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*insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

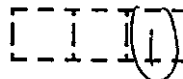
395

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number



3323400

Name of company

* APACHE MANUFACTURING

NOW RE-REGISTERED AS DUNLOPILLO LIMITED

Date of creation of the charge

8th March 1997

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

MORTGAGE DEBENTURE DATED 8 MARCH 1997 (THE "DEBENTURE") BETWEEN WELLBREN LIMITED, WAVELYN LIMITED AND APACHE MANUFACTURING (EACH A "COMPANY") (1) AND THE ROYAL BANK OF SCOTLAND plc (THE "BANK") (2)

Amount secured by the mortgage or charge

1. Covenant to Pay

Each Company hereby covenants with the Bank that it will pay or discharge the Secured Obligations on the due date for payment therefor and otherwise in the manner provided in the Finance Documents.

2. Guarantee and Indemnity

2.1 Each Company, as principal obligor and not merely as surety, hereby unconditionally and irrevocably:-

(a) guarantees to the Bank the due and punctual payment and discharge by each other Company of the Secured Obligations of such other Company on the due date and in the manner provided in the relevant Finance Documents;

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

THE ROYAL BANK OF SCOTLAND plc
36 ST ANDREW SQUARE
EDINBURGH EH2 2YE

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

HAMMOND SUDDARDS
2 PARK LANE
LEEDS LS3 1ES

JPM/JJEK/LDW/M3951A.M03

Time critical reference

For official use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

1. Each Company with full title guarantee charges in favour of the Bank:-

1.1 by way of legal mortgage, all the estate and interest of the Company in each freehold and/or leasehold property short particulars of which are set out beside its name in the attached First Schedule and in all other freehold and leasehold property now vested in the Company, together with all buildings, fixtures and fittings (excluding, in the case of leasehold property, landlord's fixtures but including trade fixtures and fittings) and fixed plant and machinery from time to time therein or thereon and/or the proceeds of sale thereof (the Legally Mortgaged Property);

1.2 by way of first fixed charge, all the estate and interest of the Company in any freehold and/or leasehold property (other than that referred to in Sub-clause 1.1) now or at any time during the continuance of the security constituted by the Debenture owned, acquired by or charged to it together with all buildings, fixtures and fittings (excluding landlord's fixtures but including trade fixtures and fittings and fixed plant and machinery from time to time therein or thereon) and/or the proceeds of sale thereof (the Equitably Charged Property);


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Particulars as to commission allowance or discount (note 3)

Nil

Signed



Date 14.3.97

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.

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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

3323400

Name of Company

APACHE MANUFACTURING

Limited*

* delete if
inappropriate

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

(b) undertakes to the Bank that if and on each occasion on which another Company defaults in the payment or discharge of any of the Secured Obligations on the due date, it shall on demand pay to the Bank an amount equal to, and discharge such of, the Secured Obligations as shall not have been paid or discharged when due as if it instead of such other Company were the principal obligor in respect thereof, together with interest thereon at the rate set out in Clause 3; and

(c) indemnifies and agrees to keep indemnified the Bank against all losses, claims, liabilities and damages incurred by or made against the Bank arising from or in connection with any default by any Company in the payment or discharge of the Secured Obligations or by reason of any of the Secured Obligations being or becoming void, voidable or otherwise unenforceable, in each case on a full indemnity basis.

2.2 The foregoing guarantee is given by each Company subject to, and with the benefit of, the provisions set out in the Second Schedule of the Debenture.

2.3 Each Company agrees and consents to be bound by the foregoing guarantee notwithstanding that any other Company which was intended to execute the Debenture, or any person which was intended to undertake liability co-extensive with any liability assumed by a Company under the Debenture, may not do so.

3. Interest

Each Company hereby covenants with the Bank that, save to the extent that interest accrues on the whole or any part of the Secured Obligations under the Banking Agreements, it shall pay interest on and in respect of any amounts due from it under Clause 1 and 2 from day to day during the period from their due date until full discharge (whether before or after judgment or the liquidation, winding-up or administration of the Company at the Default Rate).

