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COMPANIES FORM No. 395

162103/442

Particulars of a mortgage or charge

395

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

CHFP025

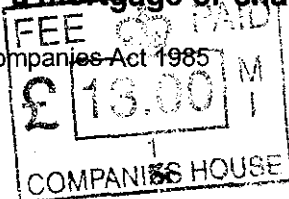
Please do not write in this margin

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

*insert full name of Company

Pursuant to section 395 of the Companies Act 1985

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



For official use

Company number



2526402

Name of company

* CPL Environmental Limited (the "Company")

Date of creation of the charge

12 May 2006

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

Debenture made between the Company & the companies identified in Schedule 1 of the Debenture each a "Chargor" and together the "Chargors" and Burdale Financial Limited (the "Security Trustee") (the "Debenture")

Amount secured by the mortgage or charge

All present and future obligations and liabilities arising under or in relation to any Finance Document, whether actual or contingent and whether owed jointly or severally, as principal or surety, or in any other capacity whatsoever, of each Obligor to any Finance Party except for any obligation which, if it were included, would result in contravention of section 151 of the Companies Act 1985 (or, to the extent to which it may be applicable to any Chargor, its equivalent in any other jurisdiction) ("Secured Liabilities").

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

Burdale Financial Limited, 53 Queen Anne Street, London

Postcode W1G 9HP

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

Nabarro Nathanson
Lacon House
Theobald's Road
London
WC1X 8RW

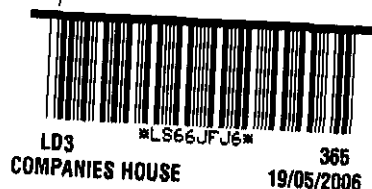
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Time critical reference

For official Use (02/00)

Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

Please refer to rider attached

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 Nabam Nathanson

Date 16/5/6

On behalf of ~~XXXXXXXXXXXXXXXXXXXX~~ [chargee] †

**A fee 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 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

Companies Form 395 Particulars of Mortgage or Charge Continuation Sheet

CPL Environmental Limited (Company Number 2526402)

Short Particulars of all the property mortgaged or charged

1. FIXED SECURITY

The Company, as security for the payment and performance of the Secured Liabilities and in the manner specified in clause 1.2(g) of the Debenture:

- 1.1 charged in favour of the Security Trustee by way of a first legal mortgage the Mortgaged Property;
- 1.2 charged in favour of the Security Trustee by way of a first fixed charge:
 - 1.2.1 all (other than any Specified Equipment effectively mortgaged to the Security Trustee by way of a first legal mortgage pursuant to paragraph 1.5 below now or in the future belonging to it and its interest in any such Equipment in its possession now or in the future;
 - 1.2.2 all of its benefits, claims and returns of premiums in respect of the Insurances;
 - 1.2.3 all of its right, title and interest (if any) in and to the Blocked Accounts and all monies standing to the credit of any of the Blocked Accounts and the debts represented by them;
 - 1.2.4 its goodwill and its rights in relation to uncalled capital both present and future;
 - 1.2.5 its Book Debts, both uncollected and collected, the proceeds of the sale and all monies otherwise due and owing to the Company (but excluding (x) to the extent effectively charged to the Security Trustee pursuant to sub-paragraph 1.2.3 above, the Blocked Accounts and any amounts standing to the credit thereof and (y) the Other Accounts and any amounts standing to the credit thereof;
 - 1.2.6 the benefit of all rights, securities and guarantees of whatsoever nature enjoyed or held by it in relation to anything in sub-paragraph 1.2.5 above;
 - 1.2.7 its rights under any hedging arrangements;
 - 1.2.8 any of its beneficial interest, claim or entitlement in any pension fund;
 - 1.2.9 the benefit of all permissions of whatsoever nature and whether statutory or otherwise, held in connection with its business or the use of any Charged Property and the right to recover and receive all compensation which may be payable to it; and
 - 1.2.10 its Intellectual Property now or in the future subject to any necessary (as at the date of the Debenture) third party's consent to such charge being obtained. To the extent that such Intellectual Property is not capable of being charged (whether by reason of lack of any such consent or otherwise) the charge purported to be effected by this sub-paragraph shall operate as an assignment of any and all damages, compensation, remuneration, profit, rent or income which the Company may derive from such Intellectual Property or be awarded or entitled to in respect of such Intellectual Property as continuing security for the payment, discharge and performance of the Secured Liabilities;

- 1.3 charged and agreed to charge to the Security Trustee by way of first charge all Group Shares held now or in the future by it and/or any nominee on its behalf;
- 1.4 charged and agreed to charge to the Security Trustee by way of first charge all the Related Rights accruing to all or any of the Group Shares held now or in the future by it and/or any nominee on its behalf, provided that:
 - 1.4.1 whilst no Event of Default is continuing, all Related Rights as referred to in paragraph 1(d) above may be paid directly to the Company (in which case the Security Trustee or its nominee shall execute any necessary dividend mandate) and, if paid directly to the Security Trustee shall be paid promptly by it to the Company; and
 - 1.4.2 subject to clause 4.5 of the Debenture until the Agent has exercised its rights under clause 22.25 of the Facility Agreement, all voting rights attaching to the relevant Group Shares may be exercised by the Company;
- 1.5 mortgaged and charged and agreed to mortgage and charge to the Security Trustee by way of first mortgage all of its right, title and interest in and to:
 - 1.5.1 the Specified Equipment; and
 - 1.5.2 all spare parts and replacements for and all modifications and additions to the Specified Equipment; and
- 1.6 assigned to the Security Trustee by way of security only all its present and future right to receive net rent income or other payment for use and/or occupation of any land comprised within Charged Property (but not including any amounts in respect of service charge, insurance charges or other outgoings or tax or expenditure incurred by the Company or any money in respect of rent deposits).

2. FLOATING CHARGE

2.1 Creation

- 2.1.1 The Company as security for the payment and performance of the Secured Liabilities and in the manner specified in clause 1.2 (f) of the Debenture charges in favour of the Security Trustee by way of a floating charge:
 - (a) all its other assets and undertaking not otherwise effectively mortgaged or charged by way of fixed mortgage or charge by paragraph 1 above; and
 - (b) whether or not otherwise mortgaged, charged or assigned, all of its undertaking and assets of whatever type (both present and future) located in Scotland or otherwise governed by the laws of Scotland.

2.2 Insolvency Act 1986

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charges created by paragraph 2.1 above.

3. FURTHER ASSURANCES

3.1 General

The Company shall, at its own expense, execute and do all such acts, deeds and things (including, without limitation, payment of all stamp duties and registration fees) the Security Trustee or a Receiver may reasonably require for:

- 3.1.1 perfecting or better perfecting or protecting or better protecting and/or registering the security intended to be created by the Deed or any standard security (and/or assignation of rents relating to property located in Scotland) over any Charged Property; and
- 3.1.2 after the security constituted by the Debenture has become enforceable, facilitating the realisation of any Charged Property or the exercise of any right, power or discretion exercisable, by the Security Trustee or any Receiver in respect of any Charged Property, including, without limitation, the execution of any transfer, conveyance, assignment or assurance of any property whether to the Security Trustee or to its nominees, and the giving of any notice, order or direction and the making of any registration, which in any such case, the Security Trustee may think necessary or desirable.

4. NEGATIVE PLEDGE

The Company shall not:

- 4.1 create or permit to subsist any Security Interest of whatsoever nature on any Charged Property other than a Permitted Security Interest; or
- 4.2 sell, transfer, grant, lease or otherwise dispose of any Charged Property, except for the disposal or leasing in the ordinary course of business of any Charged Property which is subject to a floating charge created by paragraph 1 above and except as provided for under the Finance Documents.

Definitions

"Book Debts" means:

- (a) all book and other debts in existence from time to time (including, without limitation, any sums whatsoever owed by banks or similar institutions) both present and future, actual or contingent, due, owing to or which may become due, owing to or purchased or otherwise acquired by the Company; and
- (b) the benefit of all rights whatsoever relating to the debts referred to above including, without limitation, any related agreements, documents, rights and remedies (including, without limitation, negotiable or non-negotiable instruments, guarantees, indemnities, legal and equitable charges, reservation of proprietary rights, rights of tracing, unpaid vendor's liens and all similar connected or related rights and assets).

"Charged Property" means the property, assets, undertaking and rights for the time being comprised in or subject to the Security Interests created by the Debenture (and includes the Mortgaged Property) and references to the Charged Property include references to any part of it.

"Equipment" means (save to the extent that any such items form part of the Company's stock in trade) all present and future plant, equipment, machinery, computers and computer hardware and software (whether owned or licensed), vehicles, tools, furniture and fixtures and all attachments, accessories owned by the Company and property (other than Fixtures) now or in future relating to it or used in connection with it and replacements and substitutions for it wherever located.

"Facility Agreement" means the facility agreement dated on or about today's date between the Company and the Affiliates of the Company listed in Part I of Schedule I of the Facility Agreement as Borrowers and each of the parties listed therein as Guarantors, Burdale Financial Limited as Arranger and Original Lender and Burdale Financial Limited as Agent and Security Trustee.

"Finance Document" is defined in the Facility Agreement.

"Finance Party" is defined in the Facility Agreement.

"Fixtures" means all fixtures and fittings (including, without limitation, those of trade) and fixed plant and machinery on the Mortgaged Property.

"Group Shares" means:

- (a) 1000 Ordinary shares of £1 in Bonded Carbon Filters Limited;
- (b) 14,950 Ordinary A shares of £1 and 50 Ordinary B shares of £1 in Universal Filters Limited;
- (c) 1000 Ordinary shares of £1 in FiltersDirect Limited;
- (d) 2 Ordinary shares of £1 in CPL Environmental Americas Limited; and
- (e) all other stocks, shares, debentures, bonds, warrants, coupons or other securities and investments now or in the future owned by any the Company from time to time.

"Insurances" means all contracts and policies of insurance taken out by or for the Company or in which the Company has an interest (to the extent of that interest).

"Intellectual Property" means any and all subsisting patents and subsisting rights of a similar nature held in any part of the world, applications for patents and such rights, divisions and continuations of

such applications for patents, registered and unregistered trade marks (including all rights to sue on or in relation to unregistered marks in any jurisdiction under passing off, unfair competition or similar rules or otherwise, and all goodwill and other rights that would form the basis for any such claims), *registered designs*, utility models (in each case for their full period and all extensions and renewals of them), applications for any of them and the right to apply for any of them in any part of the world, inventions, confidential information (including customer lists, market reports and statistics and any other information which a business would normally treat as confidential for the purposes of its business), database rights, Know-how (and all rights in relation to it), business names, trade names, brand names, domain names (and the rights of a registrant therein) copyright and rights in the nature of copyright, design rights and get-up and any similar rights existing in any country and the benefit (subject to the burden) of any and all agreements, arrangements and licences in connection with any of the foregoing including but not limited to the Specified Intellectual Property.

"Know-how" means all the body of knowledge, technical experience, expertise and skills, technical processes, secret processes, formulae and technical information held by the Company and relating to its business, which is not in the public domain.

"Mortgaged Property" means the freehold and leasehold property (including any Premises located thereon) brief details of which are set out in Part I of Schedule 2 of the Debenture

"Obligors" is defined in the Facility Agreement.

"Premises" means any building, construction, erection or other edifice on the Mortgaged Property or other Charged Property.

"Receiver" means any individual or individuals (who may be an employee or employees of the Security Trustee) for the time being and from time to time appointed by the Security Trustee to be a receiver or receivers (and, where more than one individual is appointed jointly, they shall have the power to act severally, unless the Security Trustee shall specify to the contrary in their appointment) under this Deed and, where the context shall admit, any individual or individuals for the time being and from time to time so appointed in substitution, provide always that all such individuals shall be qualified under the Insolvency Act 1986 to act as a receiver of the property of any company with respect to which he is appointed or as an administrative receiver of any such company.

"Related Rights" means, in relation to the Group Shares, all dividends and other distributions paid or payable after today's date on all or any of the Group Shares and all stocks, shares, securities (and the dividends or interest on them), rights, money or property accruing or offered at any time by way of redemption, bonus, preference, option rights or otherwise to or in respect of any of the Group Shares or in substitution or exchange for any of the Group Shares.

"Security Interest" is defined in the Facility Agreement.

"Specified Equipment" means the Equipment (if any) specified in Schedule 4 of the Debenture.

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 02526402

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 12th MAY 2006 AND CREATED BY CPL ENVIRONMENTAL LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM EACH OBLIGOR TO ANY FINANCE PARTY ON ANY ACCOUNT WHATSOEVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 19th MAY 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 24th MAY 2006.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —

Q. Row