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CHFP041

COMPANIES FORM No. 395

Particulars of a mortgage or charge

054605/78
395

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

Please do not
write in
this margin

Please complete
legibly, preferably
in black type or
bold block
lettering

* Insert full name
of company

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use Company number

22

00486101

Name of company

*Lambert Howarth Limited (the "Client")

Date of creation of the charge

30 November 2006

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

Debenture dated 30 November 2006 between the Client and Landsbanki Commercial Finance ("LCF") (the "Debenture")

Amount secured by the mortgage or charge

All moneys, obligations and liabilities, howsoever arising, now or at any time in the future due, owing or incurred by the Obligors to LCF on any account whatsoever (whether or not evidenced by any note or instrument and whether or not for the payment of money), direct or indirect, absolute or contingent, including without limitation all interest (as well after as before any demand made or judgment given), fees, charges, expenses, legal fees and accounting fees chargeable to and payable by the Obligors under or in relation to any such moneys, obligations and/or liabilities (the "Secured Obligations").

(For definitions, please refer to the attached continuation sheets)

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

Lansbanki Commercial Finance, a division of Landsbanki Íslands hf.,
operating through its London branch at Beaufort House,
15 St. Botolph Street, London

Postcode EC3A 7QR

Presenter's name, address and
reference (if any):

Speechly Bircham LLP
6 St Andrew Street
London
EC4A 3LX
DX 54 Chancery Lane
LPS/AJK/317327

Time critical reference

For official use (02/2006)
Mortgage Section

Post room



A41
COMPANIES HOUSE

A4YAPL51

693
07/12/2006

Short particulars of all the property mortgaged or charged

Please refer to the attached continuation sheets.

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N.B. the Debenture contains certain covenants and restrictions that protect and further define the property mortgaged or charged. Please refer to the attached continuation sheets for further details.

Please complete
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in black type or
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lettering

Particulars as to commission allowance or discount (note 3)

A fee is
payable to
Companies House
in respect of each
register entry for a
mortgage or
charge.
(See Note 5)

Nil

Signed Graham Burton

Date 6th December 2006

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.
5. A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders are to be made payable to **Companies House**.
6. The address of the Registrar of Companies is:- Companies House, Crown Way, Cardiff CF4 3UZ.

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Particulars of a mortgage or charge (continued)

Continuation sheet No 1
to Forms Nos 395 and 410 (Scot)

Company number

00486101

Please complete
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bold block lettering

Name of company

Lambert Howarth

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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DEFINITIONS

In this form 395, the following expressions have the meanings set out beside them below:

Account: the account maintained by the Client with the Account Bank, with account numbers:

(a) Concept LH, sort code 40 05 20, the Client's GBP account number 11554964;

(b) Concept LH, sort code 40 05 15, the Client's USD account number 67209745;

(c) Concept LH, sort code 40 05 15, the Client's euro account number 67209981;

(d) Global, sort code 40 05 20, the Client's GBP account number 41554646;

(e) Global, sort code 40 05 15, the Client's USD account number 67202665;
and

(f) Global, sort code 40 05 15, the Client's euro account number 67202673;
and includes any replacement account or sub-division or sub-account of any such account and "Accounts" shall be construed accordingly.

Account Bank: HSBC Bank plc or such other bank as may be agreed between LCF and the Client.

Assets: in relation to the Client, all its undertaking, property, assets, revenues and rights of every description (including, but not limited to, the Eligible Property Collateral, the Other Debts and Non-vesting Debts), or any part of them, present and future, and any interest therein.

Burnley Property: the freehold and leasehold property known as:

(a) Land on north east side of Marlborough Street, Burnley and registered at the Land Registry with title number LA635733;

(b) Healey Royd Mill, Marlborough Street and land on the south west side of Finsley Gate, Burnley, Lancashire and registered at the Land Registry with title number LA859784;

(c) Land on the north east side of Marlborough Street, Burnley and registered at the Land Registry with title number LA490681;

(d) Finsley Coal Yard, Healey Royd Mount and Finsley Mill, Burnley, Lancashire and registered at the Land Registry with title number LA859782;
and

(e) Land on North East Side of Marlborough Street Burnley and registered at the Land Registry with title number LA643758;
and all fixtures, fittings and chattels situated upon and attached to the same.

Client Group: Lambert Howarth Group plc and all of its Subsidiaries from time to time, and member of the Client Group is to be construed accordingly.

Credit Facilities Agreement: the credit facilities agreement dated on or about the date of this Debenture made between Lambert Howarth Group plc (1), the Companies listed in part 1 (Clients) of schedule 1 (Original Obligors and Dormant Companies) (2), the companies listed in part 2 (Original Guarantors) of schedule 1 (Original Obligors and Dormant Companies) and LCF.

Debt Purchase Agreement: the meaning ascribed to that term under the Credit Facilities Agreement.

(Continued on continuation sheet 2)

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Particulars of a mortgage or charge (continued)

Continuation sheet No 2
to Forms Nos 395 and 410 (Scot)

Company number

00486101

Please complete
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Name of company

Lambert Howarth

Limited*

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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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Please do not write in this margin Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete legibly, preferably in black type, or bold block lettering

Short particulars of all the property mortgaged or charged (continued)

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Debts: has the meaning given to it in each of the Debt Purchase Agreements.

Debt Purchase Agreement: in relation to the Client, the debt purchase agreement, made or to be made on or about the date of the Debenture between the Client and LCF in relation to the sale by the Client and the purchase by LCF of certain Debts of the Client.

Derivative Rights: all dividends, interest or distributions and all other rights and benefits of an income nature accruing at any time in respect of any Investments.

Eligible Property Collateral: the leasehold properties of Lambert Howarth Limited situated at 1 and 26 Manchester Square, London W1, as title to the same is registered at the Land Registry with title numbers NGL511111 and NGL653436.

Excluded Property: any leasehold property held by the Client under a lease (other than a lease granted to it by another member of the Client Group) which precludes, either absolutely or conditionally (including requiring the consent of any third party), the Client from creating any charge over its leasehold interest in that property.

Finance Documents: the Credit Facilities Agreement, the Debenture and any other documents described as such in the Credit Facilities Agreement.

Fixed Security Asset: an Asset for the time being comprised within an assignment created by clause 4.1 (*Assignment*) of the Debenture or by a mortgage or charge created by clause 4.2 (*Mortgage of Plant, Machinery and Equipment*) of the Debenture or clause 4.3 (*Fixed security*) of the Debenture.

Floating Charge Asset: an Asset for the time being comprised within the floating charge created by clause 4.4 (*Creation of Floating Charge*) of the Debenture.

Insurance Policy: any contract or policy of insurance of the Client (including all cover notes) of whatever nature, which is from time to time taken out by or on behalf of the Client or (to the extent of its interest) in which the Client has an interest at any time.

Intellectual Property: in relation to the Client, all its patents (including supplementary protection certificates), utility models, registered and unregistered trade marks (including service marks), rights in passing off, copyright, database rights, registered and unregistered rights in designs, domain names and, in each case, any extensions and renewals of, and any applications for, such rights charged by it pursuant to paragraphs (c)(xi) to (xvi) inclusive of clause 4.2 (*Fixed security*) of the Debenture but excluding in each case any legal and/or equitable interest of the Client under any licence.

(continued on continuation sheet 3)

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Particulars of a mortgage or charge (continued)

Continuation sheet No 3
to Forms Nos 395 and 410 (Scot)

Company number

00486101

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Name of company

Lambert Howarth

Limited*

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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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Please do not write in this margin Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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Short particulars of all the property mortgaged or charged (continued)

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Investments: all shares, stock, debentures, debenture stock, bonds and other investments (as listed in Part III of the Financial Services and Markets Act 2000 (Regulated Activities Order 2001, SI 2001/544 (as amended))), whether certificated or uncertificated and whether in registered or bearer form (whether or not marketable) now or in the future owned at law or in equity by the Client, including all depository interests representing any of them and including all rights and benefits of a capital nature accruing at any time in respect of any Investments by way of redemption, repayment, substitution, exchange, bonus or preference, option, rights or otherwise but excluding the Portuguese Shares.

Land: freehold and leasehold, and any other estate in, land and (outside England and Wales) immovable property (including the Eligible Property Collateral) and in each case all buildings and structures upon and all things affixed thereto (including trade fixtures).

Non-vesting Debts: all Debts that are intended to, but which do not for any reason, vest absolutely and effectively in LCF under the Debt Purchase Agreement together with the Related Rights to such Debts.

Obligors: Lambert Howarth Group plc, the Clients (which include the Client), the Original Guarantors and any other person becoming an "Obligor" in accordance with the provisions of the Credit Facilities Agreement

Other Debts: all present and future book and other debts of the Client, all moneys from time to time standing to the credit of any account of the Client and all moneys whether arising under contracts or in any other manner due, owing or incurred to the Client (and including owing to LCF) other than:

- (a) Debts absolutely and effectively vested in LCF under the Debt Purchase Agreement; and
- (b) Non-vesting Debts.

Permitted Joint Ventures: the joint ventures defined as such in the Credit Facilities Agreement

Permitted Security Interest: any Security Interest arising under the the Debenture and any other document defined as such in the Credit Facilities Agreement.

Plant, Machinery and Equipment: all equipment and machinery and all other assets of a similar nature whatsoever, wherever situate, which are now, or at any time after the date of the Debenture become, the property of the Client, including trade fixtures but excluding any trade fixtures not owned by the Client.

Portuguese Shares: all and any shares held by the Client in Glover Industrier de Calçado SA (a company registered in Portugal) and Alto da Torre SA (a company registered in Portugal) in relation to the Permitted Joint Ventures.

Relevant System: the meaning given to that term by the Uncertificated Securities Regulations 2001 and includes the CREST system and also any other system or facility (whether established in the United Kingdom or elsewhere) providing means for the deposit of, and clearance of transactions in, Investments.

(Continued on continuation sheet 4)

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Particulars of a mortgage or charge (continued)

Continuation sheet No 4
to Forms Nos 395 and 410 (Scot)

Company number

00486101

Please complete
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Name of company

Lambert Howarth

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)

**Please complete
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Security Interest: any mortgage, pledge, lien, charge (whether fixed or floating), security assignment, security transfer, hypothecation, standard security or any other security agreement, retention of title or encumbrance of any kind or any other arrangement (whether relating to existing or future assets) having substantially the same economic affect as any of the foregoing (including, without limitation, the deposit of monies or property with a person with the primary intention of affording such person a right of set-off or lien).

Specified Intellectual Property: the Intellectual Property listed in Schedule 2 (Specified Intellectual Property) of the Debenture and set out at Annex 2.

Specified Investments: all Investments that at any time:

- (a) represent a holding in a Subsidiary of the Client;
- (b) are held in the name of the Client or its nominee or to its order; or
- (c) that the Client has deposited certificates for with the LCF or which, if uncertificated, are held in an escrow or other account in favour of LCF or its nominee.

Subsidiary: a subsidiary within the meaning of section 736 of the Companies Act 1985 and/or a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985.

PROPERTY MORTGAGED OR CHARGED

Assignment(s)

By Clause 4.1 of the Debenture, the Client, with full title guarantee, as security for the payment or discharge of all Secured Obligations, assigned to LCF all of its rights, claims, title and interest from time to time in respect of any sums payable to it pursuant to the Insurance Policies.

Mortgage of Plant, Machinery and Equipment

By clause 4.2 of the Debenture, the Client, with full title guarantee, as security for the payment or discharge of all Secured Obligations, mortgaged and charged to LCF all of the Client's Plant, Machinery and Equipment.

Other Fixed Security

By clause 4.3 of the Debenture, the Client, with full title guarantee, as security for the payment or discharge of all Secured Obligations, charged to LCF the following:

- (a) by way of legal mortgage, all Land in England and Wales then vested in it and registered at the Land Registry or which would be subject to first registration at the Land Registry upon the execution and delivery of the Debenture, but excluding the Burnley Property;
- (b) by way of legal mortgage, all other Land in England and Wales then vested in it and not registered at the Land Registry;
- (c) by way of first fixed charge:
 - (i) all other Land which was then, or in the future became, its property, other than the Burnley Property;
 - (ii) all interests and rights in or relating to Land, other than the Burnly Property, or the proceeds of sale of Land now or in the future belonging to it;
 - (iii) all plant and machinery now or in the future attached to any Land which, or an interest in which, is charged by it under the provisions of clause 4.3 of the Debenture, other than as attached to the Burnley Property;

(continued on continuation sheet 5)

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Particulars of a mortgage or charge (continued)

Continuation sheet No 5
to Forms Nos 395 and 410 (Scot)

Company number

00486101

Please complete
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Name of company

Lambert Howarth

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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PROPERTY MORTGAGED OR CHARGED

- (iv) all income of any kind whatsoever and all debts and claims now or in the future due or owing to it under or in connection with any lease, agreement or licence relating to Land;
- (v) all Specified Investments which were then, or in the future became, its property;
- (vi) all Derivative Rights then or in the future accruing in respect of its Specified Investments;
- (vii) all Investments (other than Specified Investments) which were then, or in the future became, its property (excluding the Portuguese Shares) and all Derivative Rights now or in the future accruing in respect of those Investments;
- (viii) where Investments are held in a Relevant System, all its rights against the operator of the Relevant System or any participant in respect of such Investments;
- (ix) all insurance or assurance contracts or policies then or in the future held by or otherwise benefiting it which relate to Fixed Security Assets or which were then or in the future deposited by it with LCF, together with all its rights and interests in such contracts and policies (including the benefit of all claims arising and all money payable under them) apart from any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) in the Debenture;
- (x) all its goodwill and uncalled capital for the time being;
- (xi) all Specified Intellectual Property belonging to it;
- (xii) all other Intellectual Property presently belonging to it, including any Intellectual Property to which it is not absolutely entitled or to which it is entitled together with others, in each case other than under any licence;
- (xiii) all Intellectual Property that may be acquired by or belong to it in the future, including any such Intellectual Property to which it is not absolutely entitled or to which it is entitled together with others, in each case other than any licence;
- (xiv) all its rights then or in the future in relation to trade secrets, confidential information and knowhow in any part of the world enjoyed now or in the future, in each case other than any licence;
- (xv) all its rights and causes of action in respect of infringement(s) (past, present or future) of the rights referred to in sub-paragraphs 4.3(c)(xi) to (xiv) inclusive of the Debenture, in each case other than any licence;
- (xvi) all Non-vesting Debts and all Other Debts;
- (xvii) the benefit of all instruments, guarantees, charges, pledges and other security and all other rights and remedies available to it in respect of any Fixed Security Asset except to the extent that such items were for the time being effectively assigned under clause 4.1 (Assignment) of the Debenture;
- (xviii) any beneficial interest, claim or entitlement it has in any pension fund then or in the future;
- (xix) all rights, money or property accruing or payable to it then or in the future under or by virtue of a Fixed Security Asset except to the extent that such rights, money or property are for the time being effectively assigned or charged by fixed charge under the provisions of the Debenture as described above;
- (xx) all its interests, rights and receipts in respect of moneys at any time standing to the credit of the Account;

(continued on continuation sheet 6)

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Particulars of a mortgage or charge (continued)

Continuation sheet No 6
to Forms Nos 395 and 410 (Scot)

Company number

00486101

Please complete
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Name of company

Lambert Howarth

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)

Please do not
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Please do not write in this margin Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete legibly, preferably in black type, or bold block lettering

(xxi) all moneys at any time standing to the credit of any of its other bank accounts; and

(xxii) the benefit of all licences, consents and authorisations held in connection with its business or the use of any Asset and the right to recover and receive all compensation which may be payable in respect of them.

Creation of a Floating Charge

The Client, with full title guarantee, charged to LCF as security for the payment or discharge of all Secured Obligations, by way of floating charge:

(a) all its Assets (then or in the future owned) but excluding the Portuguese Shares except to the extent that such Assets were for the time being effectively assigned by way of security by virtue of clause 4.1 (Assignment) of the Debenture or effectively mortgaged or charged under clauses 4.2 (Mortgage of Plant, Machinery and Equipment) or 4.3 (Fixed security) of the Debenture, including any Assets comprised within a charge which is reconverted under clause 5.4 (Reconversion) of the Debenture; and

(b) without exception, all its Assets in so far as they are for the time being situated in Scotland,

but in each case so that the Client did not create a Security Interest (other than a Permitted Security Interest) over any such Asset (whether having priority over, or ranking pari passu with or subject to, this floating charge) or take any other step referred to in clause 8 (Negative pledge and other restrictions) of the Debenture with respect to any such Asset, and the Client would not, without the consent of LCF, sell, transfer, part with or dispose of any such Asset except by way of sale in the ordinary course of its business except as otherwise permitted under the Finance Documents.

