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COMPANIES FORM No. 395

Particulars of a mortgage or charge

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395

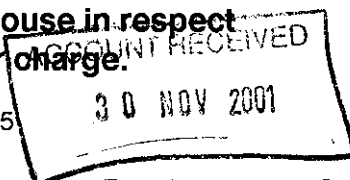
CHFP025

Please do not
write in
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Please complete
legibly, preferably
in black type, or
bold block lettering

*insert full name
of Company

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

25

02938988

Name of company

* English Welsh & Scottish Railway Limited

Date of creation of the charge

23 November 2001

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

Security Deed

Amount secured by the mortgage or charge

All present and future obligations and liabilities (whether actual or
contingent and whether owed jointly or severally or in any other
capacity whatsoever of the Company to the Security Holder with all
interest payable thereon or otherwise arising under this Deed, including
without limitation:

(a) all monies due, owing or incurred under the Financing Agreement (as
defined in the Security Deed) or by virtue of any Guarantee and/or
indemnity given by the Company to the Security Holder;

(b) all advances that has made to the Company;

(c) any indebtedness now or hereafter incurred by the Security Holder
for or at the requests of the Company, including all monies that the
Security Holder shall pay or become liable to pay for or on account of
the Company (or any other person at the request or order of the Company

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

Lloyds TSB Commercial Finance Limited, Boston House, The Little Green,
Richmond, Surrey

Postcode TW9 1QE

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

Hammond Suddards Edge
7 Devonshire Square
Cutlers Gardens
London
EC2M 4YH

Time critical reference

For official Use
Mortgage Section

Post room



A04
COMPANIES HOUSE

0554
30/11/01

As Above
see Gov letter

Short particulars of all the property mortgaged or charged

(a) by way of a first legal mortgage:

(i) all the real property specified in Schedule 2 of the Security Deed;

(ii) all estates or interests in any freehold or leasehold property (except any Security Assets specified in sub-paragraph (i) above) now belonging to the Company; and

(iii) all Group Shares (as defined in the Security Deed) held by it and/or any nominee on its behalf and all Related Rights (as defined in the Security Deed) accruing to the Group Shares; and

(b) by way of first fixed charge:-

(i) (to the extent that they are not the subject of a mortgage under paragraph (a) above) all estates or interest in any freehold or leasehold property belonging to it;

(ii) all Locomotives (as defined in the Security Deed) owned by the Company its interest in any Locomotives;

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Particulars as to commission allowance or discount (note 3)

None

Signed

BA Bell

Date 29/11/01

On behalf of [company/first 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

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Particulars of a mortgage or charge (continued)

Continuation sheet No 1
to Form No 395 and 410 (Scot)

CHFP025

Please complete
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bold block lettering

Company Number

02938988

Name of Company

English Welsh & Scottish Railway Limited

Limited*

* delete if
inappropriate

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

Please complete
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or under its authority), either alone or jointly with any other person and whether or not by any of the following:-

- (i) the Security Holder making direct advances;
 - (ii) the Security Holder drawing, accepting, endowing, paying or discounting any remittance;
 - (iii) the Security Holder entering into any bond, guarantee, indemnity or letter of credit;
 - (iv) the Security Holder confirming orders; or
 - (v) the Security Holder otherwise accepting any other liability for or on behalf of the Company;
- (d) all monies that the Security Holder may charge the Company and all costs, charges and expenses incurred by the Security Holder following default in payment of any such monies or breach by the Company of any of the provisions of the Security Deed.
- (e) the charges of solicitors and/or surveyors instructed by the Security Holder in connection with any part of the Security Assets (as defined in the Security Deed);
- (f) costs, charges and expenses that the Security Holder may from time to time incur in:
- (i) stamping, perfecting, registering or enforcing the Security Deed; or
 - (ii) negotiating, preparing and executing the Security Deed, the Financing Agreement and all guarantees, indemnities, priority arrangements, waivers or consents in respect of it;
 - (iii) obtaining payment or discharge of any item forming part of the Secured Liabilities (as defined in the Security Deed);
 - (iv) paying any rent, rates, taxes or outgoings for the Secured Liabilities;
 - (v) insuring, repairing, maintaining, managing or realising any part of the Secured Assets;
 - (vi) preserving or exercising any rights under or in connection with this Deed, or attempting to do so;
 - (vii) giving a discharge or release of the Security Deed; or
 - (viii) dealing with or obtaining any advice about any other matter or question arising out of or in connection with the Security Deed with the intention that the Security shall be afforded a full, complete and unlimited indemnity against all costs, charges and expenses paid or incurred by it and whether arising directly or indirectly in respect of this security or of any other security held by the Security Holder for the Secured Liabilities.
- (g) all moneys expended by an attorney appointed under the Security Deed in exercising his powers; and
- (h) interest on all moneys due, owing or incurred to the Security Holder at such rate as may from time to time be payable pursuant to any agreement or arrangement relating thereto,

PROVIDED THAT no obligation or liability shall be included in the definition of "Secured Liabilities" to the extent that, if it were so included, the Security Deed (or any part of it) would constitute

financial assistance within the meaning of Sections 151 or 152 of the
Companies Act 1985.

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

**Please complete
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(iii) (to the extent that it does not fall within any other sub-paragraph of this paragraph (b)) all plant and machinery owned by the Company and its interest in any plant or machinery in its possession, other than any leased computer systems;

(iv) (to the extent that they are not the subject of a mortgage under paragraph (a) above) its interest in all the Shares (as defined in the Security Deed) and their Related Rights;

(v) all moneys standing to the credit of any account (other than the Security Accounts or the Trust Accounts (as each term is defined in the Security Deed) with any person and the debts represented by them;

(vi) in the case of the Parent (as defined in the Security Deed) all of its book and other debts, the proceeds of the same and all other moneys due and owing to it and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing, including without limitation:

(A) all Remittances (as defined in the Security Deed) received in respect of such book and other debts by the Parent pending their being dealt with in accordance with the terms of the Security Deed or any instructions given in connection with it;

(B) any account in the name of the Parent under the control of or operated in accordance with the directions of the Security Holder, including without limitation any Security Account; and

(C) all moneys in any Security Account and/or any other bank account(s) specified in paragraph (B) above, including Remittances in respect of which instructions to the Parent's bankers have been given in accordance under Clause 6.3(d)(iii) of the Security Deed;

(vii) in the case of each of company:

(A) all the Company's Other Debts and Non-Vesting Debts (as each term is defined in the Security Deed);

(B) all Remittances received in respect of Other Debts and Non-Vesting Debts by the Company pending their being dealt with in accordance with the terms of the Security Deed or any instructions given in connection with it;

(C) any account in the name of the Company under the control of or operated in accordance with the directions of the Security Holder, including without limitation any Security Account and/or any Trust Account; and

(D) all moneys in any Security Account, any Trust Account and/or any other bank account(s) specified in paragraph (C) above, including Remittances in respect of which instructions to the Company's bankers have been given in accordance under Clause 6.4(e)(C) of the Security Deed;

(vii) all of the Company's rights and benefits under any agreement to which it is a party except to the extent that it is subject to any fixed security created under any other sub paragraph in this Clause (the "Agreements")

(viii) any beneficial interest, claim or entitlement of the Company in any pension fund;

(ix) its goodwill

(x) the benefit of all licences (subject to obtaining all necessary consents in relation to intellectual property licences), consents and

authorisation (statutory or otherwise) held in connection with its business or the use of any Security Asset specified in any other sub-paragraph in this Clause and the right to recover and receive all compensation which may be payable to it in respect of them; and

(xi) its uncalled capital,

provided that:

(A) any property or assets situate in Scotland and any property or assets, in each case the rights as to which are governed by the laws of Scotland shall be excluded from the mortgages and charges specified in this Clause 2.1;

(B) to the extent that any assets are subject to a fixed charge under the Board Charge, those assets shall be excluded from the mortgages and fixed charges specified in this Clause 2.1;

(C) this Clause 2.1 is, in relation to the charge hereby created by the Company, subject to the Post Office Charge (as defined in the Security Deed); and

(D) the Ring-Fencing Deed Assets (as defined in the Security Deed) are excluded from the mortgages and charges specified in this Clause 2.1.

The Company shall not:

(a) create or permit to subsist any Security Interest on any Security Asset other than any Security Interest permitted under Clause 17.4 of the Security Deed (Negative Pledge), any transaction similar to security under clause 17.5 of the Security Deed (Transactions similar to security) or a fixed charge over the shares of a Proposed Target (as defined in the Security Deed) under Clause 17.7 of the Security Deed (Mergers, acquisitions and investments), of the Overdraft Facility Agreement; or

(b) sell, transfer, grant or lease or otherwise dispose of any Security Asset, except for the disposal in the ordinary course of trade of any Security Asset subject to the floating charge created under Clause 3.1 of the Security Deed (Creation of floating charge), the Post Office Charge (as defined in the Security Deed), a disposal permitted under Clause 17.6 of the Security Deed (Disposals) of the Overdraft Facility Agreement or a permitted merger, acquisition and investment under Clause 17.7 of the Security Deed (mergers, acquisitions and investments) of the Overdraft Facility Agreement.

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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. 02938988

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SECURITY DEED DATED THE 23rd NOVEMBER 2001 AND CREATED BY ENGLISH WELSH & SCOTTISH RAILWAY LIMITED FOR SECURING ALL PRESENT AND FUTURE OBLIGATIONS AND LIABILITIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE SECURITY HOLDER UNDER THIS DEED. WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 30th NOVEMBER 2001.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 4th DECEMBER 2001.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

R. B.



Companies House

— for the record —