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

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1.3 by way of first fixed charge:-

(a) all sums for the time being standing to the credit of each of the accounts (including without limitation the Receivables Account) held by the Company with any bank or other financial institution and the debt or debts thereby constituted;

(b) all present and future benefits in respect of all policies of insurance of any kind for the time being effected by or on behalf of the Company or (to the extent of its interest) in which the Company has an interest;

(c) all sums now or at any time due or owing to the Company by way of grant, subsidy, compensation or refund by any statutory, legal or governmental body, authority or institution or by any body, authority or institution of the European Community; and

(d) (to the extent that they do not fall within any of the above sub-paragraphs) all book debts, both present and future, due or owing to the Company and all other monetary debts and claims (including, without limitation, the proceeds of the realisation of any security, rents, fees, royalties and other income) now and from time to time due or owing to the Company and the benefits of all rights and remedies relating thereto and all present and future things in action which give rise or may give rise to a debt or debts due or owing to the Company, (collectively, the Book and other Debts);

1.4 by way of first fixed charge, all stocks, shares, debentures, bonds and other securities for the time being legally and/or beneficially owned by the Company, whether marketable or otherwise, in the Company, firm, consortium or entity wheresoever situate, including for the avoidance of doubt any such as are share warrants to bearer shares and whether or not the shares to which they relate are denominated in sterling together with all dividends, interest and other distributions paid or payable in respect thereof and all accretions, options, benefits, rights, moneys, property and other advantages offered at any time by way of bonus, capitalisation, redemption rights or otherwise to the holder thereof or in respect thereof or coupons in respect of any of the foregoing (collectively, the "Securities");

1.5 by way of first fixed charge, the uncalled capital, goodwill, licenses, trademarks and service marks (including without limitation all symbols, representations and patterns similar to a trademark), patents, patent applications, designs, copyrights, confidential information, computer software, rights in the nature of copyright, registered designs, know-how, design rights and all other intellectual property rights now or at any time during the continuance of the security belonging to the Company (the Goodwill and Intellectual Property);

1.6 by way of first fixed charge, all amounts realised upon the enforcement or execution of any order of a court under Sections 212, 213, 214, 238, 239, 244 and 423 of the Insolvency Act 1986;

1.7 by way of first fixed charge, all interests, rights and entitlements of the Company in all chattels from time to time hired, leased or rented by the Company to any other person together, in each case, with the benefit of the relevant hiring, leasing or rental contract and any guarantee, indemnity or other security for the performance by such person of its obligations under the same;

1.8 by way of first fixed charge, the benefit of any covenants for title from time to time given or entered into by any predecessor in title of the Company to all or any part of the Property, any contract for the sale, letting or other disposal of any such Property for the time being and all present and future options to renew leases or purchase reversions (whether or not freehold) or other interests in

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

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

CHA 116

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Company Number

3323400

Name of Company

APACHE MANUFACTURING

Limited*

* delete if
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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)

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relation to any such Property;

1.9 by way of first fixed charge, the benefit of all rights and claims of the Company against all persons from time to time lessees of the whole or any part of the Property and all guarantors and sureties for the obligations of such persons and against all persons who are under any obligation to the Company in respect of any works of design, repair, construction or replacement to, in or about any of the Property;

1.10 so far as permitted under the relevant document, by way of first fixed charge, all the right, title and interest of the Company in and to all contracts, agreements or warranties affecting any of its freehold or leasehold property with building contractors, architects, quantity surveyors, structural and mechanical engineers and other like professionals; and

1.11 by way of floating charge, its undertaking and all its other property, assets and rights whatsoever and wheresoever both present or future including, without limitation, the stock in trade of the Company and the property, assets and rights mortgaged or charged under Sub-clauses 1.1 to 1.10 inclusive or assigned by way of security under Clause 2 if and in so far as any such mortgage, charge or assignment shall for any reason be ineffective (all such undertaking, property, assets and rights being described in the Debenture as the "Assets charged by way of Floating Charge").

2. Assignments by way of Security

The Company, as beneficial owner and as a continuing security for the payment and discharge of the Secured Obligations, assigns and agrees to assign absolutely to the Bank:-

2.1 all its right, title and interest in and to the Keyman Insurance Policies;

2.2 all its right, title and interest in and to the right to receive payments under the Assigned Documents; and

2.3 all its right, title and interest in and to the Receivables Account and any moneys from time to time standing to the credit of any such account and the debt or debts constituted thereby.

For the purposes of this form and its continuation sheet the following words and expressions shall have the following meanings:-

"Assigned Documents" the following documents to which the Companies are a party: an agreement for the sale and purchase of certain assets and liabilities of 20 February 1997 date between the Parent and BTR plc and an agreement for the sale and purchase of the Existing Property (as defined in the Facilities Agreement) of 20 February 1997 between the Parent and Dunlop Holdings Limited ("the Sale Agreement").

"Banking Agreements" the Facilities Agreement and the Debenture.

"Charged Assets" all of the undertaking, property and assets (of whatsoever nature) of a Company charged and/or assigned by way of security under the Debenture.

"Default Rate" the rate specified in Clause 9.3 of the Facilities Agreement.

"Event of Default" any event which is an Event of Default under the Facilities Agreement.

"Facilities Agreement" the facilities agreement of 20 February 1997 made between the Parent (1) and the Bank (2) including both term loan and working capital facilities.

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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

3323400

Name of Company

APACHE MANUFACTURING

Limited*

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

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

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"Finance Documents" the Debenture and the Banking Agreements.

"Guarantee" the guarantee and indemnity of each Company contained in clause 2.2 of the Debenture.

"Guarantor" any Company, insofar only as it may from time to time under the Debenture covenant to pay or discharge monies, obligations or liabilities due, owing or incurred by any other Company to the Bank and "Guarantors" shall be construed accordingly.

"Keyman Insurance Policies" the meaning provided in the Facilities Agreement.

"Property" in relation to the Company, the Legally Mortgaged Property and Equitably Charged Property of which it is the proprietor and includes any part thereof.

"Receiver" a receiver, receiver and manager or administrative receiver appointed pursuant to the provisions of the Debenture.

"Secured Obligations" all moneys, obligations and liabilities for the time being due, owing or incurred by a Company to the Bank under or in connection with the Finance Documents and/or on any other account whatsoever, in each case:-

- (a) whether incurred actually or contingently and whether alone or jointly with any other person;
- (b) whether incurred as primary obligor or as surety or guarantor;
- (c) whether incurred directly to the Bank or whether the Bank is entitled to claim the payment or discharge thereof solely by reason of an assignment or transfer to it by the person originally entitled; and
- (d) in whatever currency such moneys, obligations and liabilities may be denominated, together with all costs (including reasonable legal costs), charges and expenses and any VAT thereon properly incurred by the Bank and/or any Receiver, in each case on a full indemnity basis, in connection with: (i) those fees and expenses payable pursuant to the Banking Agreements in respect of the negotiation, execution and perfection of the security constituted by the Debenture; and (ii) the enforcement, exercise or preservation of any of the rights contained in the Finance Documents.

"Security Interest" any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment by way of security, security interest, title retention or other similar encumbrances of any kind securing, or any right conferring a priority in respect of, any obligation of any person.

Note:

1. The Company covenants with the Bank that (save with the prior written consent of the Bank) it shall not at any time during the continuance of the security constituted by the Debenture:

- i) create or permit to subsist any Security Interest save for the Permitted Security Interest (as defined in the Facility Agreement);
- ii) part with possession of, transfer, sell, lease or otherwise dispose of the Charged Assets or any part thereof or any interest therein whether by a single transaction or a series of transactions, save that

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

Continuation sheet No 4
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

3323400

Name of Company

APACHE MANUFACTURING

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)

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this covenant shall not apply to any disposal expressly permitted by the Banking Agreements.

iii) confer upon any other person, nor allow to arise, any licence of, right or interest to occupy, nor share possession with any other person of, the Property or any part thereof;

iv) exercise the powers of leasing and/or accepting surrenders of leases conferred on mortgagors by sections 99 and 100 of the Law of Property Act 1925 or otherwise without the consent in writing of the Bank but at any time after the security constituted by this Deed has become enforceable in accordance with Clause 14 of this Deed the Bank may grant leases or accept surrenders of leases without restriction;

v) enter into any onerous or restrictive obligations which would reduce materially the realisable value of the Property or any part thereof;

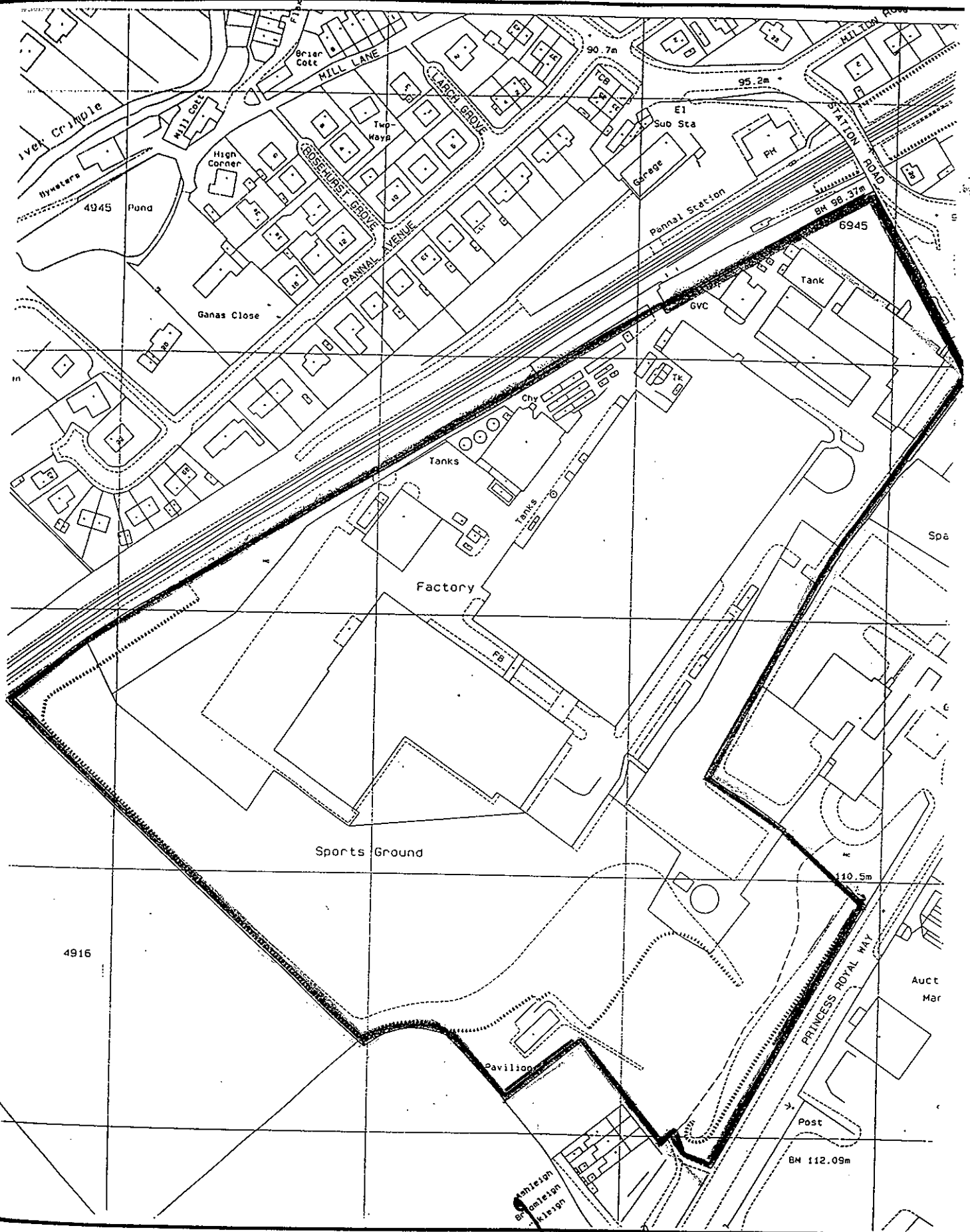
The Debenture gives the Bank power to appoint a Receiver.

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THE FIRST SCHEDULE

Description of Properties

Premises at Pannal, Harrogate, North Yorkshire shown edged red on the ordnance survey plan in the Agreed Terms



Handwritten signature and initials.



International Property Adviser
5-7 St. Paul's Street
Leeds LS1 2JG
Telephone 0113 292 5500

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Scale

NOT TO SCALE (PLAN REDUCED)

O.S. Plan No.

SE 3051 SE

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03323400

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A MORTGAGE DEBENTURE DATED THE 8th MARCH 1997 AND CREATED BY DUNLOPILLO LIMITED FOR SECURING ALL MONIES OBLIGATIONS AND LIABILITIES DUE OWING OR INCURRED BY WELLBREN LIMITED, WAVELYNN LIMITED AND APACHE MANUFACTURING (NOW RE-REGISTERED AS DUNLOPILLO LIMITED) TO THE ROYAL BANK OF SCOTLAND plc UNDER OR IN CONNECTION WITH THE GUARANTEE & INDEMNITY IN THE MANNER PROVIDED IN THE FINANCE DOCUMENTS (AS DEFINED) AND/OR ON ANY ACCOUNT WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 17th MARCH 1997.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 20th MARCH 1997.

M. Cornelius
M. CORNELIUS

for the Registrar of Companies

20/3
Post
AP



COMPANIES HOUSE