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in black type, or  
bold block lettering

\* Insert full name  
of company

## COMPANIES FORM No. 395

### Particulars of a mortgage or charge

# 395

Pursuant to section 395 of the Companies Act 1985

MS / 062433 / £120 x 12

To the Registrar of Companies

For official use

Company number

3 [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]

2977186

Name of company

\* HARMAN HEALY LIMITED ("the Company")

Date of creation of the charge

9 NOVEMBER 1999

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

COMPOSITE GUARANTEE AND DEBENTURE ("the Deed")

Amount secured by the mortgage or charge

All indebtedness, liabilities and obligations which are as at 9th November 1999 or may at any time thereafter be due, owing or incurred in any manner whatsoever to the Bank by any Group Company whether actually or contingently, whether pursuant to the Guarantee or otherwise, whether solely or jointly with any other person, whether as principal or surety and whether or not the Bank shall have been an original party to the relevant transaction and in whatever currency denominated including all liabilities from time to time assumed or incurred by the Bank at the request of any Group Company in connection with foreign exchange transactions, acceptances, discounting or otherwise or under guarantees, bonds, indemnities, documentary or other credits or any instruments whatsoever and including interest, discount, commission and other lawful charges or reasonable expenses which the Bank may in the course of its business charge in respect of any facilities or accommodation or service provided by the Bank for keeping any Group Company's account ("Secured Obligations")

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

BARCLAYS BANK PLC 54 Lombard Street, London EC3P 3AH ("the Bank")

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

Dibb Lupton Alsop  
125 London Wall  
London EC2Y 5AE

PJC/klh/banking

hugginsk\forms395\harman

Time critical reference

For official use  
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

**1. FIXED AND FLOATING CHARGES**

With full title guarantee and as a continuing security for the payment or discharge of all the Secured Obligations and all its other obligations under the Deed:

1.1 the Company charged to the Bank by way of first legal mortgage:

1.1.1 all its freehold and leasehold interest in the properties title to which is registered at HM Land Registry described in part I of the schedule hereto together with all buildings, fixtures (excluding in the case of leasehold property landlord's fixtures but including other trade fixtures and excluding in the case of freehold property and leasehold property which is let or let to a third party, tenant's and trade fixtures and fittings of such third party) and its fixed plant and machinery at any time thereon;

continued on continuation sheet 1, page 4

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Particulars as to commission allowance or discount (note 3)

N/A

Signed

*Pibb Lupton Alop*

Date

*17 November 1999*

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

† delete as  
appropriate

**NOTES**

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

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

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**Particulars of a mortgage or charge  
(continued)**

Continuation sheet No 1  
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

2977186

Name of Company

HARMAN HEALY LIMITED ("the Company")

~~limited~~\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

NOTE

In this form:-

"Acquisition Documents" means the Acquisition Agreement (as more particularly defined in the Facility Agreement), together with all other documents executed or delivered, or to be executed or delivered, in accordance with the terms thereof, or in connection therewith (including, without limitation, the "Disclosure Letter" referred to therein);

"Act" means the Law of Property Act 1925;

"Charged Property" means the property referred to in clause 4 of the Deed and all other property of whatsoever nature from time to time charged by or pursuant to the Deed;

"Encumbrance" includes any mortgage, pledge, lien, charge, assignment by way of security, hypothecation, security interest, title retention, preferential right or trust arrangement or any other security agreement or arrangement having the effect of security;

"Event of Default" means any of the events specified in clause 15 of the Facility Agreement;

"Facility Agreement" means the term loan facility agreement dated 9 November 1999 between (1) Hercules Property Services PLC and (2) the Bank;

"Group" means the Borrower (as more particularly defined in the Deed) and its Subsidiaries (as more particularly defined in the Facility Agreement) from time to time, "Group Company" means any of them and "Group Companies" means all of them;

"Guarantee" means the Guarantee contained in clause 2 as extended by schedule 3 to the Deed;

"Intellectual Property" means copyrights, patents and registered and unregistered designs (including applications and rights to apply therefor), inventions, trademarks and service marks whether registered or not (including all registrations thereof and applications and rights to apply therefor), confidential information and know-how and fees, royalties and other rights of every kind deriving from copyright, patents or inventions or other intellectual property throughout the world as at 9 November 1999 or at any time thereafter belonging to or created by or assigned to the Company;

"Permitted Encumbrances" means:

(a) a lien or right of set-off arising in the ordinary course of business solely by operation of law;

(b) an Encumbrance which the Bank has at any time in writing agreed shall be a Permitted Encumbrance;

(c) Encumbrances arising under the Banking Documents (as more particularly defined in the Facility Agreement);

(d) any Encumbrances arising solely as a result of a title retention clause in a supply Agreement entered into by any Group Company, or arising under conditional sale or hiring Agreements in respect of goods supplied to the Group in the ordinary course of business; and