COVENANTS AND RESTRICTIONS

The Debenture contains a number of covenants and restrictions that protect and further define the property mortgaged or charged. The relevant covenants and restrictions include, but are not limited to, the following:-

Excluded Property

Clause 4.5 of the Debenture provided there would be excluded from the charges created by clause 4.3 (Fixed Security) thereof, as described above, any Excluded Property until any relevant condition or waiver had been satisfied or obtained. However, in respect of each Excluded Property, the Client covenanted with LCF that it would apply for the relevant consent or waiver of prohibition or conditions within five Business Days of the date of the Debenture and use its reasonable endeavours to obtain that consent or waiver of prohibition as soon as possible; and, immediately on receipt of such consent or waiver, provide LCF with a copy.

(continued on continuation sheet 7)

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Particulars of a mortgage or charge (continued)

Continuation sheet No 7
to Forms Nos 395 and 410 (Scot)

Company number

00486101

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Name of company

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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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Excluded Property

Clause 4.5 of the Debenture further provided that, immediately on receipt of the relevant waiver or consent, the relevant formerly Excluded Property would stand charged to LCF under clause 4.3(c)(i) (*Fixed Security*). If required by LCF at any time following receipt of that waiver or consent, the Client would execute a valid fixed charge in such form as LCF might require (but on terms no more onerous than those contained in the Debenture).

Collection of Other Debts and Non-vesting Debts

Under clause 7 of the Debenture, the Client covenanted that during the continuance of the Debenture it would:-

(a) pay into the Account all moneys which it may receive in respect of the Other Debts;

(b) if called upon to do so by LCF execute a legal assignment of the Other Debts to LCF in such terms as LCF may require and give notice thereof to the debtors from whom those debts are owing or incurred and take such other steps as LCF may require to perfect such legal assignment;

(c) deal with the Other Debts in accordance with any directions from time to time given in writing by LCF and in default of and subject to any such directions deal with the same only in the ordinary course of getting in and realising the same (but not sell, assign, factor or discount the same in any way);

(d) permit the Account Bank to furnish directly to LCF from time to time upon request full statements and particulars of all the Client's accounts with the Account Bank and such other financial statements and other information respecting the assets and liabilities of the Client as are from time to time available to the Account Bank;

(e) only deal with Non-Vesting Debts as if they were Debts (and their Related Rights) purchased by LCF under the Debt Purchase Agreement and in particular will not bank or deal with any payments (by whatever method) in respect of the Non-Vesting Debts except by dealing with them in accordance with the Debt Purchase Agreement; and

(f) with effect from the date on which this Debenture becomes enforceable or (if earlier) the date of crystallisation (if any) of the floating charge created pursuant to clause 4.4 (*Creation of floating charge*) into a fixed charge, not (except as permitted by LCF) withdraw or otherwise deal with any credit balance representing payments relating to Other Debts from the Account or any of the Client's other bank accounts;

Negative pledge and other restrictions

Under clause 8 of the Debenture, the Client covenanted that, save as may be expressly permitted under the Debenture or the Credit Facilities Agreement, the Client would not, without the prior written consent of LCF:

(a) create or permit to subsist any Security Interest or any trust over any of its Assets, except for Permitted Security Interests; or

(continued on continuation sheet 8)

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Particulars of a mortgage or charge (continued)

Continuation sheet No 8
to Forms Nos 395 and 410 (Scot)

Company number

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Name of company

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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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Please do not write in this margin Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete legibly, preferably in black type, or bold block lettering

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(b) sell, assign, lease, license or sub-license, or grant any interest in, any of its Fixed Security Assets, or part with possession or ownership of them, or purport or agree to do so.

Further assurance

Clause 10 of the Debenture provided (inter alia) that:

(a) The Client would promptly do all such acts and execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as LCF may specify and in such form as LCF may require (but on terms no more onerous than those contained in the Debenture) in favour of LCF or its nominee(s) in order to:

(i) perfect or protect the security created or intended to be created by the Debenture (which may include the execution of a mortgage, charge, assignment, transfer, notice, instruction or other security over all or any of the Assets which are, or are intended to be, the subject of the security constituted by the Debenture);

(ii) confer on LCF security over any Assets of the Client located in any jurisdiction outside England and Wales which is (to the extent permitted by local law) equivalent or similar to the security intended to be conferred by or pursuant to the Debenture; and/or

(iii) facilitate the realisation of the Assets subject to the security conferred or intended to be conferred by the Debenture or the exercise of any rights vested in LCF, any Receiver, administrator or nominee, including executing any transfer, conveyance, charge, assignment or assurance of all or any of the Assets which are the subject of the security constituted by the Debenture, making any registration and giving any notice, order or instructions.

(b) The Client would take all such action as is available to it (including making all filings and registrations) as might be necessary for the purpose of the creation, perfection, protection or maintenance of any security conferred or intended to be conferred on LCF by or pursuant to this Debenture.

Powers of Leasing, ect

Under clause 12.2 of the Debenture, the Client covenanted (inter alia) not to exercise any power of leasing in relation to its Land, or accept surrenders of leases of any Land or agree to do so other than the granting of any sublease provided that aggregate rental income from all outstanding subleases does not exceed £50,000 per annum.

Under clause 12.2 of the Debenture the Client covenanted (inter alia) not to extend, renew on substantially different terms or vary any lease or tenancy agreement or give any licence to assign or underlet in relation to the Eligible Property Collateral.

Under clause 12.2 of the Debenture the Client covenanted (inter alia) not to part with possession of the Eligible Property Collateral (except on the determination of any lease, tenancy or licence granted to it or as permitted under paragraph 12.2(c) of the Debenture.

(continued on Continuation Sheet 9)

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Particulars of a mortgage or charge (continued)

Continuation sheet No 9
to Forms Nos 395 and 410 (Scot)

Company number

00486101

Please complete
legibly, preferably
in black type, or
bold block lettering

Name of company

Lambert Howarth

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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legibly, preferably
in black type, or
bold block
lettering.

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in this margin

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

Please complete
legibly, preferably in
black type, or bold
block lettering

Plant, Machinery and Equipment

Under Clause 13 of the Debenture, the Client covenanted (inter alia) not to unfix or remove any Plant, Machinery and Equipment from the Land on which it was kept as at the date of the Debenture, except for the purpose of:

- (a) effecting necessary maintenance or repairs to or replacing it in accordance with clause 13.1 (Maintenance) of the Debenture; or
- (b) any other purpose permitted under the terms of any of the Finance Documents.

Intellectual Property

Under clause 14.2 of the Debenture, the Client covenanted (inter alia) not to sell, assign, lease, license, sub-license or grant any interest in its Intellectual Property, or purport or agree to do so or part with possession or ownership of them, or allow any third party access to, or the right to use or exploit, any Intellectual Property other than (except in the case of sale or assignment) as reasonably necessary in the normal course of its business

Investments

Under clause 15 of the Debenture, the Client undertook not to exercise any voting or other rights in a way which would be reasonably likely to prejudice the value of its Investments or otherwise to jeopardise the security constituted by the Debenture over them.

Clause 15 further provided that, unless and until the occurrence of a Declared Default:

- (a) all voting and other rights attaching to Investments belonging to the Client would continue to be exercised by the Client for so long as it remained their registered owner and the Client would not permit any person other than the Client, LCF or LCF's nominee to be registered as holder of such Specified Investments or any part of them; and
- (b) if Investments belonging to the Client were registered in the name of LCF or LCF's nominee, all voting and other rights attaching to them would be exercised by LCF or LCF's nominee in accordance with instructions in writing from time to time received from the Client and, in the absence of any such instructions, LCF or LCF's nominee would not exercise any such rights.

Annex - Registered Land to be Mortgaged

The leasehold property situated at 1 and 26 Manchester Square, London W1U 3PZ and registered at the Land Registry with title numbers NGL511111 and NGL653436.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 00486101

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 30th NOVEMBER 2006 AND CREATED BY LAMBERT HOWARTH LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE BY THE OBLIGORS TO LANSBANKI COMMERCIAL FINANCE ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 7th DECEMBER 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 12th DECEMBER 2006.

Dr Sean.



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES