provisions of this Deed which will remain in full force and effect.

20.3 The Company hereby irrevocably appoints any successors or assigns of the Security Trustee to be its attorney in the terms and for the purposes set out in clause 11 above.

20.4 The parties to this document intend it to be a deed, and agree to execute and deliver it as a deed.

21 Security Trustee

The provisions of Schedule 6 of the Intercreditor Agreement shall apply to the Security Trustee's rights, obligations and duties under this Deed as if set out in this Deed in full.

22 Security Retention

22.1 If the state of account between the Security Trustee or any Beneficiary and any Group Company (by reference to which any Monies and Liabilities are calculated for the purposes of this Deed) requires adjustment at any time because of any claim made against the Security Trustee or such Beneficiary by an office-holder (within the meaning of Section 234 of the Insolvency Act 1986), then, notwithstanding any other provision of this Deed;

22.1.1 the Company's liability to the Security Trustee or such Beneficiary will be correspondingly adjusted; and

22.1.2 the Security Trustee or such Beneficiary may treat any release or settlement made by it with the Company before any such adjustment is required as being of no effect; and

22.1.3 the Security Trustee or such Beneficiary may recover from the Company such sum as will place the Security Trustee or such Beneficiary in the same position as if such release or settlement had not been made.

If any claim is made against the Security Trustee or any Beneficiary under any insolvency law, the Security Trustee or such Beneficiary may agree the claim or settle it on any terms it chooses without the necessity of asking for the Company's agreement. If the Security Trustee or such Beneficiary does agree or settle the claim, the Company will be liable under this Deed as if a court order had been made containing the terms which the Security Trustee or such Beneficiary have agreed. The Company will be responsible for all costs and expenses which the Security Trustee or such Beneficiary properly incurs in defending such a claim.

22.2 Security release

Subject to Clause 22.3 (*Discharge Conditional*), upon the expiry of the Security Period (but not otherwise) the Security Trustee shall at the request and cost of the Company, take whatever action is necessary to release the Secured Property from the security constituted by this Deed.

22.3 Discharge Conditional

Any release, discharge or settlement between the Company and the Security Trustee shall be deemed conditional upon no payment or security received by the Security Trustee in respect of the Monies and Liabilities being avoided or reduced or ordered to be refunded pursuant to any provision of any enactment relating to insolvency, bankruptcy, winding-up, administration or receivership and, notwithstanding any such release, discharge or settlement the Security Trustee shall be entitled to recover the value or amount of such security or payment from the Company subsequently as if such settlement, discharge or release had not occurred

and the Company agrees with the Security Trustee accordingly and charges the Secured Property and the proceeds of sale thereof with any liability under this Clause, whether actual or contingent.

23 Governing Law

23.1 This Deed shall be governed by and construed in accordance with English law.

23.2 The Company hereby submits, for the exclusive benefit of the Security Trustee and the Beneficiaries, to the jurisdiction of the English Courts, but without prejudice to the right of the Security Trustee and/or the Beneficiaries to commence proceedings against the Company in any other jurisdiction.

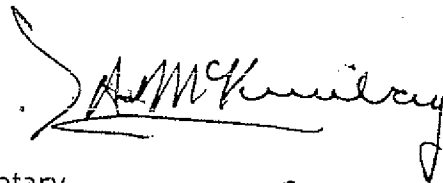
IN WITNESS whereof this document has been executed and delivered as a deed on the date stated at the beginning of this document.

SIGNED as a DEED)

By ADAPTAFLEX LIMITED)

acting by)

Director



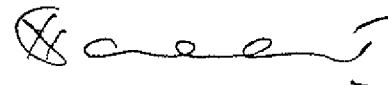
Director/Secretary

THE SECURITY TRUSTEE

SIGNED by)

for and on behalf of THE ROYAL BANK)

OF SCOTLAND PLC)



By:

Address:

Fax Number:

Attention:

SCHEDULE 1

Registered Trademarks and Trademark Applications

Country	TM Number	Mark Text	Classes	Status
UK	1501614	Adaptaflex AFX	9	Merged with Trade Mark No.1501615
UK	1501615	Adaptaflex AFX	9 and 17	Granted
UK	1187259	Adaptaflex Harnessflex	9	Granted
UK	1421382	Adaptaflex HX logo	9	Lapsed
UK	1028726	Adaptaflex logo	6	Merged with Trade Mark No.1028728
UK	1028727	Adaptaflex logo	9	Merged with Trade Mark No.1028728
UK	1028728	Adaptaflex logo	6, 9 and 17	Granted
UK	1258345	Adaptaflex Stayflex	9	Granted
UK	1251151	Adaptaflex Xtraflex	9	Merged with Trade Mark No.1251152
UK	1251152	Adaptaflex Xtraflex	9 and 17	Granted
UK	1384337	Adaptalok	17	Granted
UK	2116182	Adaptaring	9	Granted
UK	1574782	Adaptaseal	9	Merged with Trade mark No.1574783
UK	1574783	Adaptaseal	9 and 17	Granted
UK	2025882	Adaptasteel	6 and 9	Granted
UK	2022606	Britespark	6, 9, 17	Granted
UK	1579943	Ecofit	9	Lapsed

Country	TM Number	Mark Text	Classes	Status
UK	1579944	Ecofit	17	Lapsed
UK	1581397	Ecolok	9	Merged with Trade Mark No.1581398
UK	1581398	Ecolok	9 and 17	Granted
UK	2022150	Xtraflex	9	Granted
European Community	1052885	Adaptaflex	6, 9 and 17	Granted
Benelux	533429	ADAPTAFLEX	6, 9, 17	Granted
India	1097241	ADAPTAFLEX	9	Granted
Japan	2693797	ADAPTAFLEX	9	Lapsed
Japan	2697735	ADAPTAFLEX	9	Lapsed
Japan	2696081	ADAPTAFLEX	6	Lapsed
Korea - Republic of	274265	ADAPTAFLEX	6	Lapsed
Korea - Republic of	287844	ADAPTAFLEX	9	Lapsed
New Zealand	299798	ADAPTAFLEX	6	Granted
New Zealand	299799	ADAPTAFLEX	9	Granted
New Zealand	299800	ADAPTAFLEX	17	Granted
United Arab Emirates	38961	ADAPTAFLEX	9	Granted
United States of America	2385073	ADAPTAFLEX	6, 9, 17	Granted
Australia	391388	ADAPTAFLEX HARNESSFLEX	9	Granted
South Africa	84/8289	ADAPTAFLEX HARNESSFLEX	9	Lapsed
Australia	391391	ADAPTAFLEX Logo	17	Granted
Australia	391390	ADAPTAFLEX Logo	9	Granted
Australia	391389	ADAPTAFLEX Logo	6	Granted

TRADEMARK

REEL: 003623 FRAME: 0082

Country	TM Number	Mark Text	Classes	Status
Germany	1124303	ADAPTAFLEX Logo	6, 9, 17	Granted
Germany	648419	ADAPTAFLEX Logo	6, 9, 17	Granted
South Africa	84/8286	ADAPTAFLEX Logo		Lapsed
South Africa	84/8287	ADAPTAFLEX		Lapsed
South Africa	84/8288	ADAPTAFLEX Logo		Lapsed
Sweden	201659	ADAPTAFLEX Logo	6, 9, 17	Granted
United States of America	1438937	ADAPTAFLEX Logo	6, 9, 17	Lapsed
United States of America	1967671	ADAPTAFLEX Logo	6, 9, 17	Granted
Australia	449283	ADAPTAFLEX XTRAFLEX	9	Granted
Australia	449284	ADAPTAFLEX XTRAFLEX	17	Granted
Australia	804580	ADAPTALOK	9, 17	Granted
Austria	128940	ADAPTALOK	17	Granted
Benelux	465632	ADAPTALOK	17	Granted
Denmark	136/1991	ADAPTALOK	17	Granted
France	1651334	ADAPTALOK	17	Granted
Germany	1155257	ADAPTALOK	6, 9, 17	Granted
Germany	648420	ADAPTALOK	6, 9, 17	Granted
Italy	886887	ADAPTALOK	17	Granted
Japan	2697734	ADAPTALOK	9	Lapsed
Japan	2710400	ADAPTALOK	17	Granted
Korea - Republic of	274264	ADAPTALOK	6	Lapsed
Korea - Republic of	275470	ADAPTALOK	9	Lapsed
New Zealand	299801	ADAPTALOK	17	Granted
Norway	145403	ADAPTALOK	17	Granted

Country	TM Number	Mark Text	Classes	Status
Spain	1521530	ADAPTALOK	17	Allow to lapse
Sweden	224695	ADAPTALOK	17	Granted
Switzerland	376126	ADAPTALOK	17	Granted
United States of America	1947983	ADAPTALOK	17	Granted
Germany	39700228	ADAPTARING	6, 9, 17	Allow to lapse
Japan	4250424	ADAPTARING	9	Granted
Austria	155056	ADAPTASEAL	9, 17	Lapsed
Benelux	554671	ADAPTASEAL	9, 17	Lapsed
Denmark	5238/1995	ADAPTASEAL	9, 17	Allowed to lapse
France	94530406	ADAPTASEAL	9, 17	Lapsed
Germany	2900695	ADAPTASEAL	9, 17	Lapsed
Italy	698685	ADAPTASEAL	9, 17	Lapsed
Japan	3253430	ADAPTASEAL	9	Granted
Japan	4258743	ADAPTASEAL	17	Granted
Korea - Republic of	328829	ADAPTASEAL	9	Allowed to lapse
Korea - Republic of	342668	ADAPTASEAL	24	Granted
Korea - Republic of	388018	ADAPTASEAL	38	Granted
New Zealand	299796	ADAPTASEAL	9	Lapsed
New Zealand	299797	ADAPTASEAL	17	Lapsed
Norway	172933	ADAPTASEAL	9, 17	Lapsed
Spain	1918748	ADAPTASEAL	9	Lapsed
Spain	1918749	ADAPTASEAL	17	Lapsed
Sweden	266135	ADAPTASEAL	9, 17	Lapsed
Switzerland	440140	ADAPTASEAL	9, 17	Lapsed

Country	TM Number	Mark Text	Classes	Status
United States of America	1994427	ADAPTASEAL	9, 17	Granted
Germany	39528007	ADAPTASTEEL	6, 9, 17	Granted
Canada	1318753	ATS	17	Pending
Taiwan	9505335	ATS	17	Pending
Madrid Protocol designating Australia, Switzerland, China, EC, Japan, Republic of Korea, USA		ATS	17	Pending
UK	2424698	ATS	9 and 17	Pending

SCHEDULE 2

Registered Patents and Patent Applications

Country	Patent/Application Number	Short Title	Expiry Date
UK	2194609	Corrugated Plastic Pipe Connector	
UK	2216214	Corrugated Pipe Connector and Method of Molding	
UK	2223287	Corrugated Plastic Pipe Connector	
France	8701429	Corrugated Plastic Pipe Connector	05/02/07
Italy	1205735	Corrugated Plastic Pipe Connector	03/02/07
Switzerland	674069	Corrugated Plastic Pipe Connector	05/02/07
Austria	396518	Corrugated Plastic Pipe Connector	05/02/07
Denmark	173702	Corrugated Plastic Pipe Connector	05/02/07
USA	5150930	Corrugated Pipe Connector and Method of Moulding	08/05/07
Canada	1272767	Corrugated Plastic Pipe Connector	14/08/07
USA	5041256	Corrugated Plastic Pipe Connector (DIV)	20/08/08
USA	5094482	Corrugated Plastic Pipe Connector (DIV)	08/05/07
Germany	3790074	Corrugated Plastic Pipe Connector	05/02/07
Netherlands	194172	Corrugated Plastic Pipe Connector	05/02/07

SCHEDULE 3

Registered Designs

Country	Design Number	Short Title	Expiry Date
France	955584	Saddle Clip	17/10/2020

SCHEDULE 4

The Copyright Works

Description of Copyright Work	Author of Work	Date
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SCHEDULE 5

Exploitation Agreements

SCHEDULE 6

Third Party Rights