(e) the Encumbrance granted to The Royal Bank of Scotland plc by Waterglen Limited (CRN: 2725885) dated 6 February 1998.

continued on continuation sheet 2, page 2

Please complete  
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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete  
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1.1.2 all other freehold and leasehold interests in the properties vested in it as at 9th November 1999 but title to which is not registered at HM Land Registry described in part II of the schedule hereto with all buildings, fixtures (excluding in the case of leasehold property landlord's fixtures but including other trade fixtures and excluding in the case of freehold property and leasehold property which is let or let to a third party, tenant's and trade fixtures and fittings of such third party) and its fixed plant and machinery at any time thereon;

1.2 the Company charged to the Bank by way of first fixed charge:

1.2.1 all present and future freehold and leasehold property of the Company not otherwise charged by way of legal charge pursuant to clauses 4.1.1 or 4.1.2 of the Deed together with all buildings, fixtures (excluding in the case of leasehold property landlord's fixtures but including trade fixtures and excluding in the case of freehold property and leasehold property which is let or let to a third party, tenant's and trade fixtures and fittings of such third party) and its fixed plant and machinery at any time thereon;

1.2.2 all estates and interests not hereinbefore effectively charged as at 9th November 1999 or thereafter belonging to the Company in or over land wheresoever situate or the proceeds of sale of land and all licences as at 9th November 1999 or thereafter held by the Company to enter upon or use land and the benefit of all other agreements relating to land to which the Company is or may become a party or otherwise entitled and all trade and tenants' fixtures, plant and machinery owned by the Company as at 9th November 1999 or thereafter annexed to all freehold and leasehold property its estate or interest in which stands charged under the Deed;

1.2.3 all stocks, shares (including but not limited to shares in any subsidiary), debentures, loan capital, right to subscribe for, convert other securities into or otherwise acquire any stocks, shares, debentures or loan capital of any other body corporate as at 9th November 1999 or at any time thereafter belonging to the Company, together with all dividends (unless such dividends are or are to be paid in satisfaction of any of the Secured Obligations), interest and other income and all other rights of whatsoever kind deriving from or incidental to any of the foregoing;

1.2.4 the goodwill of the Company and its uncalled capital as at 9th November 1999 or at any time thereafter in existence and future calls (whether made by the directors of the Company or by a Receiver or a liquidator);

1.2.5 all Intellectual Property;

1.2.6 all plant, vehicles and machinery as at 9th November 1999 or at any time thereafter belonging to the Company (excluding however plant and machinery for the time being forming part of its stock in trade or work in progress);

1.2.7 all chattels as at 9th November 1999 or at any time thereafter hired, leased or rented by the Company to any other person together in each case subject to and with the benefit of the related hiring, leasing or rental contract and any guarantee, indemnity or other security for the performance of the obligations of any person under or in respect of such contract;

1.2.8 all Receivables;

continued on continuation sheet 2, page 4

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

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**Particulars of a mortgage or charge  
(continued)**

Continuation sheet No 2  
to Form No 395 and 410 (Scot)

CHA 116

Please complete  
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Company Number

2977186

Name of Company

HARMAN HEALY LIMITED ("the Company")

~~limited~~\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

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"Receivables" means all present and future book debts, rentals, royalties, fees, amounts receivable under Hedging Arrangements (as more particularly defined in the Facility Agreement), VAT and all other amounts recoverable or receivable by the Company from other persons due or owing to the Company and the benefit of all rights relating thereto including, without limitation, negotiable instruments, legal and equitable charges, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights;

"Receiver" means any receiver or receiver and manager or administrative receiver appointed by the Bank under or by virtue of the Deed whether alone or jointly with any other person and includes any substitute for any of them appointed from time to time;

SCHEDULE  
Part I

Details of Registered Land

340 Gray's Inn Road, London WC1X 8BJ

Title Number  
NGL107046

Part II

Details of Unregistered Land

N/A

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete  
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1.2.9 the benefit of all contracts licences consents and authorisations (statutory or otherwise) ("Contracts") held in connection with its business or the use of any Charged Property specified in any other paragraph of clause 4 of the Deed and the right to recover and receive all compensation which may be payable to it in respect of them;

1.2.10 the benefit of all representations, undertakings, warranties and indemnities granted in favour of the Company under or pursuant to the Acquisition Documents and the right to recover and receive all damages and/or compensation which may be payable to it in respect of them.

1.3 The Company charged to the Bank by way of first floating charge all its undertaking and all its property and assets whatsoever and wheresoever situated both present and future, including (without prejudice to the generality of the foregoing) (i) heritable property and all other property and assets in Scotland and (ii) the proceeds of the collection of any Receivables, but excluding any property or assets from time to time or for the time being effectively charged by way of fixed charge under or pursuant to the Deed.

1.4 In pursuance of clause 4.2.10 of the Deed the Company assigned to the Bank, to the extent such may be assigned, the benefit of all representations, undertakings, warranties and indemnities granted in favour of the Company under or pursuant to the Acquisition Documents and the right to recover and receive all damages and /or compensation which may be payable to it in respect thereof and the Company shall, upon the request of the Bank, forthwith serve written notice upon the Vendors of such assignment.

1.5 The security from time to time constituted by or pursuant to the Deed shall:

1.5.1 be in addition to and shall be independent of every bill, note, guarantee, mortgage or other security which the Bank may at any time hold for any of the Secured Obligations and it was declared that no prior security held by the Bank over the Charged Property or any part thereof shall merge into the security created by or pursuant to the Deed; and

1.5.2 remain in full force and effect as a continuing security until the earlier of (i) the Bank having certified in writing that the Secured Obligations have been discharged in full and (ii) the security constituted by the Deed having been released.

## 2. CRYSTALLISATION OF FLOATING CHARGE

2.1 The Bank may by notice in writing to the Company convert the floating charge created pursuant to clause 4.3 of the Deed into a fixed charge as regards all or any of the Company's assets charged under clause 4.3 of the Deed and specified in the notice if:

2.1.1 an Event of Default occurs which remains unremedied or unwaived; or

2.1.2 the Bank in its absolute discretion considers those assets to be in danger of being seized, or sold under any form of distress, attachment, execution or other legal process.

2.2 The floating charge created by the Company under the Deed shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge in relation to the assets of the Company:

continued on continuation sheet 3, page 4

COMPANIES FORM No. 395 (Cont.) AND FORM No. 410 (Scot)(Cont.)

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**Particulars of a mortgage or charge  
(continued)**

Continuation sheet No 3  
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

2977186

Name of Company

HARMAN HEALY LIMITED ("the Company")

~~limited~~\*

\* delete if  
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Amount due or owing on the mortgage or charge (continued)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

**Please complete  
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2.2.1 on the convening of any meeting of the members of the Company to consider a resolution to wind up the Company; or

2.2.2 on the presentation of a petition (other than a petition determined by the Bank to be frivolous or vexatious) to wind up the Company which is not discharged within 14 days; or

2.2.3 on the appointment of an administrator to the Company; or

2.2.4 if the Company fails to comply with its obligations under clause 7 of the Deed

PROVIDED ALWAYS that in such circumstances the floating charge shall be converted into a fixed charge in respect only of the assets of the Company which have been encumbered or that have been otherwise sold, discounted, factored, transferred, leased, lent or otherwise disposed of.

2.3 Service by the Bank of a notice pursuant to clause 6.1 above in relation to any class of assets of any Charging Company shall not be construed as a waiver or abandonment of the Bank's rights to serve similar notices in respect of any other class of assets or of any other of the rights of the Bank under this Deed.

### 3. NEGATIVE PLEDGE AND FURTHER SECURITY

3.1 The Company covenanted with the Bank that during the continuance of this security it shall not without the consent in writing of the Bank:

3.1.1 create, extend or permit to subsist any Encumbrance (other than a Permitted Encumbrance) upon any of the Charged Property to secure any liability, actual or contingent;

3.1.2 save as permitted or required under the Deed or under the Facility Agreement, sell, discount, factor, transfer, lease, lend or otherwise dispose of, whether by means of one or a number of transactions related or not and whether at one time or over a period of time, the whole or, save in the normal course of trading, any part of the Charged Property.

3.2 Without prejudice to the generality of the covenant for further assurance deemed to be included in the Deed by virtue of section 76(1)(c) of the Act, the Company shall from time to time whensoever requested by the Bank and at the Company's cost, execute in favour of the Bank, or as the Bank may reasonably direct, such further or other legal assignments, transfers, mortgages, legal or other charges or securities as in each case it may be lawful for the Company to execute and are not inconsistent with the provisions of the Deed or the Facility Agreement and the Bank shall reasonably stipulate over the Charged Property for the purpose of more effectively providing the security stipulated in the Deed for the payment or discharge of the Secured Obligations. Without prejudice to the generality of the foregoing, such assignments, transfers, mortgages, legal or other charges or securities shall be in such form as the Bank may reasonably require and may contain provisions such as are contained in the Deed and provisions to the like effect to the extent it is legally able to do so and/or such other provisions of whatsoever kind as the Bank shall reasonably consider requisite for the perfection of the security constituted by or pursuant to the Deed.

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## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02977186

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT COMPOSITE GUARANTEE AND DEBENTURE DATED THE 9th NOVEMBER 1999 AND CREATED BY HARMAN HEALY LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM ANY GROUP COMPANY (AS THEREIN DEFINED) TO BARCLAYS BANK PLC WHETHER PURSUANT TO THE GUARANTEE (AS THEREIN DEFINED) OR OTHERWISE ON ANY ACCOUNT WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 19th NOVEMBER 1999.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 23rd NOVEMBER 1999.

*P. Pa*



C O M P A N I E S H O U S E



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES