

19 - 06 - 95

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COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares.

155(6)a

Please do not write in this margin

Pursuant to section 155(6) of the Companies Act 1985

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

To the Registrar of Companies

For official use

Company number

[] [] [] [] [] []

1664145

Name of company

FOREST TRAFFIC SIGNALS LIMITED

Note
Please read the notes on page 3 before completing this form

*Insert full name of company

†Insert name(s) and address(es) of all the directors

/s/ Michael John Williams of 59A Caswell Road, Swansea, West Glamorgan;
Andrew Ross Williams of 107 Diana Street, Roath, Cardiff
Glyn Charles of "Ty Gwyn", Kenfig, Mid Glamorgan;
David George Abbott of 38 Lucy Road, Skewen, West Glamorgan.

§Delete as appropriate

‡Delete whichever is inappropriate

~~[the sole director]~~ [all the directors] of the above company do solemnly and sincerely declare that:

The business of the company is:

- (a) ~~that of a [recognised bank] [licensed institution] within the meaning of the Banking Act 1979;~~
(b) ~~that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on insurance business in the United Kingdom;~~
(c) something other than the above†

The company is proposing to give financial assistance in connection with the acquisition of shares in the [company] ~~[company's holding company]~~

The assistance is for the purpose of ~~[that acquisition]~~ [reducing or discharging a liability incurred for the purpose of that acquisition].‡

The number and class of the shares acquired or to be acquired is: 688 ordinary shares
of £1 each in the capital of the Company.

Presentor's name, address and reference (if any): AWM
Edwards Geldard
Dumfries House
Dumfries Place
CARDIFF CF1 4YF

For official use
General Section

Post room



The assistance is to be given to: (note 2) Crestacre Traffic Management Limited
(Company Number: 3041822) whose registered office is at Dumfries
House, Dumfries Place, Cardiff CF1 4YF ("the Purchaser")

Please do not
write in
this margin

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

The assistance will take the form of:

the Company will enter into:

1. A guarantee ("the Guarantee") in favour of National Westminster Bank PLC ("the Bank") guaranteeing the obligations of the Purchaser and its Subsidiaries to the Bank;
2. A fixed and floating charges ("the Mortgage Debenture") in favour of the Bank granting security to the Bank for all the liabilities of the Company including its contingent liability under the Guarantee; and
3. A deed of novation and guarantee ("the Novation and Guarantee") in favour of 3i Group plc ("3i") guaranteeing the obligations of the Purchaser to 3i; and
4. A fixed and floating charges ("the Collateral Debenture") in favour of 3i granting security to 3i for all the liabilities of the Company including its contingent liability under the Novation and Guarantee.

The person who [has acquired] ~~(will acquire)~~ the shares is:
The Purchaser

*Delete as
appropriate

The principal terms on which the assistance will be given are:

1. The Guarantee will be in the form attached marked "Annexure 1".
2. The Mortgage Debenture will be in the form attached marked "Annexure 2".
3. The Novation & Guarantee will be in the form attached marked "Annexure 3".
4. The Collateral Debenture will be in the form attached marked "Annexure 4".

The amount of cash to be transferred to the person assisted is £ Nil (unless demand is made under the Guarantee and/or Novation & Guarantee)

The value of any asset to be transferred to the person assisted is £ Nil

The date on which the assistance is to be given is 31 May 19 95

Please do not
write in
this margin

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

Delete either (a) or
(b) as appropriate

☒ We have formed the opinion, as regards the company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) ☒ We have formed the opinion that the company will be able to pay its debts as they fall due during the year immediately following that date]† (note 3)

~~(b) [It is intended to commence the winding-up of the company within 12 months of that date, and I/we have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding-up.]† (note 3) —~~

And ☒ we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at PLUMBERS HOUSE,
CANDEL

the 31ST day of MAY
One thousand nine hundred and NINETY FIVE

before me [Signature]

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

Declarants to sign below

[Signature]

[Signature]

E. C. ALBERT

[Signature]

NOTES

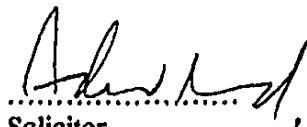
- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account—see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.

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FOREST TRAFFIC SIGNALS LIMITED

ANNEXURE 1


.....
Solicitor

19 - 06 - 95

NWB1020 (February 1993) Deed of Composite Guarantee
by one company for the liabilities of several other companies

To National Westminster Bank Plc

In consideration of National Westminster Bank Plc (the Bank) (whose address for service of any documents relating to this Guarantee is its Branch at

WALES SECURITIES CENTRE (SORT CODE 018116)
PO BOX 241
CARDIFF CF1 6YF

or such other address as the Bank may notify the Guarantor of in writing from time to time) giving time credit banking facilities and/or other accommodation to the companies referred to in the Schedule below (the Debtor)

FOREST TRAFFIC SIGNALS LIMITED WHOSE REGISTERED
COMPANY NUMBER IS 1664145 WHOSE REGISTERED OFFICE
ADDRESS IS SITUATE AT DUMFRIES HOUSE DUMFRIES
PLACE CARDIFF

(the Guarantor) hereby guarantees payment to the Bank on demand of all liabilities of each of the said companies to the Bank (in whatever currency denominated) howsoever arising whether present future actual and/or contingent and whether incurred solely severally and/or jointly and as principal or surety and all legal and other costs and expenses (on a full indemnity basis) howsoever incurred by the Bank in connection therewith and so that as against the Guarantor interest shall be deemed to continue to accrue and be a liability of the Debtor hereby secured notwithstanding that for any reason interest may have ceased to accrue against the Debtor and the payment of interest on the foregoing day by day from demand until full discharge such interest to be chargeable at the rate of interest payable or deemed to be payable by the Debtor (or if there is no such rate at the annual rate of the Bank's base rate from time to time plus two per cent) (whether before or after judgement) as calculated and compounded in accordance with the practice of the Bank from time to time and for payment of the Bank's costs and expenses (on a full indemnity basis) incurred in connection with the enforcement of this Guarantee.

The costs and expenses referred to herein shall include (for avoidance of doubt) all amounts the Bank may from time to time require to compensate it in respect of its internal management and administrative costs and expenses.

The Guarantor agrees and confirms that the following provisions shall take effect as respects each of the said companies with the intention that this Guarantee shall be construed as a separate guarantee given in respect of each of the said companies and the expression 'the Debtor' herein contained shall apply to all and each one of the said companies. The said provisions are:

1 The Bank may without giving notice to or obtaining any consent from the Guarantor and without affecting the Guarantor's liability hereunder renew vary or determine any accommodation given to the Debtor hold over renew modify or release any security or guarantee now or hereafter held from the Debtor or any other person including any other person liable under this Guarantee in respect of the liabilities hereby secured and/or any liabilities of the Guarantor and grant time or indulgence to or compound with the Debtor or any such person and this Guarantee shall not be discharged nor shall the Guarantor's liability under it be affected by anything which would not have discharged or affected the Guarantor's liability if the Guarantor had been a principal debtor to the Bank instead of a guarantor.

2 This Guarantee shall be additional to any other guarantee or security now or hereafter held in respect of the liabilities hereby secured.

3 This Guarantee shall be a continuing security and shall remain in force notwithstanding any disability of the Guarantor until determined by three months notice in writing from the Guarantor but notwithstanding such determination the Guarantor shall remain liable as Guarantor for all the liabilities of the Debtor outstanding (whether or not due and payable) at the date of the expiration of the notice.

4 The Guarantor has not taken and will not take without the written consent of the Bank any security from the Debtor in connection with this Guarantee and any security so taken shall be held in trust for the Bank and as security for the liability of the Guarantor to the Bank hereunder.

5 In respect of the Guarantor's liability hereunder the Bank shall have a lien on all securities or other property of the Guarantor held by the Bank whether for safe custody or otherwise. The Bank shall further be entitled (as well before as after demand hereunder) to set off against any credit balance on any account of the Guarantor with the Bank (whether current or otherwise or subject to notice or not) and against any interest accruing thereon any liabilities of the Guarantor to the Bank whatsoever (whether arising hereunder or otherwise) and if the liability or any part thereof is in a different currency from a credit balance against which the Bank seeks to set it off the Bank shall be entitled to utilise currency of the account in credit for the purchase at its spot rate of exchange of an amount in the currency of the liability not exceeding the amount of such liability and also to pay out of the credit balance any additional sum which the Bank may be required to pay for such currency.

6(a) This Guarantee shall apply to all of the above mentioned liabilities of the Debtor to the Bank and shall not be affected by any fluctuation in or intermediate discharge of such liabilities and until such liabilities have been discharged in full the Guarantor shall not be entitled to share in any security held or money received by the Bank on account of such liabilities or to stand in the place of the Bank in respect of any security or money nor until such liabilities have been discharged in full shall the Guarantor take any step to enforce any right or claim against the Debtor in respect of any moneys paid by the Guarantor to the Bank hereunder or have or exercise any rights as surety in competition with the Bank

(b) Any moneys received by the Bank in connection with this Guarantee may be placed to the credit of a suspense account and such receipt shall not affect the right of the Bank to claim or prove against the Debtor (or any other person liable) for the entire amount of the liabilities of the Debtor. Such moneys or any part may at the Bank's option be applied in or towards discharge of such liabilities of the Debtor as the Bank may in its absolute discretion determine.

7 If this Guarantee is determined or called in by demand made by the Bank the Bank may open a new account or accounts with the Debtor or any other person for whose liabilities this Guarantee is available as security. If the Bank does not open a new account it shall nevertheless be treated as if it had done so at the time of determination or calling in and as from that time all payments made to the Bank shall be credited or be treated as having been credited to the new account and shall not operate to reduce the amount for which this Guarantee is available as security at that time.

8 This Guarantee shall not be discharged nor shall the Guarantor's liability be affected by reason of any failure of or irregularity defect or informality in any security given by or on behalf of the Debtor in respect of the moneys or liabilities hereby secured nor by any legal limitation bar or restriction dissolution disability incapacity or want of any borrowing powers of the Debtor or want of authority of any director manager official or other person appearing to be acting for the Debtor in any matter in respect of the moneys or liabilities hereby secured or by any supervening matters rendering the performance of the obligations of the Debtor illegal in any jurisdiction and such moneys or liabilities will be recoverable by the Bank from the Guarantor as sole or principal debtor.

9 Payment shall be in the currency in which the liabilities of the Debtor were owing or incurred or (if that currency is other than sterling) at the option of the Bank in sterling such other currency being converted into sterling at the spot rate of exchange of the Bank for purchasing such currency with sterling prevailing on the date of the actual payment and the Guarantor hereby agrees to indemnify the Bank against the full sterling price (including all costs charges and expenses).

10 The Guarantor irrevocably authorises the Bank to obtain a banker's reference from the Guarantor's bankers and at the Guarantor's expense at such intervals as it may think fit and the Guarantor will make best endeavours to ensure that any such references are provided. The Bank may supply a copy of this Guarantee with its request by way of evidence of the Guarantor's request and authority to such bankers to provide a reference.

11 A certificate by an officer of the Bank as to the amount for the time being due from the Debtor to the Bank and/or as to the interest after demand from time to time payable hereunder and/or as to its applicable spot rate of exchange and/or as to the amount of costs and expenses incurred by the Bank from time to time (including internal costs and expenses) shall be conclusive evidence (and admissible as such) against and binding upon the Guarantor.

12 A demand or notice hereunder shall be in writing and signed by an officer or agent of the Bank and may be served on the Guarantor either by hand or post or by facsimile machine (fax). In the case of a company service by hand may be made either by delivering the same to any officer of the company at any place or leaving the same addressed to the company at its registered office or a place of business last known to the Bank. A demand or notice by post or by fax may be addressed to the Guarantor at the registered office or address or place of business last known to the Bank and shall be deemed to have been received if posted on the day following the day on which it was posted and if sent by fax at the time of transmission and shall be effective notwithstanding it be returned undelivered. The Bank may use the last fax number of the Guarantor known to it and transmission may be proved by production of an activity or transmission report which purports to indicate the transmission of a message to such a number.

13 Any settlement or discharge or release between the Guarantor and the Bank shall be conditional upon no security or payment to the Bank by the Debtor or any other person being avoided or reduced for any reason and the Bank shall be entitled to recover the value or amount of any such security or payment from the Guarantor subsequently as if such settlement discharge or release had not occurred. Any liability of the Guarantor under this Clause (whether actual or contingent) shall be a liability in respect of which the Bank may exercise the rights referred to in Clause 5 hereof.

14 This Guarantee is and will remain the property of the Bank.

15 This Guarantee shall be governed by and construed in accordance with the Laws of England.

In Witness whereof this Deed has been executed by the Undersigned.

Dated this

day of

19

19 - 06 - 95

The Schedule

P A B HOLDINGS LIMITED

WHOSE COMPANY NUMBER
IS 2554790

CRESTAGE TRAFFIC MANAGEMENT LIMITED

WHOSE COMPANY NUMBER
IS 3041822

BRIDGE HIRE SERVICES LIMITED

WHOSE COMPANY NUMBER
IS 2331084

Executed as a Deed by the Guarantor acting by

Director

Name in full _____
(in block letters)

Director/Secretary*

Name in full _____
(in block letters)

*delete as applicable

or alternatively:

The Common Seal of

was hereunto affixed in the
presence of:

Director

Secretary

We acknowledge receipt of a completed copy of this document

Signature
(Director or Secretary)

19 - 06 - 95

Branch/Office WALES SECURITIES CENTRE
PAB HOLDINGS LTD
CRESTACE TRAFFIC MANAGEMENT LTD
Account BRIDGE HIRE SERVICES LTD

Dated _____ 19 _____

FOREST TRAFFIC SIGNALS LTD
to
**National Westminster
Bank Plc**

Composite Guarantee

for group of Companies

N/1020 Rev F20 94-1

NWB1014 (Revised October 1993) Mortgage Debenture

ID: R005944

THIS MORTGAGE DEBENTURE is dated _____
and is made between _____

19

Forest Traffic Signals Limited (Reg No 1664145)

whose registered office is at

Dumfries House Dumfries Place Cardiff

(the Company) of the one part and **National Westminster Bank Plc** (the Bank) of the other part whose address for service of any documents relating to this Mortgage Debenture is its Branch at

Wales Securities Centre P O Box 241 Cardiff CF1 6YF

or such other address as the Bank may notify the Company of in writing from time to time.

1 The Company hereby covenants to pay to the Bank on demand the sum of one pound (£1) and to pay and discharge on demand all moneys obligations and liabilities (whether present or future actual or contingent) which may now or at any time hereafter may be or become due owing or incurred by the Company to the Bank on any account or otherwise howsoever (whether solely or jointly with any other person and whether as principal or surety) together with interest and other bank charges so that interest shall be calculated and compounded in accordance with the practice of the Bank from time to time as well after as before any demand made or judgment obtained hereunder.

2 The Company as beneficial owner and to the intent that the security created shall rank as a continuing security hereby charges with the payment or discharge of all moneys obligations and liabilities hereby covenanted to be paid or discharged (together with all costs and expenses howsoever incurred by the Bank in connection with this Mortgage Debenture on a full indemnity basis):

- (i) by way of legal mortgage any property referred to in the Schedule hereto (the legally mortgaged property) and the proceeds of sale thereof
- (ii) by way of specific equitable charge all estates or interests in any freehold and leasehold property (except the legally mortgaged property) now and at any time during the continuance of this security belonging to or charged to the Company (the equitably charged property) and the proceeds of sale thereof
- (iii) by way of specific charge all plant machinery vehicles computers and office and other equipment both present and future (excluding all stock in trade) and the full benefit of all warranties and maintenance contracts for any of the same
- (iv) by way of specific charge all stocks shares and other securities now and at any time during the continuance of this security belonging to the Company either in or issued by any of its subsidiary companies or any other company and all dividends and other rights in relation thereto
- (v) by way of specific charge all book debts and other debts (including without limitation rents) now and from time to time due or owing to the Company
- (vi) by way of specific charge its goodwill and the benefit of any licences and all patents patent applications inventions trade-marks trade names registered designs copyright know-how and any other intellectual property rights
- (vii) by way of floating security its undertaking and all its property assets and rights whatsoever and wheresoever present and/or future including those for the time being charged by way of specific charge pursuant to the foregoing paragraphs if and to the extent that such charges as aforesaid shall fail as specific charges but without prejudice to any such specific charges as shall continue to be effective.

The costs and expenses referred to above shall include (for avoidance of doubt) all amounts the Bank may from time to time require to compensate it for its internal management and administrative costs and expenses incurred in connection with the enforcement of this Mortgage Debenture and recovery of the liabilities secured by it. A certificate signed by an officer of the Bank as to the amount of such costs and expenses incurred by the Bank from time to time shall for all purposes be conclusive evidence against and binding upon the Company.

3 With reference to the equitably charged property and the property charged pursuant to Clause 2(iv):

(a) The Company undertakes

- (i) to deposit with the Bank the deeds and documents of title or share certificates relating thereto
- (ii) at any time upon request to execute over all or any part thereof a charge by way of legal mortgage and any appropriate transfer or other forms instruments or instructions in the case of the stocks and shares in favour of the Bank or its nominee in such form as the Bank shall require

(b) The Bank shall not be entitled to exercise or control the exercise of any voting rights of any relevant shares (as defined below) comprised therein unless and until notice demanding payment of any moneys hereby secured shall have been served by the Bank on the Company. "Relevant shares" are any shares which are comprised in a public company's relevant share capital within the meaning of Section 198 of the Companies Act 1985. This restriction shall also apply to any relevant shares forming part of this security which may be registered in the name of the Bank or any nominee.

4 With reference to the legally mortgaged property and the equitably charged property the Company agrees:

- (i) to keep it in a good state of repair and condition and insured against such risks and in such office and for such amounts as the Bank may require or approve and that failure to do so will entitle the Bank to do so at the expense of the Company and as agent of the Company without thereby becoming a mortgagee in possession
- (ii) that the statutory power of leasing and/or accepting surrenders of leases conferred on mortgagees shall not be exercised by the Company without the consent in writing of the Bank but the Bank may grant or accept surrenders of leases without restriction
- (iii) not to part with the possession of it or any part thereof nor confer upon any person firm company or body whatsoever any licence right or interest to occupy it or any part thereof without the consent in writing of the Bank.

5 With reference to the book debts and other debts hereby specifically charged the Company shall pay into the Company's account with the Bank all moneys which it may receive in respect of such debts and shall not without the prior consent in writing of the Bank sell factor discount or otherwise charge or assign the same in favour of any other person or purport to do so and the Company shall if called upon to do so by the Bank from time to time execute legal assignments of such book debts and other debts to the Bank.

6 With reference to the property assets and rights subject to the floating charge:

- (i) the Company shall not be at liberty without the consent in writing of the Bank to:
 - (a) create any mortgage or charge ranking in priority to or pari passu with that charge and/or
 - (b) sell the whole or except in the ordinary course of business any part of the Company's undertaking; and
- (ii) the Company agrees to effect and maintain such insurances as are normally maintained by prudent companies carrying on similar businesses; and
- (iii) the Bank may by notice to the Company convert the floating charge into a specific charge as regards any assets specified in the notice which the Bank shall consider to be in danger of being seized or sold under any form of distress or execution levied or threatened and may appoint a receiver thereof.

7 Section 103 of the Law of Property Act 1925 (the 1925 Act) shall not apply to this security which shall immediately become enforceable and the power of sale and other powers conferred by section 101 of the 1925 Act as varied or extended by this security shall be immediately exercisable at any time after notice demanding payment of any moneys hereby secured shall have been served by the Bank on the Company.

8 At any time after this security shall have become enforceable and in any event immediately upon or at any time after the presentation of a petition applying for an administration order to be made in relation to the Company the Bank may by writing under the hand of any Manager of the Bank appoint any person (or persons) to be receiver of the property hereby charged or any part thereof. Where two or more persons are appointed to be receivers the Bank will in the appointment declare whether any act required or authorised to be done by such receivers is to be done by any one or more of such receivers for the time being holding office. Any receiver shall be the agent of the Company and the Company shall be solely responsible for his acts or defaults and for his remuneration. Where any receiver is appointed by the Bank as an administrative receiver (as that term is used in the Insolvency Act 1986) such administrative receiver shall have all the powers of an administrative receiver specified in Schedule 1 of the Insolvency Act 1986 or any statutory modification or re-enactment thereof. Any references in this security to a receiver shall except where the context does not permit include a reference to any such administrative receiver. Where any receiver is appointed by the Bank to be a receiver of part only of the property hereby charged and is not therefore an administrative receiver (as that term is used in the Insolvency Act 1986) such receiver shall have all the powers specified in Schedule 1 to the Insolvency Act 1986 which he would have were he an administrative receiver insofar as such powers are or might be appropriate to the receivership of the property of the Company in respect of which he has been appointed.

9 All moneys received by any receiver shall be applied by him in the following order:

- (i) in payment of the costs charges and expenses of and incidental to the appointment of the receiver and the exercise of all or any of his powers and of all outgoings paid by him
- (ii) in payment of remuneration of the receiver at such rates as may be agreed between him and the Bank at or at any time after his appointment
- (iii) in or towards discharge of the liabilities hereby secured in such order as the Bank may from time to time require
- (iv) the surplus (if any) shall be paid to the Company or other person entitled to it.

10 The powers conferred on mortgagees or receivers by the 1925 Act shall apply to this security except in so far as they are expressly or impliedly excluded and where there is any ambiguity or conflict between the powers contained in the 1925 Act and those contained in this security the terms of this security shall prevail.

11 If the Bank receives or is deemed to be affected by notice whether actual or constructive of any subsequent charge or other interest affecting any part of the property hereby charged or the proceeds of sale thereof the Bank may open a new account or accounts with any person for whose liabilities this Mortgage Debenture is available as security. If the Bank does not open a new account it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice and as from that time all payments made to the Bank shall be credited or be treated as having been credited to the new account and shall not operate to reduce the amount for which this Mortgage Debenture is security.

12 The Company hereby irrevocably appoints each of the Bank and any person nominated in writing under the hand of any officer of the Bank including every receiver appointed hereunder as Attorney of the Company with full power of substitution for the Company and in its name and on its behalf and as its act and deed to execute seal and deliver and otherwise perfect or do any deed assurance agreement instrument or act which may be required or deemed proper for any of the purposes of this security.

13 In the exercise of the powers hereby conferred the Bank or any receiver may sever and sell plant machinery or other fixtures separately from the property to which they may be annexed.

14 The Company shall from time to time supply to the Bank such accounts or other information concerning the assets liabilities and affairs of the Company its subsidiary or associated companies as the Bank may require.

15 In case the Company shall have more than one account with the Bank it shall be lawful for the Bank at any time and without any prior notice forthwith to transfer all or any part of any balance standing to the credit of any such account (whether current or otherwise or subject to notice or not) to any other such account which may be in debit but the Bank shall notify the Company of the transfer having been made. If any credit balance is in a different currency from any debit balance the Bank shall be entitled to utilise currency of the credit balance for the purchase at its spot rate of exchange of an amount in the currency of the debit balance not exceeding the amount of such debit balance and also to pay out of the credit balance any additional sum which the Bank may be required to pay for such currency.

16 The security from time to time constituted by or pursuant to this Mortgage Debenture shall be in addition to and shall be independent of any other security which the Bank may now or at any time hold on all or any part of the assets of the Company for or in respect of all or any part of the moneys obligations and liabilities hereby covenanted to be paid or discharged and it is hereby declared that no prior security held by the Bank over the property hereby charged or any part of it shall merge in the security created hereby or pursuant hereto.

ID: R005944

17 A demand or notice hereunder shall be in writing signed by an officer or agent of the Bank and may be served on the Company by hand or by post or by facsimile machine (fax) and in the case of service by hand either by delivering the same to any officer of the Company at any place or leaving the same addressed to the Company at its registered office or a place of business last known to the Bank. If such demand or notice is sent by post or by fax it shall be deemed to have been received if posted on the day following the day on which it was posted and if sent by fax at the time of transmission and shall be effective notwithstanding it be returned undelivered. The Bank may use the last fax number of the Company known to it and transmission may be proved by production of an activity or transmission report which purports to indicate the transmission of a message to such a number.

18 It is hereby certified that this Mortgage Debenure does not contravene any of the provisions of the Company's Memorandum and Articles of Association and has been executed in accordance therewith.

19 This Mortgage Debenure shall be governed by and construed in accordance with the Laws of England

In Witness whereof this Deed has been executed by the Company the day and year first before written.

The Schedule

--

Executed as a Deed by the Company acting by	
_____	Director
Name in full (in block letters) _____	
_____	Director/Secretary
Name in full (in block letters) _____	
* delete as applicable	
or alternatively :	
The Common Seal of	
Forest Traffic Signals Limited	
was herunto affixed in the presence of	
_____	Director
_____	Secretary

For and on behalf of

NATIONAL WESTMINSTER BANK PLC

Wales Securities Centre

_____ SIGNATURE

_____ TITLE

We acknowledge receipt of a completed copy of this document

Signature
(Director or Secretary)

19 - 06 - 95

Certificate of the Registration of a Mortgage or Charge
Pursuant to Section 401(2) of the Companies Act 1985

ID: R005944

I hereby certify that a Mortgage or Charge dated the _____ day of _____ One thousand nine

hundred and _____ and created by Forest Traffic Signals Limited
for securing all moneys now due, or hereafter to become due, or from time to time accruing due from the Company to National
Westminster Bank PLC on any account whatsoever was registered pursuant to Section 395 of the Companies Act 1985 on the
_____ day of _____ One thousand nine hundred and _____

Given under my hand at Cardiff this _____ day of _____

One thousand nine hundred and _____

Registrar of Companies

Wales Securities Centre
Cardiff Corporate Banking Group
Forest Traffic Signals Limited

Dated _____ 19 _____

Forest Traffic Signals Limited

to

**NATIONAL WESTMINSTER
BANK PLC
MORTGAGE DEBENTURE**

for all moneys _____

chsl099a NWB1014 (Rev October 1993)

This Release made the _____ day of _____ One thousand nine hundred
and _____ between the within-named National Westminster Bank PLC (the Bank) of the one
part and the within-named _____ of the other part Witnesses that the
Bank as Mortgagee hereby releases all and singular the property now comprised in or charged by the within-written Deed from all
moneys secured by and from all claims and demands under the within-written Deed.

In Witness whereof this Deed has been duly executed on behalf of the Bank by its duly authorised Attorney the day and year first
before written.

Signed and Delivered by

as the Attorney and on behalf of the Bank _____

In the presence of

Bank Official

Signature of Witness

19 - 06 - 95

FOREST TRAFFIC SIGNALS LIMITED

ANNEXURE 3


Solicitor

19 - 06 - 95

DATED _____ 1995

P.A.B. HOLDINGS LIMITED

- and -

CRESTACRE TRAFFIC MANAGEMENT LIMITED

- and -

BRIDGE HIRE SERVICES LIMITED and others

- and -

FOREST TRAFFIC SIGNALS LIMITED

- and -

3i GROUP PLC

DEED OF NOVATION AND GUARANTEE

Lee Crowder

24 Harborne Road

Edgbaston

Birmingham B15 3AD

THIS DEED OF NOVATION AND GUARANTEE is made the day of
1995 AMONG:-

- (1) P.A.B. HOLDINGS LIMITED (company number 2559790) whose registered office is at Dumfries House, Dumfries Place, Cardiff, CF1 4YF (hereinafter called 'the Borrower');
- (2) CRESTACRE TRAFFIC MANAGEMENT LIMITED (company number 3041822) whose registered office is at Dumfries House, Dumfries Place, Cardiff, CF1 4YF (hereinafter called 'the Company');
- (3) BRIDGE HIRE SERVICES LIMITED (company number 2331084) and CERYS LIMITED (company number 2560044) each of whose registered office is at Dumfries House aforesaid (hereinafter together called 'the Existing Guarantors');
- (4) FOREST TRAFFIC SIGNALS LIMITED (company number 1664145) whose registered office is at Dumfries House, Dumfries Place, Cardiff, CF1 4YF (hereinafter called 'the New Guarantor');
- (5) 3i GROUP PLC whose registered office is at 91 Waterloo Road London SE1 8XP (hereinafter called '3i');

SUPPLEMENTAL TO the deeds and documents set out and individually defined in the Schedule hereto (which are hereinafter together referred to as 'the Existing Security').

WHEREAS:-

- (A) the Loan (as defined in each of the Agreements which at the date hereof had an outstanding aggregate capital balance of £206,000) together with current interest thereon remain owing by the Borrower to 3i at the date hereof on the security of the Existing Security;
- (B) the parties hereto have agreed to vary the terms of the Existing Security in the manner hereinafter appearing.

THE parties hereto agree as follows:-

Novation

1. THE Company hereby agrees to pay to 3i the Loan and all other moneys due or owing by the Borrower to 3i and all interest and all other sums payable by the Borrower in respect thereof as provided for in each of the Agreements and to be bound by the terms and to observe and perform the covenants and obligations therein contained in every way as if the Company were an original party to the Agreements in lieu of the Borrower.

Security

2. THE Company shall contemporaneously herewith execute and issue to 3i a debenture in the form already agreed between 3i and the Company.

Collateral security

3. (A) THE New Guarantor shall contemporaneously herewith execute and issue to 3i a collateral debenture in the form already agreed between 3i and the New Guarantor.

(B) THE Borrower shall contemporaneously herewith execute and issue to 3i a collateral debenture in the form already agreed between 3i and the Borrower.

4. THE Existing Guarantors hereby agree and declare that the Collateral Debentures shall remain in full force and effect and continue to apply in the same manner as if the Company were the Principal Debtor described in the Third Schedule to each of the Collateral Debentures in lieu of the Borrower and each of the said Collateral Debentures shall be read and construed accordingly.

Release

5. IN consideration of the Company's agreement contained in clause 1 and subject to clause 2 (Security) and clause 3 and 4 (Collateral Security) and clauses 6 and 7 (Guarantee) of this deed 3i releases and discharges the Borrower from all claims and demands whatsoever in respect of the Agreements and accepts the

liability of the Company upon the Agreements in lieu of the liability of the Borrower.

Guarantee

6. THE Existing Guarantors hereby guarantee to 3i the due payment by the Company of all moneys due and owing by the Company in respect of the Agreements so that the guarantee contained in the Existing Security shall continue to apply and shall have full force and effect as if the Company were an original party to the Agreements in lieu of the Borrower.

7. THE Borrower and the New Guarantor (hereinafter together referred to as 'the Guarantor') hereby guarantee to 3i the due payment by the Company of all moneys due or owing by the Company to 3i under the Agreements and all interest and all other sums payable by the Company in respect thereof (hereinafter referred to as 'the Loan') and so that the following provisions shall have effect in relation to such guarantee:-

(A) whenever the Company makes default in the payment of the Loan the Guarantor shall forthwith on demand therefor by 3i pay to 3i the sum in regard to which such default has been made;

(B) the Guarantor shall not be exonerated by time being given or by any concessions granted to the Company by or with the consent of 3i or by anything 3i may do or omit or neglect to do or by any other dealing or thing which but for this provision would or might operate to exonerate the Guarantor;

(C) this guarantee is to be a continuing guarantee and accordingly is to remain in operation until the Loan has been duly paid in accordance with the provisions of the Agreements and/or the Existing Security;

(D) the Guarantor shall in respect of any sum paid by the Guarantor hereunder and in respect of any other rights which may accrue howsoever to the Guarantor in respect of any sum so paid rank and be entitled to enforce the same only after the Loan shall have been duly paid to 3i in accordance with

the provisions of the Agreements and/or the Existing Security;

(E) any security for the time being held by the Guarantor from the Company in respect of the liability of the Guarantor hereunder shall be held by the Guarantor in trust for 3i as security for the liability of the Guarantor hereunder;

(F) it shall not be necessary for 3i before claiming payment hereunder to resort to or seek to enforce any other guarantee or security whether of the Company or any other person;

(G) where there is more than one guarantor 3i may at any time and from time to time release discharge compound with or otherwise vary or agree to vary the liability of any guarantor without prejudice to or in any way affecting 3i's rights and remedies against any other guarantor.

Notices

8. WHERE a notice is to be given to any party hereto it may be served by leaving it at the registered office or last known address of that party or by sending it first-class letter post to the registered office or the last known address of that party when it shall be deemed to have been served at the expiration of forty-eight hours after it has been posted or by transmitting it by facsimile to that party's last known facsimile number when it shall be deemed to have been served upon receipt of telephone or other confirmation of its receipt.

Interpretation

9. IN this Deed unless the context otherwise requires:-

(A) the masculine gender includes the feminine and words denoting the singular number only shall include the plural and vice versa;

(B) covenants warranties undertakings and guarantees by more than one party hereto shall be deemed to be made jointly and severally;

(C) covenants undertakings and warranties given by an individual shall be binding on his personal representatives.

Application of provisions

10. SAVE as hereby varied all the covenants obligations provisions conditions definitions and powers contained in the Existing Security shall continue to apply and have full force and effect.

IN WITNESS whereof the parties hereto have executed this agreement as a deed the day and year first above written.

THE SCHEDULE hereinbefore referred to
The Existing Security

<u>Date</u>	<u>Description</u>	<u>Parties</u>
2.3.92	Investment offer ("the 1992 Offer")	3i to the Borrower
7.5.92	Debenture	the Borrower (1) 3i (2)
7.5.92	Collateral debenture	Bridge Hire Services Limited (1) 3i (2)
7.5.92	Collateral debenture	Cerys Limited (in its former name) (1) 3i (2)
23.7.93	Investment Offer ("the 1993 Offer")	3i to the Borrower
16.9.93	Undertaking	the Borrower (1) 3i (2)

The 1992 Offer and the 1993 Offer are herein together referred to as "the Agreements" and the collateral debentures issued by each of Bridge Hire Services Limited and Cerys Limited are herein together referred to as "the Collateral Debentures".

19 - 06 - 95

SIGNED (but not delivered until
the date hereof) as a deed by
P.A.B. HOLDINGS LIMITED acting by

DIRECTOR

.....
signature

.....
name (in block capitals)

SECRETARY/DIRECTOR

.....
signature

.....
name (in block capitals)

SIGNED (but not delivered until
the date hereof) as a deed by
CRESTACRE TRAFFIC MANAGEMENT LIMITED
acting by

DIRECTOR

.....
signature

.....
name (in block capitals)

SECRETARY/DIRECTOR

.....
signature

.....
name (in block capitals)

SIGNED (but not delivered until
the date hereof) as a deed by
BRIDGE HIRE SERVICES LIMITED
acting by

DIRECTOR

.....
signature

.....
name (in block capitals)

SECRETARY/DIRECTOR

.....
signature

.....
name (in block capitals)

SIGNED (but not delivered until
the date hereof) as a deed by
CERYS LIMITED acting by

. DIRECTOR

.....
signature

.....
name (in block capitals)

SECRETARY/DIRECTOR

.....
signature

.....
name (in block capitals)

19 - 06 - 95

SIGNED (but not delivered until
the date hereof) as a deed by
FOREST TRAFFIC SIGNALS LIMITED acting by

DIRECTOR

.....
signature

.....
name (in block capitals)

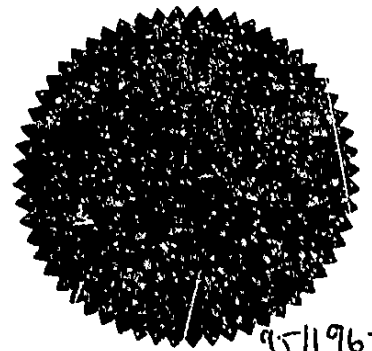
SECRETARY/DIRECTOR

.....
signature

.....
name (in block capitals)

THE COMMON SEAL of 3i Group plc
was hereunto affixed in
in the presence of:-

Eian Goodard
Authorised Sealing Officer



19 - 06 - 95

DATED _____ 1995

FOREST TRAFFIC SIGNALS LIMITED

- and -

3I GROUP PLC

COLLATERAL DEBENTURE

Form of Collateral Debenture filed at H M Land Registry
under reference MD390B

Lee Crowder
24 Harborne Road
Edgbaston
Birmingham B15 3AD

COLLATERAL DEBENTURE

HMLR CODE: CY840

Dated the day of 1995

1. Payment Covenant

THE Company named in the Second Schedule hereto (hereinafter called 'the Company') HEREBY COVENANTS with 3i Group plc whose registered office is at 91 Waterloo Road London SE1 8XP (hereinafter called '3i' which expression shall include where the context requires or admits any other the registered holder for the time being of this Debenture) that it will on such date or dates as provided by Clause 2 hereof PAY or DISCHARGE to 3i all moneys and liabilities (other than dividend on any shares) now or at any time or times hereafter due or owing or incurred by the Principal Debtor named in the Third Schedule hereto (hereinafter called 'the Principal Debtor') to 3i in any manner whatever whether actually or contingently and whether as principal or surety including interest thereon at such rate as may be agreed in writing from time to time between the Principal Debtor and 3i whether before or after the execution of this Debenture and together also with all commission charges costs and expenses payable in connection therewith.

2. Payment Date

ALL or any moneys and liabilities (other than dividend on any shares) due or owing or incurred by the Principal Debtor to 3i shall be repaid or discharged by the Company forthwith in the event that such moneys and liabilities are not paid or discharged by the Principal Debtor to 3i immediately when due.

3. Charging Clause

THE Company as beneficial owner HEREBY CHARGES with the payment and discharge to 3i of all moneys and liabilities hereby covenanted to be paid and discharged by the Company and all other sums intended to be hereby secured:-

FIRST - THE property described in the Fourth Schedule hereto together with all buildings and fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon and therein;

SECOND - ALL other freehold and leasehold property of the Company both present and future together with all buildings and fixtures (including trade fixtures) and fixed plant and machinery from time to time thereon and therein;

THIRD - ALL the plant machinery chattels or other equipment described in the Fifth Schedule hereto together with any part or parts thereof and all additions alterations accessories replacements and renewals of component parts thereto (hereinafter together called 'the mortgaged chattels') and together with the benefit of any obligations and warranties given by any manufacturer or supplier of the mortgaged chattels and all obligations and

warranties given by any other party in respect of the mortgaged chattels to or in favour of the Company and the benefit of all maintenance agreements entered into between the Company and any such third party;

FOURTH - THE goodwill and the uncalled capital of the Company both present and future;

FIFTH - THE book debts and other debts due or owing to the Company both present and future;

SIXTH - THE stock-in-trade work-in-progress pre-payments investments quoted on a recognised Stock Exchange and cash of the Company both present and future;

SEVENTH - ALL other the undertaking and all other property and assets of the Company both present and future.

4. Nature of Charges

THE charges on the property and assets FIRST SECOND THIRD FOURTH and FIFTH described are created as fixed charges and constitute charges by way of legal mortgage on the property FIRST and SECOND described which is now vested in the Company.

The charges on the assets THIRD described shall be deemed to include the assignment thereof and the same shall be held unto 3i absolutely subject only to the proviso that on the payment and discharge to 3i of all moneys and liabilities hereby covenanted to be paid and discharged by the Company and all other sums intended to be hereby secured 3i shall at the cost and expense of the Company and at its request duly reassign those assets to the Company.

The charges on the property and assets SIXTH and SEVENTH described (and also on such other property and assets of the Company both present and future as 3i may have agreed in writing to exclude from the fixed charge or are otherwise not charged hereunder by way of fixed charge) are created as floating charges until the provisions of Condition 8 set out in the First Schedule hereto become operative when the floating charges shall crystallize and become fixed charges.

The charges created hereby shall be a continuing security and shall unless otherwise agreed in writing by 3i be first charges. The Company shall not without the previous written consent of 3i:-

- (i) create or continue any mortgage or charge upon the mortgaged chattels or any part thereof or allow any lien to arise on or affect the mortgaged chattels or any part thereof;
- (ii) create or continue any mortgage or charge upon any part of the other property or assets hereby charged which would rank either in priority to or pari passu with the charges hereby created;
- (iii) allow any lien to arise on or affect any part of the other property or assets hereby charged except in the case of a lien arising by operation of law in the ordinary course of business.

5. Warranty

THE Company HEREBY WARRANTS to 3i that it is the absolute beneficial owner free from all liens charges and encumbrances of all the mortgaged chattels.

6. Protection of Collateral Security

SAVE as may be expressly agreed in writing between the Company and 3i:-

(i) the charges hereby created and the provisions herein contained shall not be affected in any manner whatsoever by time being given or by any concessions granted to the Principal Debtor by or with the consent of 3i or by the creation variation or release of any other guarantee or security (whether principal or collateral) of the moneys hereby secured or by anything 3i may do or neglect or omit to do or by any other dealing or thing which but for this provision would or might operate to release or vary the charges hereby created or the provisions herein contained;

(ii) the Company shall not be entitled to enforce any right of contribution or indemnity against the Principal Debtor in respect of the liability of the Company to 3i hereunder unless and until 3i has received payment in full of all moneys hereby secured and any mortgages charges or other security at any time issued by the Principal Debtor to the Company shall rank subject to and after the charges hereby created by the Company in favour of 3i.

7. Incorporation of Conditions

THIS Debenture is issued subject to and with the benefit of the conditions set out in the First Schedule hereto. The property and assets FIRST and SECOND above described are therein referred to as 'the specifically mortgaged property'. The specifically mortgaged property and the property and assets THIRD FOURTH FIFTH SIXTH and SEVENTH described are therein together referred to as 'the mortgaged property'. The bank specified in the Sixth Schedule hereto (or such other bank as 3i may agree to in writing) is therein referred to as 'the Bank'.

EXECUTED as a Deed by the Company the day and year first above written.

THE FIRST SCHEDULE hereinbefore referred to CONDITIONS

1 Deposit of deeds and documents of title

Subject to the rights of any prior mortgages the Company shall deposit with Ji and Ji shall during the continuance of this security be entitled to hold and retain all deeds and documents of title relating to the specifically mortgaged property and all invoices documents of title guarantees and maintenance agreements relating to the mortgaged chattels.

2. Further charges

The Company shall forthwith if and when called upon by Ji so to do execute in favour of Ji or as Ji shall direct such further legal or other mortgages or charges as Ji shall require of and on all the Company's estate and interest in the specifically mortgaged property (including any vendor's lien) to secure all principal and other monies intended to be hereby secured such mortgages or charges to be prepared by or on behalf of Ji at the cost of the Company and to be in such form as Ji may reasonably require.

3 Leases

The Company shall pay the rents reserved by and perform and observe all the covenants agreements and stipulations on the part of the lessee contained in any lease or leases of the specifically mortgaged property and the Company shall not do or suffer to be done any act or thing whereby the said lease or leases may become liable to forfeiture or otherwise be determined nor shall the Company agree accept suffer or permit any alteration variation or addition to the terms of such lease or leases without the consent in writing of Ji.

4. Payments

The Company shall as and when the same shall become payable pay all taxes rates duties charges assessments and outgoings whatsoever (whether parliamentary parochial local or of any other description) which shall be assessed charged or imposed upon or payable in respect of the specifically mortgaged property or any part thereof and shall punctually pay all licence fees duties registration charges and all outgoings of whatsoever nature in respect of the mortgaged chattels and shall keep or cause the mortgaged chattels to be kept from being distrained for recovery of the same or from being taken under any execution and shall at all times on demand produce or cause to be produced to Ji or its authorised agents the receipt for such payments and in default thereof it shall be lawful (but not obligatory) for Ji to pay and discharge such sums which at any time may be or become due assessed or payable in respect of the specifically mortgaged property or the mortgaged chattels and the Company shall repay the same to Ji on demand.

5. After-acquired property

Upon the acquisition or purchase by the Company from time to time of any freehold or leasehold property the Company shall forthwith notify Ji in writing

6 Use of premises

(A) The Company shall use the specifically mortgaged property only for such purpose or purposes as may for the time being be authorised as the permitted use or user thereof under or by virtue of the Planning Acts (as hereinafter defined) and shall not enter into any agreements under the Planning Acts for the purpose of restricting or regulating the use of the specifically mortgaged property without obtaining Ji's prior written consent

Use of chattels

(B) The Company shall not use nor permit the mortgaged chattels to be used in contravention of any legislation (as hereinafter defined) or otherwise in any way contrary to law and shall comply with the requirements of any legislation so far as the same relate to or affect the mortgaged chattels or the user thereof and shall forthwith execute or cause to be executed all works that are thereby required to be executed upon or in connection with the mortgaged chattels.

7 Development

(A) The Company shall not carry out any development within the meaning of the Planning Acts in or upon the specifically mortgaged property or any part thereof without first obtaining such permission as may be required under or by virtue of the Planning Acts and shall not enter into any agreements under the Planning Acts for the purpose of restricting or regulating the development of the specifically mortgaged property without obtaining Ji's prior written consent.

Notices affecting premises

(B) The Company shall within seven days after the receipt of any notice or proposal for a notice or order or proposal for an order given issued or made to the Company by a planning authority under or by virtue of the Planning Acts give full particulars thereof to Ji and if so required by Ji produce the same to Ji and also without delay and at the Company's own cost take all reasonable or necessary steps to comply with any such notice or order and shall also at the request of Ji and at the Company's own cost make or join with Ji in making such objections or representations against or in respect of any proposal for such notice or order as Ji shall deem expedient.

Orders and permissions

(C) The Company shall forthwith produce to 3i the original of any order direction requisition permission notice or any matter whatsoever affecting or likely to affect the mortgaged chattels and served upon the Company by any third party and shall forthwith and at the Company's own cost comply with the same and shall if so required by 3i and at the Company's own cost make or join in making such objections or representations against or in respect of the contents of any such document as 3i shall deem expedient.

8. Crystallization of security

The moneys hereby secured shall become immediately payable and all rights of the Company to deal for any purpose whatever with the mortgaged property or any part thereof shall forthwith cease and the floating charges shall forthwith crystallize and become fixed charges in the event that all moneys hereby secured are not paid or discharged by the Principal Debtor to 3i immediately when due.

9. Appointment and removal of Receiver

(A) At any time after the moneys hereby secured shall have become payable or at the request of the Company 3i may without further notice appoint in writing under its hand any person or persons to be a receiver (which expression shall mean both a receiver or receiver and manager of part only of the mortgaged property and an administrative receiver as defined by the Insolvency Act 1986) or receivers (hereinafter called a 'Receiver' which expression shall include any substituted receiver or receivers) of all or any part of the mortgaged property in like manner in every respect as if 3i had become entitled under the Law of Property Act 1925 to exercise the power of sale thereby conferred and every Receiver so appointed shall have and be entitled to exercise all powers conferred by the said Act as if such Receiver had been duly appointed thereunder and in particular by way of addition to but without hereby limiting any general powers hereinbefore referred to every such Receiver so appointed shall have the powers as hereinafter referred to.

(B) 3i may from time to time by writing under its hand remove any Receiver appointed by it (but in the case of an administrative receiver such removal shall only be with the sanction of the court) and may whenever it may deem it expedient appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated and may from time to time fix the remuneration of any Receiver appointed by it.

10. Powers of Receiver

At any time after the moneys hereby secured shall have become payable any Receiver appointed hereunder may without further notice exercise all or any of the following powers:-

(A) take immediate possession of get in and collect the mortgaged property or any part thereof and for that purpose enter upon any premises at which the mortgaged chattels or any part thereof are located and sever dismantle or remove the same therefrom without being liable for any loss or damage thereby occasioned other than through negligence;

(B) carry on the business of the Company and for that purpose make or procure advances and secure the same by mortgage or charge in priority or subsequent to the moneys and interest secured by this Debenture or otherwise as may be thought expedient and carrying interest at such rate as 3i may consider necessary;

(C) make and effect all repairs and insurances and do all other acts which the Company might do in the ordinary conduct of its business as well for the protection as for the improvement of the mortgaged property;

(D) sell convert into money and realise all or any part of the mortgaged property or the fixed plant and machinery and other fixtures and fittings in or upon the specifically mortgaged property or any part thereof by public auction or private contract and generally in such manner and on such terms and conditions as he shall think proper;

(E) let all or any part of the specifically mortgaged property for such term and at such rent as he may think proper and accept a surrender of any lease or tenancy thereof;

(F) lease hire hire purchase store alter or improve all or any part of the mortgaged chattels for such term and at such rent as he may think proper and accept a surrender of any lease or tenancy thereof;

(G) compromise any claim by or against the Company;

(H) call up all or any portion of any uncalled capital of the Company;

(I) give valid receipts for all moneys and execute all assurances and things which may be proper or desirable for realising the mortgaged property;

(J) use the name of the Company for all or any of the purposes aforesaid and in any legal proceedings with full power to convey any property sold in the name of the Company for all of which purposes the Company hereby irrevocably appoints every such Receiver to be its attorney;

(K) appoint managers officers agents accountants clerks servants workmen and others for the aforesaid purposes upon such terms as to remuneration or otherwise as he may think proper.

In addition to the above powers an administrative receiver may exercise all the powers conferred upon him by Schedule 1 to the Insolvency Act 1986.

11. Sale

Section 103 of the Law of Property Act 1925 shall not apply to this Debenture nor to any sale by 3i or a Receiver thereunder and the statutory power of sale shall as between 3i or such Receiver and a purchaser from 3i or such Receiver be exercisable at any time after the execution of this security provided that 3i shall not exercise the said power of sale until payment of the moneys hereby secured shall have become due or a Receiver has been appointed hereunder but this provision shall not affect a purchaser or put him upon inquiry whether such moneys have become due or such appointment has been made.

12. Book debts

During the continuance of this security the Company shall:-

- (A) pay into a current account or a separate designated account (as Ji may require) of the Company with the Bank all moneys which it may receive in respect of the book debts and other debts hereby charged and (subject to any rights of the Bank in respect thereof) pay or otherwise deal with such moneys standing in such account in accordance with any directions from time to time given in writing by Ji; prior to the provisions of condition 8 hereof becoming operative in the absence of any directions from Ji any moneys received by the Company and paid into such account in respect of the book debts and other debts hereby charged shall upon such payment in stand released from the fixed charge on such debts hereinbefore by this Debenture created and shall stand subject to the floating charge hereinbefore by this Debenture created over the other property and assets of the Company; any such release shall in no respects derogate from the subsistence and continuance of the said fixed charge on all other book and other debts of the Company for the time being outstanding;
- (B) if called upon to do so by Ji execute a legal assignment of such book debts and other debts to Ji in such terms as Ji may require and give notice thereof to the debtors from whom the debts are owing or incurred and take such other steps as Ji may require to perfect such legal assignment;
- (C) deal with such book debts and other debts in accordance with any directions from time to time given in writing by Ji (subject to any rights of the Bank in respect thereof) 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 Bank to furnish directly to Ji from time to time upon request full statements and particulars of all the Company's accounts with the Bank and such other financial statements and information respecting the assets and liabilities of the Company as are from time to time available to the Bank.

13. Obligations of the Company

The Company shall:-

To repair

- (A) keep all buildings forming part of the specifically mortgaged property and all plant machinery works fixtures fittings implements tools and other effects thereon and therein in a good state of repair and good working order and condition and perform and observe all covenants and stipulations restrictive or otherwise affecting the specifically mortgaged property and indemnify Ji in respect of any breach thereof and permit Ji or any person nominated by it at all reasonable times to enter upon the specifically mortgaged property and view the state of the same and shall not pull down or remove any building or erection erected or to be erected on the specifically mortgaged property or any part thereof or the fixed plant and machinery and other fixtures or fittings upon the same respectively or any of them without the previous written consent of Ji except in the ordinary course of repair and maintenance or improvement or otherwise in the course of and for the bona fide purpose of carrying on the business of the Company and shall when necessary renew and replace all movable engines plant machinery tools implements utensils and other effects of a like nature now used or hereafter to be used for the purpose of or in connection with the business of the Company as and when the same shall be worn out or destroyed.

- (B) keep the mortgaged chattels and any part thereof in a good state of repair and condition and perfect working order and replace any part or parts of the mortgaged chattels as may be destroyed damaged or worn out with new parts of a similar quality and permit Ji or any person nominated by it at all reasonable times to enter upon the premises where the same are located and view the state of the same and the Company shall carry out such repair thereto as Ji shall consider necessary;

To insure

- (C) insure and keep insured the mortgaged chattels against all usual comprehensive risks of loss or damage thereto or to the Company or to any third party and insure and keep insured such other parts of the mortgaged property as are of an insurable nature against loss or damage by fire aircraft things dropping from aircraft explosion storm tempest flood burst pipes and impact in such sum as shall from time to time be approved in writing by Ji. Such insurance shall be effected in such office and generally in such manner as Ji shall approve and the Company shall cause notice of the interest of Ji to be noted on the policies which (subject to the rights of any prior mortgagee) shall unless otherwise agreed by Ji be delivered to and retained by Ji and shall duly pay the premiums and other sums of money payable in respect of any such insurance and immediately after every such payment produce to Ji the receipt for the same. All moneys which may at any time hereafter be received or receivable under any insurance in respect of the mortgaged property whether or not effected pursuant to the foregoing provision shall be applied in replacing restoring or reinstating the property destroyed or damaged or in such other manner as Ji shall direct;

- (D) effect and maintain or cause to be effected and maintained such other insurances as are normally maintained by prudent companies;

- (E) indemnify Ji against all claims made or proceedings brought in respect of any loss or damage or injury whatsoever arising out of or in connection with the mortgaged chattels their manufacture selection delivery possession use or operation

14. Leasehold premises

In respect of any leasehold properties forming part of the specifically mortgaged property Ji will accept performance of the obligations to repair and insure imposed by the leases relating thereto as performance or part performance of the similar obligations imposed by Conditions 13(A) and (C) hereof and if the Company is unable to produce any policy or the receipt for any premium by reason of the same being in the possession of any lessor it shall be sufficient compliance with the foregoing covenants for production of the said policy or receipt if the Company produces to Ji satisfactory evidence of the subsistence of the said policy

15. Registration of title

The Company shall not without the previous written consent of 3i register any person or cause or permit any person to be registered under the Land Registration Acts 1925 to 1986 and any subsequent Land Registration Acts as the proprietor of the Company's interest in the specifically mortgaged property or any part thereof and the costs of entering a caution against such registration shall be deemed to be costs properly incurred by 3i under this Debenture.

16. Proceedings affecting premises

The Company shall in the event of a notice being served affecting the specifically mortgaged property or any part thereof or in the event of any proceedings being commenced affecting the same immediately give full particulars thereof to 3i.

17. Exclusion of leasing powers

The Company shall not without the previous written consent of 3i grant or agree to grant any lease or tenancy of the specifically mortgaged property or any part thereof or accept or agree a surrender of any lease or tenancy thereof or agree accept suffer or permit any alteration variation or addition to the terms of such lease or tenancy.

18. Protection of chattels

Possession and use

(A) Except as may be agreed in writing by 3i the Company shall keep the mortgaged chattels in its sole and exclusive possession and at the location (if any) specified in the Fifth Schedule hereto and shall not in any event take them out of England and Wales and shall not use nor permit them to be used for any purpose for which they are not designed or reasonably suitable.

Identification

(B) The Company shall affix to or engrave on the mortgaged chattels such labels plates or markings as 3i shall require and shall not allow to be disturbed or defaced any labels or plates or markings which may be affixed to or engraved on the mortgaged chattels as a means of identification by their manufacturers suppliers or by any other person and shall not obliterate obscure or cover up the same and 3i shall at all reasonable times have access to the mortgaged chattels for the purpose of inspecting affixing repairing or replacing any labels plates or markings as it may in its absolute discretion consider necessary.

Alterations

(C) The Company shall not at any time without the previous written consent of 3i make or suffer to be made any alteration or addition of a substantial nature in or to the mortgaged chattels other than for the purpose of effecting repairs as hereinbefore mentioned.

Disposal

(D) The Company shall not without the previous written consent of 3i sell attempt to sell assign charge hire lease or part with or share possession of or dispose of or suffer any distress or execution to be levied or lien created upon the mortgaged chattels or any part thereof.

Value

(E) The Company shall not in any manner or by any means cause the insurance of the mortgaged chattels to be avoided or lessen or suffer to be lessened the value of the mortgaged chattels for wear and tear excepted.

Other charges

(F) If the Company creates a mortgage or charge (whether specific or floating) in relation to the assets or undertaking of the Company or any mortgage or charge (whether legal or equitable) on the premises where the mortgaged chattels are located the Company shall notify 3i of the same and if called upon so to do by 3i shall procure from any mortgagee chargee or debenture holder or other person having an interest (whether legal or equitable) in the said assets undertaking or such premises a waiver in such form as 3i may require of all rights which the holder of such interest might otherwise be entitled to claim in the mortgaged chattels.

Further mortgages

(G) The Company shall not without the previous written consent of 3i create any further mortgage charge debenture or other encumbrance upon the mortgaged chattels or on the interest of the Company therein.

Annexure

(H) The Company shall not annex the mortgaged chattels or any part or parts thereof to the premises where the same are located if the result of such annexure would be that the mortgaged chattels might become a fixture or fixtures.

19. Power of entry

In case of default by the Company in repairing or keeping in repair or insuring the mortgaged property or any part thereof or in observing or performing any of the covenants or stipulations affecting the same the Company shall permit 3i to enter on the specifically mortgaged property and comply with or object to any notice served on the Company in respect of the mortgaged property effect such repairs or

insured or generally do all such acts and pay all such costs charges and expenses as Ji may consider necessary to prevent or remedy any breach of covenant or stipulation or to comply with or object to any such notice.

20. Further assurance

The Company shall from time to time execute and do all such assurances and things as Ji may reasonably require for perfecting the security hereby constituted and after the moneys hereby secured shall have become payable for facilitating the realisation of the mortgaged property or any part thereof and for exercising all powers authorities and discretions hereby or by law conferred on Ji or any Receiver appointed by it. The Company hereby irrevocably appoints Ji to be the attorney of the Company in the name and on behalf of the Company to execute and do any assurances and things which the Company ought to execute and do hereunder and generally to use the name of the Company in the exercise of all or any of the powers hereby conferred on Ji or any Receiver appointed by it and the Company hereby expressly authorises Ji to delegate all or any of the powers hereby conferred upon it to any Receiver appointed by it or to such other person or persons as it may in its absolute discretion think fit.

21. Application of receipts

Any moneys received under the powers hereby conferred shall subject to the repayment of any claims having priority to this Debenture be applied for the following purposes and in the following order of priority:-

- (A) in satisfaction of all costs charges and expenses properly incurred and payments properly made by Ji or any Receiver appointed hereunder and of all remuneration due hereunder with interest on such costs charges expenses and payments as hereinafter provided in such order as Ji shall in its absolute discretion decide;
- (B) in satisfaction of the moneys outstanding and secured by this Debenture whether principal or interest in such order as Ji shall in its absolute discretion decide;
- (C) the surplus (if any) shall be paid to the person or persons entitled thereto.

22. Receiver's liability

Ji shall not nor shall any Receiver appointed as aforesaid by reason of its or the Receivers entering into possession of the mortgaged property or any part thereof be liable to account as mortgagee in possession or be liable for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable but every Receiver duly appointed by Ji under the powers in that behalf hereinafter contained shall be deemed to be the agent of the Company for all purposes and shall as such agent for all purposes be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Law of Property Act 1925 and Ji and every such Receiver shall be entitled to all the rights powers privileges and immunities by the said Act conferred on mortgagees and receivers when such receivers have been duly appointed under the said Act.

*23. Protection of purchaser

No purchaser mortgagee or other person or company dealing with Ji or the Receiver or its or his agents shall be concerned to enquire whether the moneys hereby secured have become payable or whether the power which the Receiver is purporting to exercise has become exercisable or whether any money remains due on this Debenture or to see to the application of any money paid to Ji or to such Receiver.

24. Costs and expenses

All costs charges and expenses incurred and payments made by Ji or any Receiver appointed hereunder in the lawful exercise of the powers hereby conferred whether or not occasioned by any act neglect or default of the Company shall carry interest from the date of the same being incurred or becoming payable at the rate per annum specified in the Agreement made between the Principal Debtor and Ji and the amount of all such costs charges expenses and payments and all interest thereon and all remuneration payable hereunder shall be payable by the Company on demand and shall be an additional charge on the mortgaged property. All such costs charges expenses and payments shall be paid and charged as between Ji and the Company on the basis of a full indemnity and not on the basis of a party and party or any other kind of taxation.

25. Indemnity

Ji and every Receiver attorney manager agent or other person appointed by Ji hereunder shall be entitled to be indemnified out of the mortgaged property in respect of all liabilities and expenses incurred by them or him in the execution or purported execution of any of the powers authorities or discretions vested in them or him pursuant to these Conditions and against all actions proceedings costs claims and demands in respect of any matter or thing done or omitted in anywise relating to the mortgaged property and Ji and any such Receiver may retain and pay all sums in respect of the same out of any moneys received under the powers hereby conferred.

26. Consolidation

The restriction on the right of consolidating mortgage securities which is contained in section 43 of the Law of Property Act 1925 shall not apply to this security.

27. Notices

Where a notice is to be given to the Company or Ji (as the case may be) it may be served by leaving it at the registered office or last known address of the Company or Ji (as the case may be) or by sending it first class letter post to the registered office or last known address of the Company or Ji (as the case may be) when it shall be deemed to have been served at the expiration of 48 hours after it has been posted or by transmitting it by facsimile to the last known facsimile number of the Company or Ji (as the case may be) when it shall be deemed to have been served upon receipt of telephone or other confirmation of its receipt.

28. Definitions

In this Debenture the following expressions shall have the following meanings:-

- (A) 'the Planning Acts' shall mean the Town and County Planning Act 1990 and all regulations made or taking effect as if made thereunder as from time to time amended by subsequent legislation and regulations;
- (B) 'legislation' shall for the purpose of Condition 6(D) hereof be construed as a reference to all and every Act or Acts of Parliament for the time being in force and any Act or Acts for the time being amending modifying replacing or consolidating the same and all statutory instruments and regulations bye-laws or codes of practice made or issued thereunder affecting the mortgaged chattels;
- (C) 'book debts' shall mean all debts due to the Company and arising in the ordinary and usual course of business of the Company and whether or not the sum is such as would in the ordinary course of business be entered in the books relating to such business and shall extend to and be deemed to include all moneys becoming payable to the Company in respect of debts due to or claims (including insurance claims) by the Company and any contributions due to the Company's assets pursuant to any court declaration under sections 212-215 of the Insolvency Act 1986 notwithstanding that the amount thereof shall not have been quantified at the time when the moneys hereby secured shall have become payable;
- (D) 'stock-in-trade' and 'work-in-progress' shall (without prejudice to the generality of those expressions) extend so as to include:-
 - (i) all materials wherever situate belonging to the Company intended to be or in the course of being used for manufacture and all goods partly or wholly manufactured both present and future;
 - (ii) all general stores and stocks of fuel and like chattels belonging to the Company and used in or adapted or intended for use in the course of manufacture (but not including plant machinery and motor vehicles) both present and future;
- (E) 'book debts' 'stock-in-trade' and 'work-in-progress' as defined herein shall extend to and be deemed to include all moneys becoming payable to the Company in respect thereof under or by virtue of any policy of insurance taken out by the Company against the non-payment of book debts or the loss damage or destruction of stock-in-trade or work-in-progress;
- (F) 'costs' shall (without prejudice to the generality of that expression) extend so as to include all costs incurred by Ji in any court proceedings relating to the mortgaged property or part thereof where such proceedings are brought pursuant to the Insolvency Act 1986

29. Interpretation

Section 61 of the Law of Property Act 1925 and section 17 of the Interpretation Act 1978 shall apply to this Debenture

THE SECOND SCHEDULE hereinbefore referred to

Name Registered Office and Registered
Number of the Company

FOREST TRAFFIC SIGNALS LIMITED
Dumfries House, Dumfries Place, Cardiff, CF1 4YF
Registered number: 1664145

THE THIRD SCHEDULE hereinbefore referred to

Name Registered Office and Registered
Number of the Principal Debtor

CRESTACRE TRAFFIC MANAGEMENT LIMITED
Dumfries House, Dumfries Place, Cardiff, CF1 4YF
Registered number: 3041822

THE FOURTH SCHEDULE hereinbefore referred to

Description of Freehold or Leasehold
property specifically charged

None

THE FIFTH SCHEDULE hereinbefore referred to

Description of Plant Machinery or Equipment mortgaged

None

THE SIXTH SCHEDULE hereinbefore referred to

Name and Address of Branch of the Bank

National Westminster Bank plc
Corporate Business Centre, Cardiff, National Westminster House, PO Box 333, Dumfries Place,
Cardiff, CF1 1YX

19 - 06 - 95

THE COMMON SEAL of the Company)
was hereunto affixed in the)
presence of:-)

Director

Secretary

EXECUTED as a Deed and delivered)
on the date first before written)
by the Company)
by)
(a director) and by)
(the secretary/a director))

Director

Secretary/Director

3i Group plc HEREBY ACKNOWLEDGES receipt of all principal moneys interest costs and other sums covenanted to be paid by the within defined the Principal Debtor.

3i Group plc HEREBY DISCHARGES the within written Collateral Debenture.

THIS discharge is without prejudice to 3i Group plc's right to payment of principal moneys interest costs and other sums due to be paid by the within defined the Principal Debtor and by the Company.

THIS discharge shall not operate as a transfer of the within written Collateral Debenture.

IN WITNESS whereof 3i Group plc has caused its common seal to be hereunto affixed this
day of 199

THE COMMON SEAL of 3i Group plc
was hereunto affixed in
the presence of:-

• Authorised Sealing Officer
•

19 - 06 - 95



REPORT OF THE AUDITORS
to the directors of Forest Traffic Signals Limited

We have examined the attached statutory declaration of the directors dated 31 May 1995 in connection with the proposed financial assistance to be given by Forest Traffic Signals Limited ("the company") for the purchase of all of its shares.

Basis of opinion

We have enquired into the state of affairs of the company so far as necessary for us to review the bases for the statutory declaration.

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors in the attached declaration as to any of the matters mentioned in section 156 (2) of the Companies Act 1985 is unreasonable in all the circumstances.

Ernst & Young

Ernst & Young
Chartered Accountants
Registered Auditor
Cardiff

31 May 1995

