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CHFP025

COMPANIES FORM No. 395

Particulars of a mortgage or charge

B 21 7 2 4 3 2 0

1550 x 155

395

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

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

For official use Company number

[13]

2270117

Name of company

* NTL Acquisition Company Limited (the "Company")

Date of creation of the charge

27 September 2001

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

Second debenture dated 27 September 2001 (the "Second Debenture") made by the Company in favour of Chase Manhattan International Limited as second security trustee for the Secured Parties (the "Second Security Trustee")

Amount secured by the mortgage or charge

(To be read in conjunction with Schedule 1 hereto). All obligations which the Company may at any time have to the Second Security Trustee (whether for its own account or as trustee for the Secured Parties) or any of the other Secured Parties under or pursuant to the Finance Documents (including the Second Debenture) including any liability in respect of any further advances made by the Secured Parties under the Finance Documents, whether present or future, actual or contingent (and whether incurred solely or jointly and whether as principal or as surety or in some other capacity) (the "Secured Obligations").

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

Chase Manhattan International Limited of 125 London Wall, London EC2Y 5AJ as trustee for the Secured Parties on the terms set out in the Second Trust Agreement.

Postcode

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

Weil, Gotshal & Manges
One South Place
London EC2M 2WG
Tel: 020 7903 1000

301546

Time critical reference
MPN/47660/1993

For official Use
Mortgage Section

Post room



See Attached Schedule 2 (to be read in conjunction with Schedule 1 hereto).

Please do not
write in
this margin

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

Particulars as to commission allowance or discount (note 3)

Nil

Signed Weil, Gotshal & Manges Date 03 October 2001

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

A fee of £10 is
payable to
Companies House
in respect of each
register entry for a
mortgage or
charge.
(See Note 5)

† 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 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

NTL ACQUISITION COMPANY LIMITED

SCHEDULE 1 DEFINITIONS TO FORM m395

"Account" means, in respect of the Company, any account opened or maintained by the Company with the First Security Trustee or Second Security Trustee or any other financial institution and all Related Rights.

"Acquisition" means the acquisition by NTL Incorporated of the issued share capital of CWC Holdings.

"Acquisition Date" means the date on which the Acquisition is completed, being a date on or prior to 31 March 2001.

"Additional Borrower" means any company which has become an Additional Borrower under the Revolving Facility in accordance with Clause 37 (*Additional Borrowers*) of the Credit Agreement.

"Additional Obligor" means an Additional Borrower or a Guarantor.

"Agent" Chase Manhattan International Limited as agent for the Banks.

"Arrangers" means J.P. Morgan plc and Morgan Stanley Dean Witter Bank Limited;

"Asset Passthrough" means a series of transactions, commencing with a transaction between NTL UK and a member of the UK Group, which may be followed by one or more similar transactions between various members of the UK Group, and culminating with a similar transaction between a member of the UK Group and a Final Asset Transferee, the purpose of which is to enable NTL UK to indirectly transfer assets to that Final Asset Transferee by way of transfers of those assets to and from (and, if necessary, between) one or more members of the UK Group in such a manner as to be neutral to the UK Group taken as a whole provided that:

- (a) the consideration payable (if any) by the first member of the UK Group to acquire such assets to NTL UK comprises either (i) cash funded or to be funded directly or indirectly by a payment from the Final Asset Transferee in connection with that series of transactions or (ii) Subordinated Funding;
- (b) if the Parent (having acquired such assets from NTL UK) transfers them on to another member of the UK Group, the consideration payable by such a member of the UK Group comprises either (i) cash funded or to be funded directly or indirectly by a payment from the Final Asset Transferee in connection with that series of transactions or (ii) Parent Funding;
- (c) the consideration payable by the Final Asset Transferee is equal to the consideration received or receivable by NTL UK;
- (d) the consideration payable by each member of the UK Group participating in such a series of transactions is equal in value;
- (e) all of the transactions comprising such a series of transactions (from and including the transfer of the assets by NTL UK to and including the acquisition of those assets by the Final Asset Transferee) are completed within two Business Days; and

- (f) upon completion of all of the transactions comprising such a series of transactions, no person (other than another member of the UK Group) has any recourse to any member of the UK Group in relation to such a series of transactions (other than in respect of (i) the Subordinated Funding mentioned in paragraph (a) above and (ii) covenants as to title provided in favour of the Final Asset Transferee on the same terms as such covenants provided in favour of the Initial Asset Transferor in respect of the relevant assets).

"Assigned Debt" means any loan made by the Parent to any other member of the UK Group, where on and after the Pushdown Date the Parent's rights in respect of any such loan which is outstanding on or after the Pushdown Date have been assigned to the Security Trustee and the Second Security Trustee pursuant to the Parent Intra-Group Loan Assignment and the Second Parent Intra-Group Loan Assignment (but without prejudice to the ability to make or repay such a loan prior to the Pushdown Date).

"Bank" means a Revolving Bank or a Term Bank.

"Business Day" means a day (other than a Saturday or Sunday) which is not a public holiday and on which banks are open for general business in both London and New York.

"Charged Land" means the English Charged Land, the Northern Irish Charged Land and the Scottish Charged Land.

"Charged Property" means, in respect of the Company, all the assets of the Company which from time to time are the subject of the security created or expressed to be created in favour of the Second Security Trustee by or pursuant to the Second Debenture.

"Credit Agreement" means the credit agreement made on 30 May 2000, between the Parent and, the Pre-Novation Borrower as borrower as borrower, NTL CC, the Agent, the Arrangers and the Revolving Banks, as amended or waived pursuant to a letter dated 6 June 2000 from the Agent to the Parent, the Pre-Novation Borrower and the CWC Parent, amendment agreements dated 8 June 2000, 30 June 2000 and 4 September 2000 between certain parties to the Restatement Amendment Agreement letters dated 22 December 2000 and 29 January 2001 from the Agent to the Parent, the Pre-Novation Borrower and the CWC Parent, a novation agreement dated 21 February 2001 whereby the Pre-Novation Borrower novated all its rights and obligations to the Post-Novation Borrower and as amended and restated by the Restatement Amendment Agreement.

"CWC Holdings" means Cable & Wireless Communications (Holdings) plc, a company incorporated in England and Wales with company number 3922682.

"CWC Holdings Capital Reduction" means the reduction in the share capital of CWC Holdings occurring prior the Acquisition by NTL Incorporated (formerly NTL Holdings Incorporated) of the issued share capital of Cable & Wireless (Holdings) plc.

"CWC Holdings Intra-Group Loan Assignment" means the assignment in the agreed form executed or to be executed by CWC Holdings in favour of the Security Trustee, assigning CWC Holding's rights in respect of loans made or to be made by it to the Target and other members of the Target Group.

"CWC Holdings Share Charge" means the share charge in agreed form executed or to be executed by CWC Holdings in favour of the Security Trustee relating to the issued share capital of the Target.

"CWC Parent" means CWC Holdings, once such has acceded to the Credit Agreement as the CWC Parent in accordance with Clause 38.4 (*Accession of CWC Parent*) of the Credit Agreement.

"CWC Consumer Co Business" means the residential cable, business cable, indirect residential telephony, residential internet and digital television development and services businesses owned and operated by the Target and its subsidiaries.

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Second Security Trustee.

"Dormant Subsidiary" means, at any time, any subsidiary of the Parent or the CWC Parent which is "dormant" as defined in Section 250(3) of the Companies Act 1985.

"Encumbrance" means (a) a mortgage, standard security, charge, pledge, lien or other encumbrance securing any obligation of any person, (b) any arrangement under which money or claims to, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person or (c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect.

"English Charged Land" means, in respect of the Company, the English Real Property specified in Schedule 2 (*Details of Charged Land*) of the Second Debenture next to the name of the Company details of which are set out in Schedule 3 hereto.

"English Real Property" means, at any time and in respect of any Company:

- (a) any freehold, leasehold or immovable property in England and Wales (including the freehold and leasehold property in England and Wales specified in Part A and Part B of Schedule 2 (*Details of Charged Land*)) of the Second Debenture in which the Company has an interest, details of which are set out in Schedule 3 hereto; and
- (b) any buildings, fixtures, fittings, fixed plant or machinery (other than any Tangible Moveable Property) from time to time situated on or forming part of such freehold or leasehold property,

and includes all Related Rights.

"Excluded Account" means any Account if and for so long as it only contains cash subject to a Permitted Encumbrance (not arising under the Security Documents or Second Security Documents).

"Excluded Assets" means, in respect of the Company:

- (a) any interests (including any Investments) in any UK Group Excluded Subsidiary owned or held by the Company from time to time;
- (b) any interests in the Telecential Partnerships owned or held by the Company;
- (c) Any asset over which the Company has granted a Permitted Encumbrance prior to 30 May 2000 where the terms upon which such Encumbrance was created prohibit the creation of further Encumbrances over such asset;

- (d) both any Excluded Account and cash if and for so long as such cash is subject to a Permitted Encumbrance;
- (e) any asset acquired by the Company after 21 February 2001 which is subject to a Permitted Encumbrance the terms of which prohibit the creation of further Encumbrances over such asset (but such asset shall only be an Excluded Asset for so long as such Permitted Encumbrance subsists, and shall thereafter form part of the Charged Property); and
- (f) any Investment constituting a minority interest in a Project Company which is acquired after 21 February 2001 or is temporarily acquired by the Company pursuant to an Asset Passthrough.

"Execution Date" means 30 May 2000.

"Existing Performance Bonds" means:

- (a) performance bonds in an aggregate amount of up to £7,100,000 issued by Zurich Re at the request of certain members of the Target Group;
- (b) performance bonds in an aggregate amount of up to £1,139,199 issued by National Westminster Bank Plc at the request of certain members of the Target Group; and
- (c) performance bonds in an aggregate amount of up to £2,800,000 issued by National Westminster Bank Plc at the request of certain members of the UK Group.

"Existing Target Indebtedness" means the Financial Indebtedness of CWC Holdings and each of its subsidiaries outstanding on the Acquisition Date.

"Final Asset Transferee" means the member of the Group, other than a member of the UK Group, who is the final transferee in respect of a transfer from NTL UK, through one or more members of the UK Group.

"Finance Documents" means the Credit Agreement, any Borrower Accession Memorandum delivered hereunder, any Guarantor Accession Memorandum delivered hereunder, the letters referred to in Clause 26.6 (*Agency and Other Fees*), any Hedging Agreement, the Security Documents, the Second Security Documents, the Security Trust Agreement, the Second Security Trust Agreement, the HTL UK Revolving Bank Subordination Agreement, the NTL UK Term Bank Subordination Agreement, the NTL Subordination Agreement, any Subordination Agreement and any other document designated as such by the Agent and the Relevant Obligor.

"Finance Parties" means, at any time, the Agent, the Arrangers, the First Security Trustee, the Second Security Trustee and the Banks at such time.

"Financial Indebtedness" means any indebtedness for or in respect of:

- (a) Indebtedness for Borrowed Money;
- (b) any documentary or standby letter of credit facility or performance bond facility;
- (c) any Hedging Agreement (and the amount of the Financial Indebtedness in relation thereto shall be calculated by reference to the mark-to-market valuation of such transaction at the relevant time); and

- (d) (without double counting) any guarantee or indemnity for any of the items referred to in paragraphs (a) to (c) above.

"First Debenture" means the Debenture dated 21 February 2001 between the companies listed therein as chargors and Chase Manhattan International Limited as security trustee for the Finance Parties in respect of obligations arising under the Credit Agreement.

"First Security Trustee" Chase Manhattan International Limited as Security Trustee for the Finance Parties in respect of obligations arising under the Credit Agreement.

"Funded Excluded Subsidiary" means, in respect of a UK Group Funding Passthrough, a UK Group Excluded Subsidiary or, prior to the Pushdown Date and in respect of a Target Group Funding Passthrough, a Target Group Excluded Subsidiary which:

- (a) indirectly receives funding from NTL UK (in respect of a UK Group Funding Passthrough) or a member of the NTL Holding Group (in respect of a Target Group Funding Passthrough); and/or
- (b) by way of dividend or other distribution, loan or payment of interest on or the repayment of the principal amount of any indebtedness owed by it, makes a payment to NTL (UK) Group, Inc. (in respect of a UK Group Funding Passthrough) or a member of the NTL Holding Group (in respect of a Target Group Funding Passthrough).

"Funding Passthrough" means either a UK Group Funding Passthrough or a Target Group Funding Passthrough.

"Group" means NTL Holdings and its subsidiaries for the time being.

"Guarantor" means any company listed in Schedule 20 (*The Guarantors*) of the Credit Agreement or any company which has become a Guarantor in accordance with Clause 38 (*Accession of Guarantors and the CWC Parent*) of the Credit Agreement provided that (in either case) such company has not been released from its rights and obligations hereunder in accordance with Clause 38.3 (*Resignation of a Guarantor*) of the Credit Agreement.

"Hedging Agreement" means an agreement in respect of an interest rate swap, currency swap, forward foreign exchange transaction, cap, floor, collar or option transaction or any other treasury transaction or any combination thereof or any other transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

"Hedging Strategy" means the hedging strategy adopted by the Parent from time to time for the sole purpose of hedging the UK Group's (and, adopted by the CWC Parent prior to the Pushdown Date, for the sole purpose of hedging the Target Group's) then existing interest rate or currency risk exposure in connection with its ordinary business acting reasonably and prudently and not for speculative or proprietary trading purposes.

"Incremental Facility" means a facility of up to a maximum aggregate amount of £300,000,000 which may be made available to members of the UK Group following a request by the Parent pursuant to Clause 5 (Incremental Facility) of the Credit Agreement.

"Indebtedness for Borrowed Money" means any indebtedness for or in respect of:

- (a) moneys borrowed;

- (b) any amount raised by acceptance under any acceptance credit facility;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument (for the avoidance of doubt excluding any such instrument issued solely by way of consideration for the acquisition of assets where such an instrument is not issued for the purpose of raising finance);
- (d) any amount raised pursuant to any issue of shares which are expressed to be redeemable in cash (other than (i) shares redeemable after 31 December 2009 and (ii) redeemable shares issued by way of consideration for the acquisition of assets where such shares are not issued for the purpose of raising finance);
- (e) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted accounting principles in the relevant jurisdiction, be treated as a finance or capital lease;
- (f) the amount of any liability in respect of any advance or deferred purchase agreement if the primary reason for entering into such agreement is to raise finance;
- (g) receivables sold or discounted (other than on a non-recourse basis);
- (h) any agreement or option to re-acquire an asset if the primary reason for entering into such agreement or option is to raise finance;
- (i) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; and
- (j) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.

“Initial Security” means the CWC Holdings Share Charge, the CWC Holdings Intra-Group Loan Assignment, the Pre-Novation Borrower Intra-Group Loan Assignment, the NTL Intra-Group Loan Assignment, the NTL Security Over Cash Agreement and the Pre-Novation Borrower Security Over Cash Agreement.

“Insurance Policy” means, in respect of the Company, any policy of insurance intended to compensate for damage to any asset or interruption of business in which the Company may from time to time have an interest.

“Intellectual Property” means:

- (a) any patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests, whether registered or unregistered;
- (b) the benefit of all applications and rights to use such assets; and
- (c) all Related Rights.

“Intra-Group Services” means:

- (a) the provision of services by a member of the UK Group or, prior to the Pushdown Date, the Pre-Novation Borrower to a member of the Group, where such member of the Group requires those services to enable it to carry on its business and **provided that** the

consideration for the provision thereof is in the reasonable opinion of the Parent no less than the cost (save in any immaterial respect) incurred by such member of the UK Group or Pre-Novation Borrower in providing such services;

- (b) the provisions of services constituted by NTL Group Limited employing personnel, acting as agent to buy equipment of other assets or services or trade with residential customers on behalf of other members of the Group, where the costs of such employment or purchasing and the costs and revenues generated by such trading are in the reasonable opinion of the Parent reimbursed by or distributed (save in any immaterial respect) to the relevant Group member; and
- (c) the provision of services constituted by the Pre-Novation Borrower acting as agent to trade with business customers on behalf of other members of the Group, where the costs and revenues of such trading are in the reasonable opinion of the Parent reimbursed by or distributed (save in any immaterial respect) to the relevant Group member.

"Investments" means, in respect of the Company, any stocks, shares, debentures, securities and other investments, assets, rights or interests falling within paragraphs 1-9 and 11 of Part I of Schedule 1 to the Financial Services Act 1986 (as in force at the date of the Credit Agreement but so that the exceptions in the notes to paragraph 5 and note (1) to paragraph 8 of that Part shall not apply) (but not including the Shares) whether held directly by or to the order of the Company or by any trustee, fiduciary or clearance system on its behalf and all Related Rights (including all rights against any such trustee, fiduciary or clearance system).

"Monetary Claims" means, in respect of the Company, any book and other debts and monetary claims owing to the Company and any proceeds thereof (including any claims or sums of money deriving from or in relation to any Intellectual Property, any Investment, the proceeds of any Insurance Policy, any court order, judgment or decree, any contract or agreement to which the Company is a party and any other assets, property, rights or undertaking of the Company), other than:

- (a) a book debt represented by a credit balance on any Account; or
- (b) any book debt falling within paragraph (d) of the definition of Excluded Assets.

"NatWest Finance Leases" means:

- (a) the two finance leases dated 7 September 1995 (as amended on 6 October 1999) between Cable & Wireless Communications (Leeds) Limited as lessee, NatWest Lessors Limited as lessor and Cable & Wireless Communications Holdings (Leeds) Limited as guarantor; and
- (b) the two finance leases dated 22 March 1996 (as amended on 6 October 1999) between (among others) Cable & Wireless Communications (South East) Limited as lessee and NatWest Lessors Limited as lessor.

"Northern Irish Charged Land" means, in respect of the Company, the Northern Irish Real Property specified in Schedule 2 (*Details of Charged Land*) of the Second Debenture next to the name of the Company details of which are set out in Schedule 3 hereto.

"Northern Irish Real Property" means, at any time and in respect of any Company:

- (a) any freehold, leasehold or immovable property in Northern Ireland (including the freehold and leasehold property in Northern Ireland specified in Part D of Schedule 2 (Details of Charged Land)) of the Second Debenture in which the Company has an interest, details of which are set out in Schedule 3 hereto; and
- (b) any buildings, fixtures, fittings, fixed plant or machinery (other than any Tangible Moveable Property) from time to time situated on or forming part of such freehold or leasehold property,

and includes all Related Rights.

"NTL CC" means NTL Communications Corp.

"NTL CC Charged Account" means an account, bearing interest at a commercially reasonable rate in relation to the given circumstances, in the name of NTL CC over which first ranking security has been granted in favour of the Security Trustee pursuant to the NTL CC Security Over Cash Agreement and second ranking (ranking only behind the first ranking security created pursuant to the Security Documents) security has been granted in favour of the Second Security Trustee pursuant to the Second NTL CC Security Over Cash Agreement, into which members of the UK Group make deposits for the purpose of making Permitted Payments in accordance with paragraph (f) of the definition thereof.

"NTL CC Security over Cash Agreement" means the assignment and charge in the agreed form executed or to be executed by NTL CC in favour of the Security Trustee, assigning and charging NTL CC's rights in respect of sums deposited in the NTL CC Charged Account.

"NTL Charged Account" means an account, bearing interest at a commercially reasonable rate in relation to the given circumstances, in the name of NTL Inc. over which first ranking security has been granted in favour of the Security Trustee pursuant to the NTL Security Over Cash Agreement and over which, prior to the making of a payment into such account, second ranking (ranking only behind the first ranking security created pursuant to the Security Documents) security has been granted in favour of the Second Security Trustee pursuant to the Second NTL Security Over Cash Agreement, into which members of the UK Group or, prior to the Pushdown Date, the Pre-Novation Borrower or members of the Target Group make deposits for the purpose of making Permitted Payments in accordance with either paragraph (f) or paragraph (g) of the definition thereof.

"NTL Holding Group" means NTL Holdings and the Parent's other holding companies.

"NTL Holdings" means NTL Incorporated (formerly named NTL Holdings Incorporated), a company incorporated in Delaware which became the holding company of NTL Inc. with effect from the effective date of the CWC Holdings Capital Reduction.

"NTL Inc." means NTL (Delaware) Incorporated (formerly named NTL Incorporated), a company incorporated in Delaware.

"NTL Intra-Group Loan Assignment" means the assignment in the agreed form executed or to be executed by NTL Inc. in favour of the Security Trustee, assigning NTL Inc.'s rights in respect of loans made or to be made by it to the Pre-Novation Borrower and members of the Target Group.

"NTL Security Over Cash Agreement" means the assignment and charge in the agreed form executed or to be executed by NTL Inc. in favour of the Security Trustee, assigning and charging NTL Inc.'s rights in respect of sums deposited in the NTL Charged Account.

"NTL Triangle Sub-Group" means NTL Triangle LLC and its subsidiaries from time to time.

"Obligors" Company Andover Cablevision Limited, Berkhamsted Properties & Building Contractors Limited, Bracknell Cable TV Limited, Cable Television Limited, Cable Thames Valley Limited, Cabletel (UK) Limited, Cabletel Cardiff Limited, Cabletel Central Hertfordshire Limited, Cabletel Hertfordshire Limited, Cabletel Herts and Beds Limited, Cabletel Investments Limited, Cabletel Limited, Cabletel Newport, Cabletel North Bedfordshire Limited, Cabletel Northern Ireland Limited, Cabletel Scotland Limited, Cabletel Surrey And Hampshire Limited, Cabletel Telecom Supplies Limited, Cabletel West Glamorgan Limited, Cabletel West Riding Limited, Columbia Management Limited, Comtel Cable Services Limited, Comtel Coventry Limited, Digital Television Network Limited, DTELS Limited, Enablis Limited, Heartland Cablevision (UK) Limited, Heartland Cablevision II (UK) Limited, Lanbase European Holdings Limited, Lanbase Limited, Lichfield Cable Communications Limited, Maza Limited, Metro Hertfordshire Limited, Metro South Wales Limited, National Transcommunications Limited, NTL (Aylesbury and Chiltern) Limited, NTL (B) Limited, NTL (Broadland) Limited, NTL (Chichester) Limited, NTL (City & Westminster) Limited, NTL (County Durham) Limited, NTL (CRUK) Limited, NTL (CWC Holdings) Limited, NTL (CWC) Corporation Limited, NTL (CWC) Limited, NTL (CWC) Management Limited, NTL (CWC) NO. 2 Limited, NTL (CWC) NO. 3 Limited, NTL (CWC) NO. 4 Limited, NTL (CWC) Programming Limited, NTL (CWC) UK, NTL (Ealing) Limited, NTL (Eastbourne and Hastings) Limited, NTL (Fenland) Limited, NTL (Greenwich And Lewisham) Limited, NTL (Hampshire) Limited, NTL (Harrogate) Limited, NTL (Harrow) Limited, NTL (Kent) Limited, NTL (Lambeth and Southwark) Limited, NTL (Leeds) Limited, NTL (Norwich) Limited, NTL (Peterborough) Limited, NTL (South East) Limited, NTL (South London) Limited, NTL (Southampton and Eastleigh) Limited, NTL (Sunderland) Limited, NTL (Thamesmead) Limited, NTL (V) PLC, NTL (Wandsworth) Limited, NTL (Wearside) Limited, NTL (West London) Limited, NTL (Yorcan) Limited, NTL (York) Limited, NTL Acquisition Company Limited, NTL Bolton Cablevision Holding Company, NTL Business (Ireland) Limited, NTL Business Limited, NTL Cablecomms Bolton, NTL Cablecomms Bromley, NTL Cablecomms Bury and Rochdale, NTL Cablecomms Cheshire, NTL Cablecomms Derby, NTL Cablecomms East Lancashire, NTL Cablecomms Greater Manchester, NTL Cablecomms Group Plc, NTL Cablecomms Holdings NO. 1 Limited, NTL Cablecomms Holdings NO. 2 Limited, NTL Cablecomms Lancashire NO. 1, NTL Cablecomms Lancashire NO. 2, NTL Cablecomms Limited, NTL Cablecomms Macclesfield, NTL Cablecomms Manchester Limited, NTL Cablecomms Oldham and Tameside, NTL Cablecomms Solent, NTL Cablecomms Staffordshire, NTL Cablecomms Stockport, NTL Cablecomms Surrey, NTL Cablecomms Sussex, NTL Cablecomms Wessex, NTL Cablecomms West Surrey Limited, NTL Cablecomms Wirral, NTL Chartwell Holdings Limited, NTL Communications Limited, NTL Communications Services Limited, NTL Derby Cablevision Holding Company, NTL Equipment NO. 1 Limited, NTL Equipment NO. 2 Limited, NTL Glasgow, NTL Glasgow Holdings Limited, NTL Group Limited, NTL Holdings (Broadland) Limited, NTL Holdings (East London) Limited, NTL Holdings (Fenland) Limited, NTL Holdings (Leeds) Limited, NTL Holdings (Norwich) Limited, NTL Holdings (Peterborough) Limited, NTL Internet Limited, NTL Investment Holdings Limited, NTL Kirklees, NTL Kirklees Holdings Limited, NTL Limited, NTL Manchester Cablevision Holding Company, NTL Microclock Services Limited, NTL Milton Keynes Limited, NTL Networks Limited, NTL Partcheer Company Limited, NTL Sideoffer Limited, NTL Solent Telephone And Cable TV Company Limited, NTL South Central Limited, NTL South Wales Limited, NTL Streetunique Projects Limited, NTL Streetunit Projects Limited, NTL Streetusual Services Limited, NTL Streetvision Services Limited, NTL Streetvital Services

Limited, NTL Streetwarm Services Limited, NTL Streetwide Services Limited, NTL Strikeagent Trading Limited, NTL Strikeamount Trading Limited, NTL Strikeapart Trading Limited, NTL Systems Limited, NTL Technical Support Company Limited, NTL Telecom Services Limited, NTL UK Telephone And Cable TV Holding Company Limited, NTL Westminster Limited, NTL Winston Holdings Limited, NTL Wirral Telephone and Cable TV Company, Oxford Cable Limited, Prospectre Limited, Scanners (Europe) Limited, Scanners Television Outside Broadcasts Limited, Secure Backup Systems Limited, Stafford Communications Limited, Swindon Cable Limited, Tamworth Cable Communications Limited, Vision Networks Services UK Limited, Wessex Cable Limited, X-Tant Limited, Chartwell Investors LP, NNS UK Holdings 1, Inc., NNS UK Holdings 2, Inc., North Cablecomms LLC, North Cablecomms Holdings, Inc., North Cablecomms Management, Inc., NTL Bromley Company, NTL Cablecomms Group, Inc., NTL Chartwell Holdings, Inc., NTL Chartwell Holdings 2, Inc., NTL North Cablecomms Holdings, Inc., NTL North Cablecomms Management, Inc., NTL Programming Subsidiary Company, NTL Solent Company, NTL South Cablecomms Holdings, Inc., NTL South Cablecomms Management, Inc., NTL Surrey Company, NTL Sussex Company, NTL UK Cablecomms Holdings, Inc., NTL Wessex Company, NTL Winston Holdings, Inc., NTL Wirral Company, South Cablecomms Holdings, Inc., South Cablecomms LLC, South Cablecomms Management, Inc., Winston Investors LLC.

“Overdraft Facility” means any facility provided by a United Kingdom clearing bank to a member of the Target Group or, as the case may be, a member of the UK Group.

“Parent” means NTL Communications Limited.

“Parent Funding” means:

- (a) the subscription by the Parent for new equity capital of any other member of the UK Group; and
- (b) Assigned Debt.

“Parent Intra-Group Loan Assignment” means the assignment in the agreed form executed on the Pushdown Date by the Parent in favour of the First Security Trustee, assigning the Parent's rights in respect of loans made or to be made by it to other members of the UK Group.

“Permitted Encumbrance” means:

- (a) any Encumbrance specified in Schedule 5 (Existing Encumbrances) of the Credit Agreement, if the principal amount thereby secured is not increased;
- (b) any Encumbrance over or affecting any asset acquired by a member of the UK Group after the date of the Credit Agreement and subject to which such asset is acquired, if:
 - (i) such Encumbrance was not created in contemplation of the acquisition of such asset by a member of the UK Group; and
 - (ii) the Financial Indebtedness secured by such Encumbrance at all times falls within paragraph (n) of the definition of Permitted Indebtedness;
- (c) any Encumbrance over or affecting any asset of any company which becomes a member of the UK Group after the date hereof, where such Encumbrance is created prior to the date on which the Company becomes a member of the UK Group, if:

- (i) such Encumbrance was not created in contemplation of the acquisition of the Company; and
 - (ii) the Financial Indebtedness secured by such Encumbrance at all times falls within paragraph (k) or (n) of the definition of Permitted Indebtedness;
- (d) any netting or set-off arrangement entered into by either any member of the UK Group (or, prior to the Pushdown Date, a member of the Target Group or the Pre-Novation Borrower) in the normal course of its banking arrangements for the purpose of netting debit and credit balances;
 - (e) any right of set-off or any title transfer or retention of title arrangement entered into by either any member of the UK Group (or, prior to the Pushdown Date, a member of the Target Group or the Pre-Novation Borrower) in the normal course of its trading activities on the counterparty's standard or usual terms (where such terms reasonably accord with the terms generally adopted in the market to which such a trading activity relates);
 - (f) any lien arising by operation of law or by a contract having a similar effect and in each case arising or entered into in the normal course of business, if such lien is discharged within thirty days of arising;
 - (g) any Encumbrance created pursuant to, arising under or evidenced by the Security Documents or the Second Security Documents;
 - (h) any Encumbrance granted by a member of the UK Group over the shares or other interests it holds in, or over the assets attributable to, a Project Company;
 - (i) any Encumbrance created by any arrangements referred to in paragraph (e) or paragraph (f) of the definition of Indebtedness for Borrowed Money;
 - (j) any Encumbrance arising pursuant to an order of attachment, an injunction restraining the disposal of assets or any similar legal process in each case arising in connection with court proceedings being diligently conducted by a member of the UK Group, a member of the Target Group or the Pre-Novation Borrower in good faith;
 - (k) any Encumbrance over cash deposited as security for the obligations of a member of the UK Group, a member of the Target Group or the Pre-Novation Borrower in respect of a performance bond, guarantee, standby letter of credit or similar facility entered into by such a member of the UK Group, member of the Target Group or the Pre-Novation Borrower in the ordinary course of business;
 - (l) any Encumbrance existing at the date hereof in relation to the Videotron Mortgage, the NatWest Finance Leases, the South Herts Facility (or the South Herts Refinancing Loan) or the Vehicle Finance Leases, for so long as the indebtedness relating to such constitutes Permitted Indebtedness within paragraph (b) of the definition of Permitted Indebtedness;
 - (m) any Encumbrance over assets subject to the Security and securing Financial Indebtedness arising under the Incremental Facility, subject to an intercreditor agreement acceptable to all of the Banks being entered into between the Banks and the lenders under the Incremental Facility;
 - (n) any Encumbrance constituted by a rent deposit deed entered into on arm's length terms and in the ordinary course of business securing the obligations of a member of the UK

Group or, prior to the Pushdown Date, a member of the Target Group or the Pre-Novation Borrower in relation to property leased to a member of the UK Group or, as the case may be, a member of the Target Group or the Pre-Novation Borrower;

- (o) any Encumbrance granted by any member of the Target Group prior to the Execution Date in favour of the Target or Cable & Wireless Communications Corporation Limited provided that the indebtedness related thereto has been fully repaid; and
- (p) any Encumbrance securing Permitted Indebtedness falling within paragraph (n) of the definition of that term.

"Permitted Indebtedness" means any Financial Indebtedness:

- (a) arising under or permitted pursuant to the Finance Documents;
- (b) in respect of each category of Existing Target Indebtedness listed in paragraphs (a) to (n) of the definition thereof, until such time that the Pushdown Condition in relation to that category of Existing Target Indebtedness should have been satisfied in accordance with Clause 23.18 (*Discharge of Existing Target Indebtedness*) of the Credit Agreement;
- (c) in respect of Subordinated UK Group Debt or Subordinated Target Group Debt;
- (d) arising in relation to the implementation of the Hedging Strategy;
- (e) arising under Permitted Loans and Guarantees;
- (f) arising under the Incremental Facility;
- (g) arising under Secured Ancillary Facilities or in relation to any documentary or standby letter of credit facility or performance bond facility made available by a financial institution on an unsecured basis **provided that** the aggregate indebtedness of all members of the UK Group and, prior to the Pushdown Date, of the Pre-Novation Borrower and of all members of the Target Group in relation to such facilities and the Secured Ancillary Facilities does not exceed £40,000,000 (or its equivalent);
- (h) falling within paragraph (e) of the definition of Indebtedness for Borrowed Money ("**Finance Lease Debt**") which, when aggregated with any other Finance Lease Debt incurred in reliance on this paragraph (h) by each member of the UK Group (and, prior to the Pushdown Date, each member of the Target Group and the Pre-Novation Borrower) does not exceed £45,000,000 (or its equivalent);
- (i) arising in respect of Existing Performance Bonds;
- (j) in respect of Permitted Overdraft Borrowings **provided that** the aggregate amount of such Financial Indebtedness does not exceed £20,000,000 (or its equivalent);
- (k) of any company which becomes a member of the UK Group after the date hereof, where such Financial Indebtedness arose prior to the date on which such company becomes a member of the UK Group; if:
 - (i) such Financial Indebtedness was not created in contemplation of the acquisition of such company;

- (ii) the aggregate amount of all Financial Indebtedness falling within this paragraph (k) does not exceed £20,000,000 (or its equivalent); and
 - (iii) such Financial Indebtedness is repaid within three months of such company becoming a member of the UK Group;
- (l) arising under the Working Capital Facility;
 - (m) arising in relation to either an Asset Passthrough or a Funding Passthrough **provided that** any such Financial Indebtedness is Subordinated UK Group Debt if it is owed by the Parent to NTL UK, Assigned Debt if it is owed by a member of the UK Group to the Parent on and after the Pushdown Date or Subordinated Target Group Debt if it is owed by the Pre-Novation Borrower or a member of the Target Group to a member of the NTL Holding Group; and
 - (n) not falling within paragraphs (a) to (m) above, of any members of the UK Group or, prior to the Pushdown Date and to the extent such is outstanding at the Acquisition Date, of any members of the Target Group or the Pre-Novation Borrower **provided that** the aggregate amount of such Financial Indebtedness does not exceed £20,000,000 (or its equivalent).

“Permitted Loans and Guarantees” means:

- (a) trade credit or guarantees or indemnities granted in the ordinary course of business on usual and customary terms;
- (b) loans made by either any member of the UK Group or, prior to the Pushdown Date, any member of the Target Group or the Pre-Novation Borrower to its employees either (i) in the ordinary course of its employees' employment or (ii) to fund the exercise of share options by its employees;
- (c) loans made by one Obligor (other than the Parent) to another Obligor;
- (d) loans made by the Parent to other Obligors where, if such loans are outstanding on or after the Pushdown Date, the indebtedness in respect of such constitutes Assigned Debt;
- (e) loans made by a member of the UK Group pursuant to either an Asset Passthrough or a Funding Passthrough or by a member of the Target Group or the Pre-Novation Borrower pursuant to a Funding Passthrough;
- (f) loans made, prior to the Pushdown Date, by a member of the UK Group to another member of the UK Group;
- (g) loans made, prior to the date falling five Business Days after the Acquisition Date, by CWC Holdings to other members of the Target Group to allow such to repay Existing Target Indebtedness or to meet working capital requirements;
- (h) loans made by a member of the UK Group or, prior to the Pushdown Date, a member of the Target Group which is not an Obligor to any other member of the UK Group or, as the case may be, member of the Target Group or the Pre-Novation Borrower;
- (i) loans made by a member of the UK Group or, prior to the Pushdown Date, a member of the Target Group or the Pre-Novation Borrower to a member of the Group, where the

proceeds of such a loan are either directly or indirectly used to fund a payment permitted under the terms of the Credit Agreement;

- (j) credit granted by any member of the UK Group, any member of the Target Group or the Pre-Novation Borrower to a member of the Group, where the indebtedness outstanding thereunder relates to Intra-Group Services;
- (k) loans of up to £17,100,000 by members of the Target Group to Cable & Wireless Communications (South Hertfordshire) Limited;
- (l) loans of up to an aggregate amount of £5,000,000 (or its equivalent in dollars) made by any Obligor to NTL (B) Limited (formerly Cable & Wireless Communications (B) plc) provided that such loans are used to pay the Existing Target Indebtedness of NTL (B) Limited;
- (m) loans made to either of the Telecential Partnerships outstanding on the Execution Date or made in accordance with Clause 23.29 (Telecential Partnerships) of the Credit Agreement;
- (n) the Cable & Wireless Loan or other loans arising in connection with the Transaction Agreement;
- (o) loans made, credit granted and guarantees or indemnities given in an aggregate amount not exceeding £200,000;
- (p) any loan made out of available excess cash flow to a UK Group Excluded Subsidiary;
- (q) a loan in a principal amount of £500,000 made by X-tant Limited to Comtec Europe Limited pursuant to a facility letter dated 29 September 2000 from X-tant Limited to Comtec Europe Limited;
- (r) deferred consideration in an amount of up to £52,500,000 owed to NTL (CWC) Limited in relation to the disposal of NTL Telephone Equipment Limited; and
- (s) any guarantee or indemnity given by a member of the UK Group or, prior to the Pushdown Date, a member of the Target Group in respect of any Permitted Indebtedness, or other obligation not restricted by the terms of the Finance Documents, of another member of the UK Group or, prior to the Pushdown Date, the Target Group.

"Permitted Overdraft Borrowings" means Financial Indebtedness in respect of an Overdraft Facility if such Financial Indebtedness:

- (a) has been incurred solely for short term cash management purposes in the ordinary course of business;
- (b) is fully repaid within three Business Days of it having been incurred (from available funds other than Permitted Overdraft Borrowings); and
- (c) is not outstanding at any time between the date on which the Pushdown Condition is satisfied and the Pushdown Date.

"Post-Novation Borrower" NTL Investment Holdings Limited.

"Pre-Novation Borrower" means NTL Business Limited.

"Pre-Novation Borrower Charged Account" means an account, bearing interest at a commercially reasonable rate in relation to the given circumstances, in the name of the Pre-Novation Borrower over which security has been granted in favour of the Security Trustee pursuant to the Pre-Novation Borrower Security Over Cash Agreement and into which the Pre-Novation Borrower Investment is deposited.

"Pre-Novation Borrower Intra-Group Loan Assignment" means the assignment in the agreed form executed or to be executed by the Pre-Novation Borrower in favour of the Security Trustee, assigning the Pre-Novation Borrower's rights in respect of loans made or to be made by it to CWC Holdings.

"Pre-Novation Borrower Security Over Cash Agreement" means the assignment and charge in the agreed form executed or to be executed by the Pre-Novation Borrower in favour of the Security Trustee, assigning and charging the Pre-Novation Borrower's rights in respect of sums deposited in the Pre-Novation Borrower Charged Account.

"Pre-Novation Borrower Investment" means the cash invested by NTL Inc. in the Pre-Novation Borrower on or before the Acquisition Date, such an investment being made by way of Subordinated Funding.

"Project Company" means a subsidiary of the Parent or, prior to the Pushdown Date, the CWC Parent (or a person in which a subsidiary of the Parent, prior to the Pushdown Date, the CWC Parent has an interest), which has a special purpose and whose creditors have no recourse to any member of the UK Group or, any member of the Target Group in respect of any Financial Indebtedness of that person or any of its subsidiaries (other than recourse to any member of the UK Group or, as the case may be, any member of the Target Group who has granted security over its shares or other interest in such a Project Company beneficially owned by it provided that such recourse is limited to the realisation of such security).

"Pushdown" means:

- (a) the release by the Pre-Novation Borrower of indebtedness owed to it by CWC Holdings and the release by the Security Trustee of the Initial Security and all guarantees and security created in its favour by any member of the Target Group pursuant to Clause 23.17 (*Post-Acquisition Date Security*) in consideration for the issue by CWC Holdings of preference shares to the Pre-Novation Borrower, subject to the security referred to in paragraph (h) below being granted on the same day as such release;
- (b) capitalisation of all intra-group indebtedness owed by CWC Holdings;
- (c) (if necessary) the issue of preference shares by CWC Holdings to NTL Inc. in consideration for the assignment to CWC Holdings of the benefit of indebtedness owed by members of the Target Group to NTL Inc. and the subsequent contribution of such preference shares to the Pre-Novation Borrower in consideration for the issue of ordinary shares in the Pre-Novations Borrower to NTL Inc.;
- (d) the novation of the obligations of the Pre-Novation Borrower under the Credit Agreement to the Post-Novation Borrower as consideration for the transfer by the Pre-Novation Borrower to the Post-Novation Borrower of all the preference shares of CWC Holdings issued to it pursuant to paragraph (a) above;

- (e) the transfer of the ordinary shares in CWC Holdings held by NTL Holdings to NTL Group Limited, by way of a series of equity contributions between the members of the NTL Holding Group, the Parent, the Post-Novation Borrower and NTL Group Limited;
- (f) the transfer of the shares in the Pre-Novation Borrower held by NTL Inc. to the Post-Novation Borrower by way of a series of equity contributions between the members of the NTL Holding Group, the Parent and the Post-Novation Borrower;
- (g) filing a United States of America "check-the-box" election in respect of the Pre-Novation Borrower;
- (h) the granting of the UK Group Security and the Target Group Security by the relevant members of the UK Group and the Target Group to secure the Post-Novation Borrower's (and any other Borrowers') obligations hereunder;
- (i) the re-registration of CWC Holdings as an unlimited liability company; and
- (j) the reduction in the share capital by CWC Holdings by way of special resolution cancelling its preference shares and replacing them with debt

as amended by the letter of consent dated 29 January 2001 from the Agent to the Parent, the CWC Parent and the Pre-Novation Borrower.

"Pushdown Condition" means the completion of all or any of the following steps, such that the Pushdown can be effected without a breach of any Permitted Covenant Group Indebtedness:

- (a) the repayment in full of the Existing Target Indebtedness;
- (b) the novation or restructuring of the Existing Target Indebtedness on terms such that there is no surviving recourse to CWC Parent or any of its subsidiaries;
- (c) the transfer of one or more of the Excluded Target Group Subsidiaries, so that such cease to be subsidiaries of the CWC Parent; and
- (d) the issuing of an opinion by an independent advisor of NTL CC, confirming that the Pushdown is fair from a financial point of view to NTL CC and the other relevant members of the Group.

"Pushdown Date" means the date upon which the Pushdown is completed.

"Real Property" means the English Real Property, the Scottish Heritable Property and the Northern Irish Real Property.

"Receiver" means a receiver or receiver or manager or administrative receiver of the whole or any part of the Company's Charged Property.

"Related Rights" means, in relation to any asset:

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;

- (c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that asset; and
- (d) any moneys and proceeds paid or payable in respect of that asset.

"Report on Title" means a report on title given by counsel to an Additional Obligor, substantially in the form set out in Schedule 16 (*Form of Report on Title*) of the Credit Agreement.

"Restatement Amendment Agreement" means the amendment and restatement agreement to the Credit Agreement dated on or about the date of the Second Debenture among NTL Communications Limited as Parent, NTL Investment Holdings Limited as Post-Novation Borrower, NTL Communications Corp. as NTL CC, J.P. Morgan plc and Morgan Stanley Dean Witter Bank Limited as Arrangers and Joint Book Managers, Chase Manhattan International Limited as Agent, Security Trustee and Second Security Trustee, the Term Banks and the financial institutions named therein as the other Banks.

"Revolving Banks" means:

- (a) The Chase Manhattan Bank, Morgan Stanley Dean Witter Bank Limited, Morgan Stanley Senior Funding, Inc., Bank of America, N.A., BNP Paribas, CIBC World Markets plc, Citibank, N.A., The Royal Bank of Scotland plc, Deutsche Bank AG London, Banca Commerciale Italiana S.p.A., London Branch, The Bank of Nova Scotia, Bankgesellschaft Berlin AG, The Governor and Company of the Bank of Scotland, Bayerische Landesbank Girozentrale acting through its London Branch, Crédit Lyonnais, Fortis Bank S.A./N.V., HSBC Bank plc, Westdeutsche Landesbank Girozentrale, Morgan Guaranty Trust Company of New York, Abbey National Treasury Services plc, Bayerische Hypo- und Vereinsbank AG, London Branch, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International, London Branch), Dresdner Bank AG London Branch, Lloyds TSB Bank plc, The Dai-Ichi Kangyo Bank, Limited, Fleet National Bank, Crédit Agricole Indosuez, Crédit Industriel et Commercial, The Bank of Tokyo-Mitsubishi, Ltd., Barclays Bank PLC, IBM United Kingdom Financial Services Limited, Natexis Banques Populaires (London Branch), ABC International Bank Plc, The Governor and Company of the Bank of Ireland, N M Rothschild & Sons Ltd, The Sumitomo Trust & Banking Co. Ltd, Singer & Friedlander Limited;
- (b) any Vendor Finance Provider which has become a party to the Credit Agreement as a Revolving Bank in accordance with Clause 5.5 (*Accession of the Vendor Finance Providers*) of the Credit Agreement; or
- (c) the financial institution which has become a party to the Credit Agreement as a Revolving Bank in accordance with Clause 35.4 (*Assignments by Banks*) of the Credit Agreement or Clause 35.5 (*Transfers by Banks*) of the Credit Agreement,

and which has not ceased to be a party to the Credit Agreement in accordance with its terms.

"Revolving Facility" means the revolving loan facility granted to the Borrowers in the Credit Agreement in an aggregate principal amount of £2,500,000,000 as the same may be increased from time to time pursuant to Clause 5.4 (*Increase of the Revolving Facility*) of the Credit Agreement.

"Scottish Charged Land" means, in respect of the Company, the Scottish Heritable Property specified in Schedule 2 (*Details of Charged Land*) of the Second Debenture next to the name of the Company details of which are set out in Schedule 3 hereto.

"Scottish Heritable Property" means, at any time and in relation to any Company:

- (a) any heritable or leasehold property in Scotland (including the heritable and leasehold property in Scotland specified in Part C of Schedule 2 (*Details of Charged Land*)) in which the Company has an interest, details of which are set out in Schedule 3 hereto; and
- (b) any buildings, structures, heritable fixtures, fittings, fixed plant or machinery (other than any Tangible Moveable Property) from time to time situated on or forming part of such heritable or leasehold property,

and includes all Related Rights.

"Second Caxton Sale" means the transfer of Caxton Holdings Limited by Cable & Wireless Communications Holdings plc to Cable & Wireless (UK) Holdings plc in part satisfaction of the CWC Holdings Capital Reduction.

"Second Indenture of Mortgage" means the second ranking (ranking only behind the first ranking security created pursuant to the Security Documents) fixed security over certain properties situated in Northern Ireland duly executed and delivered by National Transcommunications Limited and CableTel Northern Ireland Limited in favour of the Second Security Trustee to hold for the benefit of the Term Banks, the Agent and itself.

"Second NTL CC Security over Cash Agreement" means the second ranking (ranking only behind the first ranking security created pursuant to the Security Documents) assignment and charge executed or to be executed by NTL CC in favour of the Second Security Trustee to hold for the benefit of the Term Banks, the Agent and itself, assigning and charging NTL CC's rights in respect of sums deposited in the NTL CC Charged Account.

"Second NTL UK Intra-Group Loan Assignment" means the second ranking (ranking only behind the first ranking security created pursuant to the Security Documents) assignment executed or to be executed by NTL UK in favour of the Second Security Trustee to hold for the benefit of the Term Banks, the Agent and itself, assigning NTL UK's rights in respect of loans made, or to be made, by it to members of the UK Group.

"Second Parent Intra-Group Loan Assignment" means the second ranking (ranking only behind the first ranking security created pursuant to the Security Documents) assignment executed or to be executed by the Parent in favour of the Second Security Trustee to hold for the benefit of the Term Banks, the Agent and itself, assigning the Parent's rights in respect of loans made or to be made by it to other members of the UK Group.

"Second Pledge Agreement" means the pledge agreement executed or to be executed by NTL UK CableComms Holdings Inc., NTL CableComms Group plc, North CableComms Management Inc., North CableComms Holdings Inc., Winston Investors LLC, NTL Solent Company, NTL Sussex Company, NTL Surrey Company, NTL Bromley Company, NTL Chartwell Holdings Inc., NTL Wessex Company, NTL CableComms Group Inc., South CableComms Management Inc., South CableComms Holdings Inc., Chartwell Investors LP, NTL Winston Holdings Inc., NTL Winston Holdings Limited, NTL Chartwell Holdings 2, Inc. and NTL Chartwell Holdings Limited creating second ranking (ranking only behind the first ranking security created pursuant to the Security Documents) security over their rights and interests in

relation to certain shares as specified therein in favour of the Second Security Trustee to hold for the benefit of the Term Banks, the Agent and itself.

"Second Security Agreement" means the security agreement executed or to be executed by NNS UK Holdings 1 Inc., NNS UK Holdings 2 Inc., North CableComms Holdings Inc., North CableComms Management Inc., NTL Bromley Company, NTL CableComms Group Inc., NTL Chartwell Holdings Inc., NTL Chartwell Holdings 2 Inc., NTL North CableComms Holdings Inc., NTL North CableComms Management Inc., NTL Programming Subsidiary Company, NTL Solent Company, NTL South CableComms Holdings Inc., NTL South CableComms Management Inc., NTL Surrey Company, NTL Sussex Company, NTL UK CableComms Holdings Inc., NTL Wessex Company, NTL Winston Holdings Inc., NTL Wirral Company, South CableComms Holdings Inc., South CableComms Management Inc., North CableComms LLC, South CableComms LLC and Winston Investors LLC creating a second ranking (ranking only behind the first ranking security created pursuant to the Security Documents), continuing security interest in relation to certain assets as specified therein in favour of the Second Security Trustee to hold for the benefit of the Term Banks, the Agent and itself.

"Second Security Documents" means the Second Debenture, the Second Indenture of Mortgage, the Second NTL CC Security Over Cash Agreement, the Second NTL UK Intra-Group Loan Assignment, the Second Parent Intra-Group Loan Assignment, the Second Security Agreement, the Second Share Charge Agreement, the Second Share Pledge, the Second Standard Securities and the Second Pledge Agreement.

"Second Security Trustee" means Chase Manhattan International Limited as security trustee for the Term Banks and the Agent.

"Second Share Charge Agreement" means the second ranking (ranking only behind the first ranking security created pursuant to the Security Documents) share charge agreement executed or to be executed by North CableComms LLC, NTL Bromley Company, NTL North CableComms Holdings Inc., NTL North CableComms Management Inc., NTL Solent Company, NTL South CableComms Holdings Inc., NTL South CableComms Management Inc., NTL Surrey Company, NTL Sussex Company, NTL UK CableComms Holdings Inc., NTL Wessex Company, NTL Wirral Company and South CableComms LLC, charging their rights and interests in certain shares as specified therein in favour of the Second Security Trustee to hold for the benefit of the Term Banks, the Agent and itself.

"Second Share Pledge" means the share pledge executed or to be executed by the Parent, NTL Group Limited and NTL Glasgow creating second ranking (ranking only behind the first ranking security created pursuant to the Security Documents) security over their rights and interests in relation to certain shares in favour of the Second Security Trustee to hold for the benefit of the Term Banks, the Agent and itself.

"Second Standard Securities" means the second ranking (ranking only behind the first ranking security created pursuant to the Security Documents), fixed security over certain properties situated in Scotland (ranking second in priority to the fixed security created pursuant to the Standard Securities) executed and delivered by CableTel (UK) Limited and National Transcommunications Limited in favour of the Second Security Trustee to hold for the benefit of the Term Banks, the Agent and itself.

"Second Trust Agreement" means the Security Trust Agreement entered into or to be entered into in connection with the Term Facility between, *inter alia*, the Second Security Trustee, the Agent and the Term Bank.

"Secured Ancillary Facilities" means any bank facilities made available to members of the UK Group or, prior to the Pushdown Date, the Pre-Novation Borrower or members of the Target Group (on normal commercial terms) pursuant to documentation in the agreed form and where the providers of such facilities have each acceded to the Security Trust Agreement as a Secured Ancillary Facilities Provider provided that the aggregate indebtedness of all members of the UK Group and, prior to the Pushdown Date, the Pre-Novation Borrower or members of the Target Group in respect of Secured Ancillary Facilities at no time exceeds £40,000,000 (or its equivalent).

"Secured Ancillary Facilities Provider" means a financial institution which has executed a secured party accession undertaking and delivered such to the Security Trustee, thereby allowing it to share in the Security.

"Secured Parties" means the Second Security Trustee, any Receiver or Delegate, the Agent and each Term Bank party to the Second Trust Agreement in accordance with its terms.

"Security" means the security from time to time constituted by or pursuant to the Security Documents and the guarantees provided hereunder.

"Security Documents" means the documents constituting the Initial Security, the Target Group Security, the UK Group Security and the NTL CC Security Over Cash Agreement and any other agreement or document (other than the Second Security Documents) pursuant to which any member of the Group creates any security interest in favour of the Finance Parties (or the Security Trustee on their behalf) for all or any part of the obligations of the Obligor or any of them under any of the Finance Documents.

"Security Trustee" means Chase Manhattan International Limited as Security Trustee for the Finance Parties

"Security Trust Agreement" means the security trust agreement entered into or to be entered into in connection herewith between, *inter alia*, the Security Trustee, the Agent and the Banks.

"Shares" means, in respect of the Company, all of the shares specified in Schedule 3 (*The Shares*) of the Second Debenture next to the name of the Company details of which are set out in Schedule 4 hereto and all other shares in any company within the UK Group incorporated in England and Wales and/or Northern Ireland held by, to the order or on behalf of the Company at any time.

"South Herts Facility" means the facility agreement dated 18 April 1995 between, among others, Cable & Wireless Communications (South Hertfordshire) Limited and Bank of America, N.A.

"South Herts Refinancing Loan" means a loan of up to £17,100,000 from the Target (or other member of the Target Group) to Cable & Wireless Communications (South Hertfordshire) Limited where:

- (a) such a loan is used by Cable & Wireless Communications (South Hertfordshire) Limited to refinance its existing outstandings under the South Herts Facility; and
- (b) Cable & Wireless Communications (South Hertfordshire) Limited provides security in respect of its obligations under such a loan, substantially similar to the security provided by it in respect of the South Herts Facility.

“Standard Security” means a standard security in terms of the Conveyancing and Feudal Reform (Scotland) Act 1970 substantially in the form set out in Schedule 7 (*Form of Standard Security*) of the Second Debenture.

“Subordinated Funding” means:

- (a) the subscription by NTL Communications Corp. or any of NTL Incorporated and the Parent’s other holding companies, for new equity capital of either the Parent or, prior to the Pushdown Date, the Pre-Novation Borrower or the CWC Parent;
- (b) Subordinated UK Group Debt; and
- (c) prior to the Pushdown Date, Subordinated Target Group Debt.

“Subordinated Target Group Debt” means any loan made by any member of the NTL Holding Group to the Pre-Novation Borrower, CWC Holdings or any other member of the Target Group subject to or potentially liable to US Federal Income Taxes or whose members or shareholders are liable or potentially liable to US Federal Income tax in respect of its net income or profits, where:

- (a) such a loan has been subordinated to the Revolving Loan pursuant to the NTL Subordination Agreement or any other Subordination Agreement; and
- (b) the relevant member of the NTL Holding Group has assigned its rights in respect of such a loan to the Security Trustee as security for the obligations of the Obligors under the Finance Documents pursuant to the NTL Intra-Group Loan Assignment (in the case of NTL Inc.) or any other Intra-Group Loan Assignment (in the case of any other member of the NTL Holding Group).

“Subordinated UK Group Debt” means any loan made by NTL UK to the Parent, where:

- (a) such a loan has been subordinated to the Loan pursuant to the NTL UK Revolving Bank Subordination Agreement or the NTL UK Term Bank Subordination Agreement; and
- (b) if such a loan is outstanding after the Pushdown Date, NTL UK has assigned its rights in respect of such a loan to the Security Trustee and the Second Security Trustee as security for the obligations of the Obligors under the Finance Documents pursuant to the NTL UK Intra-Group Loan Assignment and the Second NTL UK Intra-Group Loan Assignment.

“Tangible Moveable Property” means, in respect of the Company, any plant, machinery, office equipment, computers, vehicles and other chattels or corporeal moveables (excluding any for the time being forming part of the Company’s stock in trade or work in progress) and all Related Rights.

“Target” means Cable & Wireless Communications Limited (company number 3288998).

“Target Group” means CWC Holdings, Target and its direct and indirect subsidiaries (other than the Target Group Excluded Subsidiaries) after the Second Caxton Sale, such comprising the CWC ConsumerCo Business and, for the purpose of Clause 22.1 of the Credit Agreement (Target Group Financial Condition) to Clause 22.3 (Financial Definitions) of the Credit Agreement and any other provisions of the Credit Agreement using the definitions defined in Clause 22.3 (Financial Definitions) of the Credit Agreement, the Pre-Novation Borrower.

"Target Group Excluded Subsidiaries" Cable & Wireless Communications (South Hertfordshire) Limited and its subsidiaries, until such time as Cable & Wireless Communications (South Herefordshire) Limited becomes a wholly-owned subsidiary of the CWC Parent:

- (a) Fawnspring Limited;
- (b) any subsidiary of the CWC Parent which is a Dormant Subsidiary and which (i) has assets with an aggregate value of £10,000 or less and (ii) does not hold a Licence; and
- (c) any subsidiary of the CWC Parent which is a Project Company,

provided that any of such companies shall become a member of the Target Group and cease to be a Target Group Excluded Subsidiary if the CWC Parent and the Agent (acting on the instructions of an Instructing Group, acting reasonably) so agree.

"Target Group Funding Passthrough" means a series of transactions between a member of the NTL Holding Group, one or more members of the Target Group and a Funded Excluded Subsidiary, where such takes place prior to the Pushdown Date and:

- (a) in the case of funding being provided by a member of the NTL Holding Group to the Funded Excluded Subsidiary, that funding is:
 - (i) first made available by a member of the NTL Holding Group to the CWC Parent by way of Subordinated Funding;
 - (ii) secondly, (if relevant) made available by one or more transactions between members of the Target Group (other than the CWC Parent) and finally made available by a member of the Target Group to the Funded Excluded Subsidiary in all such cases by way of either the subscription for new equity capital, the advancing of loans or capital contribution; or
- (b) in the case of a payment to be made by the Funded Excluded Subsidiary to a member of the NTL Holding Group, that payment is:
 - (i) first made by the Funded Excluded Subsidiary to a member of the Target Group and thereafter between members of the Target Group (as relevant), by way of dividend or other distribution, loan or payment of interest on or the repayment of the principal amount of any indebtedness owed by such Funded Excluded Subsidiary or relevant Target Group member; and
 - (ii) finally made by a member of the Target Group to the relevant member of the NTL Holding Group by way of dividend or other distribution, loan or the payment of interest on or the repayment of the principal amount of any Subordinated Target Group Debt owed to that member of the NTL Holding Group.

"Telecential Partnerships" means:

- (a) Telecential Communications (Herts) Partnership, a partnership between CableTel Limited and CableTel Investments Limited (acting through the Telecential Communications Partnership), Maza Limited and Herts Cable Limited; and

- (b) Telecentral Communications (Northants) Partnership, a partnership between CableTel Limited and CableTel Investments Limited (acting through the Telecentral Communications Partnership), Maza Limited and Northampton Cable Television Limited.

"Term Bank" means any financial institution:

- (a) General Electric Capital Corporation; or
- (b) which has become a party to the Credit Agreement as a Term Bank in accordance with Clause 35.4 (Assignments by Banks) of the Credit Agreement or Clause 35.5 (Transfers by Banks) of the Credit Agreement,

and which has not ceased to be a party hereto in accordance with the terms hereof.

"Term Facility" means the term loan facility granted to the Post-Novation Borrower in the Credit Agreement in an aggregate principal amount of £200,000,000 subject to reduction as provided in the Credit Agreement.

"Transaction Agreement" means the restated agreement dated as of 26 July 1999 between Bell Atlantic Corporation, Cable & Wireless, the Target and NTL Inc. (as amended from time to time before the date of the Credit Agreement).

"UK Group" means:

- (a) for the purpose of Clause 22.2 (*UK Group Financial Condition*) of the Credit Agreement, Clause 22.3 (*Financial Definitions*) of the Credit Agreement and any other provisions of the Credit Agreement using the definitions defined in Clause 22.3 (*Financial Definitions*) of the Credit Agreement:
 - (i) the Parent;
 - (ii) Northampton Cable Television Limited and Herts Cable Limited;
 - (iii) Cable & Wireless Communications (South Hertfordshire) Limited;
 - (iv) each of the Parent's direct and indirect subsidiaries from time to time, excluding the UK Group Excluded Subsidiaries (other than Northampton Cable Television Limited, Herts Cable Limited and Cable & Wireless Communications (South Hertfordshire) Limited); and
 - (v) prior to the Pushdown Date, the Target Group (including the Pre-Novation Borrower); and
- (b) for all other purposes, the Parent and each of its direct and indirect subsidiaries from time to time other than the UK Group Excluded Subsidiaries.

"UK Group Excluded Subsidiary" means:

- (a) any subsidiary of the Parent which is a Dormant Subsidiary and which (i) has assets (save for loans existing on the Execution Date owed to it by other members of the UK Group) with an aggregate value of £10,000 or less and (ii) does not hold a Licence;
- (b) Molesey Limited ;

- (c) Northampton Cable Television Limited (until such time as it becomes a wholly owned subsidiary of the Parent);
- (d) Herts Cable Limited (until such time as it becomes a wholly owned subsidiary of the Parent);
- (e) any member of the NTL Triangle Sub-Group (until such time as the Parent elects for the members of the NTL Triangle Sub-Group to become members of the UK Group in accordance with Clause 38.5 (NTL Triangle Accession) of the Credit Agreement;
- (f) any Target Group Excluded Subsidiaries which become subsidiaries of the Parent pursuant to the Pushdown;
- (g) any subsidiary of the Parent which is a Project Company; and
- (h) any company which becomes a subsidiary of the Parent after the date hereof pursuant to an Asset Passthrough,

provided that any of such companies shall become a member of the UK Group and cease to be a UK Group Excluded Subsidiary if the Parent and the Agent (acting on the instructions of an Instructing Group, acting reasonably) so agree.

“UK Group Funding Passthrough” means a series of transactions between NTL UK, one or more members of the UK Group and a Funded Excluded Subsidiary where:

- (a) in the case of funding being provided for by NTL UK to the Funded Excluded Subsidiary, that funding is:
 - (i) first made available by NTL UK to the Parent by way of Subordinated Funding;
 - (ii) secondly (if relevant) made available by the Parent to any other members of the UK Group by way of Parent Funding; and
 - (iii) thirdly (if relevant) made available by one or more transactions between members of the UK Group (other than the Parent) and finally made available by a member of the UK Group to the Funded Excluded Subsidiary in all such cases by way of either the subscription for new equity capital, the advancing of loans or capital contribution, or
- (b) in the case of a payment to be made by the Funded Excluded Subsidiary to NTL UK, that payment is:
 - (i) first made by the Funded Excluded Subsidiary to a member of the UK Group, and thereafter between members of the UK Group, as relevant), by way of dividend or other distribution, loan or payment of interest on or the repayment of the principal amount of any indebtedness owed by such Funded Excluded Subsidiary or relevant UK Group; and
 - (ii) finally made by a member of the UK Group to NTL UK by way of dividend or other distribution, loan or the payment of interest on or the repayment of the principal amount of any Subordinated UK Group Debt owed to NTL UK.

"UK Group Security" means the security constituted by the NTL UK Intra-Group Loan Assignment, the Parent Intra-Group Loan Assignment, each Debenture and Guarantor Accession Memorandum executed or to be executed by the Parent and sufficient members of the UK Group to ensure compliance with Clause 23.32 (*Guarantors*).

"VAT" shall be construed as a reference to value added tax including any similar tax which may be imposed in place thereof from time to time;

"Vehicle Finance Leases" means vehicle finance leases made between PHH Vehicle Management Services Limited and Cable & Wireless Communications Corporation Limited.

"Vendor Finance Provider" means any financial institution named in Schedule 17 (*The Vendor Finance Providers*) of the Credit Agreement.

"Videotron Mortgage" means the loan agreement dated 1 July 1993 between Videotron Corporation Limited and Barclays Bank PLC.

"Working Capital Facility" means a facility in the agreed form made or to be made available to the Parent by certain financial institutions, where:

- (a) the amount available to the Parent thereunder is at least £1,300,000,000 (or its equivalent); and
- (b) amounts advanced to the Parent thereunder are applied by it, by way of Parent Funding, to members of the UK Group for application towards their working capital purposes.

NTL ACQUISITION COMPANY LIMITED

SCHEDULE 2 TO FORM M395

(Short Particulars of all the property mortgaged or charged)

1.1 Fixed Charges

The Company charged with full title guarantee (or, in relation to rights or assets situated in or governed by the law of Scotland, with absolute warrandice and in relation to rights or assets situated in or governed by the law of Northern Ireland, as beneficial owner) (but so that the Second Security Trustee acknowledges the content of any Report on Title addressed to it in respect of any Charged Land) in favour of the Second Security Trustee as trustee for the Secured Parties as security for the payment and discharge of the Secured Obligations, by way of second (in respect of any asset already subject to a Permitted Encumbrance and in respect of any asset already subject to the First Debenture in which case the security constituted by the Second Debenture will rank immediately behind the security constituted by the First Debenture for so long as the First Debenture continues to subsist) fixed charge (which so far as it relates to the Charged Land set out in Schedule 2 (*Details of Charged Land*) of the Second Debenture details of which are set out in Schedule 3 hereto in England and Wales shall be a charge by way of legal mortgage) all the Company's right, title and interest from time to time in and to each of the following assets:

- 1.1.1 the English Charged Land (other than any assigned pursuant to sub-clause 3.2.2 of Clause 3.2 (Assignments)) of the Second Debenture details of which are set out in Schedule 3 hereto;
- 1.1.2 the Tangible Moveable Property;
- 1.1.3 the Accounts;
- 1.1.4 the Intellectual Property;
- 1.1.5 any goodwill, including all brand names, and rights in relation to the uncalled capital of the Company;
- 1.1.6 the Investments;
- 1.1.7 the Shares, all dividends, interest and other monies payable in respect of the Shares and all other Related Rights (whether derived by way of redemption, bonus, preference, option, substitution, conversion or otherwise);
- 1.1.8 all Monetary Claims other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to the Second Debenture and all Related Rights; and
- 1.1.9 rights to recover any VAT on any supplies made to it relating to the Charged Property and any sums so recovered.

1.2 Assignments

The Company assigned with full title guarantee (or, in relation to rights or assets situated in or governed by the law of Scotland, with absolute warrandice and in relation to rights or assets situated in or governed by the law of Northern Ireland, as beneficial owner) to the Second Security Trustee as trustee for the Secured Parties as security for the payment and discharge of

the Secured Obligations all the Company's right, title and interest from time to time in and to each of the following assets (subject to obtaining any necessary consent to that assignment from any third party and subject further to any rights of the First Security Trustee under the First Debenture):

- 1.2.1** any Insurance Policy, all proceeds paid or payable thereunder and all Related Rights;
- 1.2.2** all agreements, contracts, deeds, licences, undertakings, guarantees, covenants, warranties, representations and other documents (including all documents entered into now or in the future in order to enable the Second Security Trustee to perfect its rights thereunder or under the Second Debenture) entered into by or given to the Company in respect of the Real Property including all:
 - (a) claims, remedies, awards or judgments paid or payable to the Company (including, without limitation, all liquidated and ascertained damages payable to the Company in respect of the items referred to); and
 - (b) guarantees, warranties, bonds and representations given or made by, and any rights or remedies against any designer, builder, contractor, professional adviser, sub-contractor, manufacturer, supplier or installer of any fixture, fitting, fixed plant or machinery,

in each case, relating to all or any part of the Real Property;

- 1.2.3** chattels hired, leased or rented by the Company to any person together in each case with the benefit of the related hiring, leasing or rental contract and any guarantee, indemnity or other Security for the performance of the obligations of any person under or in respect of such contract; and
- 1.2.4** licences held now or in the future in connection with the business carried on upon all or any part of the Real Property.

1.3 Scottish Property

The Company, as security for the payment and discharge of the Secured Obligations undertook and bound and obliged itself to execute and deliver to the Second Security Trustee a Standard Security over its right, title and interest in the Scottish Charged Land owned by it at the date of the Second Debenture.

1.4 Northern Irish Property

The Company, as security for the payment and discharge of the Secured Obligations undertook and bound and obliged itself to execute and deliver to the Second Security Trustee a supplemental Northern Irish mortgage, in form and substance satisfactory to the Second Security Trustee (acting reasonably), over its right, title and interest in the Northern Irish Charged Land owned by it at the date of the Second Debenture.

1.5 Floating Charge

The Company charged with full title guarantee (or, in relation to rights or assets situated in or governed by the law of Scotland, with absolute warrandice and, in relation to assets situated in or governed by the law of Northern Ireland, as beneficial owner) in favour of the Second Security Trustee as trustee for the Secured Parties with the payment and discharge of the Secured

Obligations by way of floating charge (which shall rank as a first floating charge in priority to all other floating charges other than the floating charge under the First Debenture for so long as such floating charge continues to subsist) the whole of the Company's undertaking and assets, present and future **provided that** the floating charge:

- 1.5.1 subject to sub-clause 3.5.2 of the Second Debenture (details of which are set out in paragraph 1.5.2) below, does not cover any assets validly and effectively charged or assigned from time to time (whether at law or in equity) by way of fixed security under the laws of England and Wales, or of the jurisdiction in which that asset is situated, in favour of the Second Security Trustee as security for the Secured Obligations; and
- 1.5.2 covers all property, rights and assets situated in Scotland or otherwise governed by Scots law.
- 1.5.3 covers all property, rights and assets situated in Northern Ireland or otherwise governed by Northern Irish law.

1.6 Exceptions to the Security

The security created by the Company pursuant to the Second Debenture does not extend to:

- 1.6.1 any asset situated outside England and Wales to the extent that, and for so long as, any such security would be unlawful under the laws of the jurisdiction in which such asset is situated; or
- 1.6.2 any of the Excluded Assets of the Company.

NTL ACQUISITION COMPANY LIMITED

SCHEDULE 3

Part A

Registered Land

Part B

Unregistered Land

Part C

Scottish Heritable Property

Part D

Northern Irish Property

NTL ACQUISITION COMPANY LIMITED

SCHEDULE 4

Shares

Name of Company in which Shares are held	Description and number of Shares	Share Certificate Number(s) if applicable
ntl Holdings (East London) Limited	Ordinary £1.00 8,000,020	32, 35, 36, 38

NTL ACQUISITION COMPANY LIMITED

SCHEDULE 2 TO FORM M395

(Short Particulars of all the property mortgaged or charged)

1.1 Fixed Charges

The Company charged with full title guarantee (or, in relation to rights or assets situated in or governed by the law of Scotland, with absolute warrandice and in relation to rights or assets situated in or governed by the law of Northern Ireland, as beneficial owner) (but so that the Second Security Trustee acknowledges the content of any Report on Title addressed to it in respect of any Charged Land) in favour of the Second Security Trustee as trustee for the Secured Parties as security for the payment and discharge of the Secured Obligations, by way of second (in respect of any asset already subject to a Permitted Encumbrance and in respect of any asset already subject to the First Debenture in which case the security constituted by the Second Debenture will rank immediately behind the security constituted by the First Debenture for so long as the First Debenture continues to subsist) fixed charge (which so far as it relates to the Charged Land set out in Schedule 2 (*Details of Charged Land*) of the Second Debenture details of which are set out in Schedule 3 hereto in England and Wales shall be a charge by way of legal mortgage) all the Company's right, title and interest from time to time in and to each of the following assets:

- 1.1.1 the English Charged Land (other than any assigned pursuant to sub-clause 3.2.2 of Clause 3.2 (Assignments)) of the Second Debenture details of which are set out in Schedule 3 hereto;
- 1.1.2 the Tangible Moveable Property;
- 1.1.3 the Accounts;
- 1.1.4 the Intellectual Property;
- 1.1.5 any goodwill, including all brand names, and rights in relation to the uncalled capital of the Company;
- 1.1.6 the Investments;
- 1.1.7 the Shares, all dividends, interest and other monies payable in respect of the Shares and all other Related Rights (whether derived by way of redemption, bonus, preference, option, substitution, conversion or otherwise);
- 1.1.8 all Monetary Claims other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to the Second Debenture and all Related Rights; and
- 1.1.9 rights to recover any VAT on any supplies made to it relating to the Charged Property and any sums so recovered.

1.2 Assignments

The Company assigned with full title guarantee (or, in relation to rights or assets situated in or governed by the law of Scotland, with absolute warrandice and in relation to rights or assets situated in or governed by the law of Northern Ireland, as beneficial owner) to the Second Security Trustee as trustee for the Secured Parties as security for the payment and discharge of

the Secured Obligations all the Company's right, title and interest from time to time in and to each of the following assets (subject to obtaining any necessary consent to that assignment from any third party and subject further to any rights of the First Security Trustee under the First Debenture):

1.2.1 any Insurance Policy, all proceeds paid or payable thereunder and all Related Rights;

1.2.2 all agreements, contracts, deeds, licences, undertakings, guarantees, covenants, warranties, representations and other documents (including all documents entered into now or in the future in order to enable the Second Security Trustee to perfect its rights thereunder or under the Second Debenture) entered into by or given to the Company in respect of the Real Property including all:

(a) claims, remedies, awards or judgments paid or payable to the Company (including, without limitation, all liquidated and ascertained damages payable to the Company in respect of the items referred to); and

(b) guarantees, warranties, bonds and representations given or made by, and any rights or remedies against any designer, builder, contractor, professional adviser, sub-contractor, manufacturer, supplier or installer of any fixture, fitting, fixed plant or machinery,

in each case, relating to all or any part of the Real Property;

1.2.3 chattels hired, leased or rented by the Company to any person together in each case with the benefit of the related hiring, leasing or rental contract and any guarantee, indemnity or other Security for the performance of the obligations of any person under or in respect of such contract; and

1.2.4 licences held now or in the future in connection with the business carried on upon all or any part of the Real Property.

1.3 Scottish Property

The Company, as security for the payment and discharge of the Secured Obligations undertook and bound and obliged itself to execute and deliver to the Second Security Trustee a Standard Security over its right, title and interest in the Scottish Charged Land owned by it at the date of the Second Debenture.

1.4 Northern Irish Property

The Company, as security for the payment and discharge of the Secured Obligations undertook and bound and obliged itself to execute and deliver to the Second Security Trustee a supplemental Northern Irish mortgage, in form and substance satisfactory to the Second Security Trustee (acting reasonably), over its right, title and interest in the Northern Irish Charged Land owned by it at the date of the Second Debenture.

1.5 Floating Charge

The Company charged with full title guarantee (or, in relation to rights or assets situated in or governed by the law of Scotland, with absolute warrandice and, in relation to assets situated in or governed by the law of Northern Ireland, as beneficial owner) in favour of the Second Security Trustee as trustee for the Secured Parties with the payment and discharge of the Secured

Obligations by way of floating charge (which shall rank as a first floating charge in priority to all other floating charges other than the floating charge under the First Debenture for so long as such floating charge continues to subsist) the whole of the Company's undertaking and assets, present and future **provided that** the floating charge:

- 1.5.1 subject to sub-clause 3.5.2 of the Second Debenture (details of which are set out in paragraph 1.5.2) below, does not cover any assets validly and effectively charged or assigned from time to time (whether at law or in equity) by way of fixed security under the laws of England and Wales, or of the jurisdiction in which that asset is situated, in favour of the Second Security Trustee as security for the Secured Obligations; and
- 1.5.2 covers all property, rights and assets situated in Scotland or otherwise governed by Scots law.
- 1.5.3 covers all property, rights and assets situated in Northern Ireland or otherwise governed by Northern Irish law.

1.6 Exceptions to the Security

The security created by the Company pursuant to the Second Debenture does not extend to:

- 1.6.1 any asset situated outside England and Wales to the extent that, and for so long as, any such security would be unlawful under the laws of the jurisdiction in which such asset is situated; or
- 1.6.2 any of the Excluded Assets of the Company.

2 Negative Pledge

Under the Second Debenture the Company undertakes that it shall not, at any time during the subsistence of the Debenture, create or permit to subsist any Encumbrance over all or any part of its Charged Property other than a Permitted Encumbrance.

3 Disposal of Interests

3.1 Under the Second Debenture the Company undertakes that it shall not at any time during the subsistence of the Debenture, except as permitted pursuant to the Finance Documents or by the Clause 7 of the Second Debenture (details of which are set out in this paragraph 3):

- 3.1.1 execute or permit to be created any conveyance, transfer, lease or assignment of, or other right to use or occupy all or any part of its Real Property;
- 3.1.2 create any legal or equitable estate or other interest in, or over, or otherwise relating to, all or any part of its Real Property;
- 3.1.3 (i) grant or vary, or accept any surrender, or cancellation or disposal of, any lease, tenancy, licence, consent or other right to occupy in relation to any of its Real Property or (ii) allow any person any right to use or occupy or to become entitled to assert any proprietary interest in, or right over, its Real Property, which may, in The case, have a material adverse effect on the business, operations, property or condition (financial or otherwise) of the Company or adversely affect the ability of the Second Security Trustee to exercise any of the rights, powers and remedies of the Second Security Trustee provided by or pursuant to the Second Debenture ; or

3.1.4 assign or otherwise dispose of any interest in any Account (other than any Excluded Account) owned or held by the Company,

provided that the Company shall be permitted to enter into mast or site sharing arrangements in the ordinary course of business without being in breach of Clause 7.2 of the Second Debenture (details of which are set out in this paragraph 3) and **provided further that** nothing in Clause 7.2 of the Second Debenture (details of which are set out in this paragraph 3) shall override any restrictions relating to such Charged Property contained in the Finance Documents.

4 Further Assurance

The Second Debenture contains a covenant for further assurances.

NTL ACQUISITION COMPANY LIMITED

SCHEDULE 3

Part A

Registered Land

Part B

Unregistered Land

Part C

Scottish Heritable Property

Part D

Northern Irish Property

NTL ACQUISITION COMPANY LIMITED

SCHEDULE 4

Shares

Name of Company in which Shares are held	Description and number of Shares	Share Certificate Number(s) if applicable
ntl Holdings (East London) Limited	Ordinary £1.00 8,000,020	32, 35, 36, 38

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02270117

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SECOND DEBENTURE MADE BY THE COMPANY IN FAVOUR OF CHASE MANHATTAN INTERNATIONAL LIMITED AS SECOND SECURITY TRUSTEE FOR THE SECURED PARTIES (THE "SECOND SECURITY TRUSTEE") DATED THE 27th SEPTEMBER 2001 AND CREATED BY NTL ACQUISITION COMPANY LIMITED FOR SECURING ALL OBLIGATIONS WHICH THE COMPANY MAY AT ANY TIME HAVE TO THE SECURITY TRUSTEE (WHETHER FOR ITS OWN ACCOUNT OR AS TRUSTEE FOR THE SECURED PARTIES) OR ANY OF THE OTHER SECURED PARTIES UNDER OR PURSUANT TO THE FINANCE DOCUMENTS (INCLUDING THE DEBENTURE) INCLUDING ANY LIABILITY IN RESPECT OF ANY FURTHER ADVANCES MADE UNDER THE FINANCE DOCUMENTS, WHETHER PRESENT OR FUTURE, ACTUAL OR CONTINGENT (AND WHETHER INCURRED SOLELY OR JOINTLY AND WHETHER AS PRINCIPAL OR AS SURETY OR IN SOME OTHER CAPACITY) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 3rd OCTOBER 2001.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 8th OCTOBER 2001.

A large, stylized handwritten signature in black ink, appearing to read 'P. H. H.' or similar.



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES