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bold block lettering

*insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

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

2

3938607

Name of company

* INEOS HOLDINGS (FLUOR & SILICAS) LIMITED (the "Company")

Date of creation of the charge

23 May 2001

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

Debenture dated 23 May 2001 between Ineos Holdings Limited, (the
"Principal Obligor") and other companies and Barclays Bank PLC the
Security Agent (the "Debenture")

Amount secured by the mortgage or charge

All money or liabilities due, owing or incurred to any Secured Party by
any Charging Company or any other Obligor under any Finance Document at
present or in the future, in any manner whether actual or contingent,
whether incurred solely or jointly with any other person and whether as
principal or surety, together with all interest accruing thereon and
including all liabilities in connection with any notes, bills or other
instruments accepted by any Secured Party for or at the request of an
Obligor and all losses incurred by any Secured Party in connection
therewith except for any money or liability which, if it were so
included, would cause the infringement of section 151 of the Companies
Act 1985 or is otherwise unlawful or prohibited by any applicable law
(the "Indebtedness").

In this Form 395, terms used shall have the meanings given to them in
Appendix I

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

Barclays Bank PLC
54 Lombard Street
London
(the "Security Agent")

Postcode EC3P 3AH

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

Ashurst Morris Crisp
Broadwalk House
5 Appold Street
London
EC2A 2HA

SMB/BAR04.00007/2220333

Time critical reference

For official Use
Mortgage Section

Post room



Please see Continuation Sheets 1-10 and Appendix I (Definitions).

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Particulars as to commission allowance or discount (note 3)

None

Signed Ashurst Morris Crisp Date 5 June 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 CF14 3UZ

Appendix I

DEFINITIONS

"Acquisition Documents" means the acquisition documents specified in schedule 4 of the Debenture;

"Assigned Agreements" means the Acquisition Documents, the Hedging Agreements, the Insurances, and the Key Man Policies together with all those documents specified in Continuation Sheet 7;

"Book Debts" means all book and other debts and monetary claims;

"Cash Collateral Accounts" means the Cash Collateral Accounts as defined in the Senior Credit Agreement and the Subordinated Facility Agreement;

"Charged Property" means the assets mortgaged, charged or assigned to the Security Agent by the Debenture;

"Charging Companies" means the Principal Obligor, each of the companies listed in Continuation Sheet 6 and each company which grants security over its assets in favour of the Security Agent by executing a Security Accession Deed;

"Declared Default" means an Event of Default which has resulted in Barclays Bank PLC as facility agent exercising any of its rights under clause 21.2 (Cancellation and repayment) of the Senior Credit Agreement or Deutsche Bank AG London as subordinated facility agent exercising any of its rights under clause 19.2 (Cancellation and repayment) of the Subordinated Loan Agreement;

"Distribution Rights" means all dividends, distributions and other income paid or payable on an Investment or Subsidiary Share, together with all shares or other property derived from that Investment or Subsidiary Share and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that Investment or Subsidiary Share (whether by way of conversion, redemption, bonus, preference, option or otherwise);

"Events of Default" means Events of Default as defined in the Senior Credit Agreement and the Subordinated Facility Agreement;

"Finance Documents" means the Senior Finance Documents as defined in the Senior Credit Agreement and the Subordinated Finance Documents as defined in the Subordinated Facility Agreement;

"Floating Charge Asset" means an asset charged under clause 1.2 of Continuation Sheet 1 (Floating charge);

"Hedging Agreements" means the Hedging Agreements as defined in the Senior Credit Agreement and the Subordinated Facility Agreement;

"Indebtedness" means all money or liabilities due, owing or incurred to any Secured Party by any Charging Company or any other Obligor under any Finance Document at present or in the future, in any manner whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all interest accruing thereon and including all liabilities in connection with any notes, bills or other instruments accepted by any Secured Party for or at the request of an Obligor and all losses incurred by any Secured Party in connection therewith except for any money or liability which, if it were so included, would cause the infringement of section 151 of the Companies Act 1985 or is otherwise unlawful or prohibited by any applicable law;

"Insurances" means all policies of insurance and all proceeds of them either now or in the future held by, or written in favour of, a Charging Company or in which it is otherwise interested, but excluding any third party liability or public liability insurance and any directors and officers insurance;

"Intellectual Property" means all patents and patent applications, trade and service marks and trade and service mark applications (and all goodwill associated with any such registrations and applications), all brand and trade names, all copyrights and rights in the nature of copyright, all design rights, all registered designs and applications for registered designs, all inventions, all trade secrets, all know-how and all other intellectual property rights throughout the world;

"Investment" means any negotiable instrument, certificate of deposit, debenture, share or other investment (as defined in part 1 of schedule 1 to the Financial Services Act 1986 as at the date of the Debenture) owned by each Charging Company (including, unless the context otherwise requires, the Subsidiary Shares);

"Key Man Policies" means the insurance policies effected or to be effected by the Principal to the lives of each key member of Senior Management, as defined in the Senior Credit Agreement;

"Obligors" means Obligors as defined in the Senior Credit Agreement and the Subordinated Facility Agreement;

"Premises" means all freehold and leasehold property from time to time owned by a Charging Company or in which a Charging Company is otherwise interested, including the property, if any, specified in Continuation Sheet 9 (or, as the case may be, schedule 1 of the relevant Security Accession Deed);

"Receiver" means a receiver and manager or (if the Security Agent so specifies in the relevant appointment) administrative receiver in each case appointed under the Debenture;

"Secured Parties" means the Senior Finance Parties and the Subordinated Finance Parties;

"Security Accession Deed" means a deed executed by a group Company substantially in the form set out in schedule 7 of the Debenture, with those amendments which the Security Agent may approve or reasonably require;

"Senior Credit Agreement" means the credit agreement dated the date of the Debenture under which certain lenders have made available up to Euro 900,000,000 of facilities to certain group Companies;

"Senior Finance Parties" means the finance parties as defined in the Senior Credit Agreement;

"Senior Lenders" means the lenders as defined in the Senior Credit Agreement;

"Subordinated Facility Agreement" means the subordinated facility agreement dated the date of the Debenture pursuant to which the Subordinated Lenders have made available a subordinated loan facility of Euro 210,000,000 to Ineos Group Holdings Limited (company number 4215862);

"Subordinated Finance Parties" means the finance parties as defined in the Subordinated Facility Agreement;

"Subordinated Lenders" has the meaning given to such term in the Subordinated Facility Agreement; and

"Subsidiary Shares" means all shares owned by a Charging Company in its subsidiaries, including those specified in Continuation Sheet 8.

Words importing the plural shall include the singular and vice versa.

PROPERTY CHARGED**1.1 Fixed charges**

The Company, as security for the payment of the Indebtedness, has charged in favour of the Security Agent with full title guarantee the following assets, both present and future, from time to time owned by it or in which it has an interest:-

(a) by way of first legal mortgage:-

- (i) all freehold and leasehold property (including the property specified below in Continuation Sheet 9) together with all buildings and fixtures (including trade fixtures) on that property;

(b) by way of first fixed charge:-

- (i) all the Subsidiary Shares and Investments and all corresponding Distribution Rights;
- (ii) all other interests (not charged under clause 1.1(a)) in any freehold or leasehold property, the buildings and fixtures (including trade fixtures) on that property, all proceeds of sale derived therefrom and the benefit of all warranties and covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land;
- (iii) all plant, machinery, vehicles, computers, office and other equipment and the benefit of all contracts, licences and warranties relating thereto;
- (iv) all Book Debts and all rights and claims against third parties and against any security in respect of Book Debts;
- (v) (subject to clause 8.4(b) of the Debenture (Collection of book debts)) all monies standing to the credit of its accounts (including the Cash Collateral Accounts) with any bank, financial institution or other person;
- (vi) all its Intellectual Property Rights (including those set out after Continuation Sheet 10 if applicable);
- (vii) the benefit of all consents and agreements held by it in connection with the use of any of its assets;
- (viii) its goodwill and uncalled capital; and
- (ix) if not effectively assigned by clause 1.3 (Security assignment), all its rights and interests in (and claims under) the Assigned Agreements.

1.2 Floating charge

As further security for the payment of the Indebtedness, the Company has charged with full title guarantee in favour of the Security Agent (for the benefit of itself and the other Secured Parties) by way of first floating charge all its present and future assets not effectively charged by way of first fixed charge under clause 1.1 (Fixed charges) or assigned under clause 1.3 (Security assignment), including heritable property and all other assets in Scotland.

1.3 Security assignment

- (a) As further security for the payment of the Indebtedness, the Company assigns absolutely to the Security Agent all its rights, title and interest in the Assigned Agreements, provided that on payment or discharge in full of the Indebtedness the Security Agent will at the request and cost of the Company re-assign the Assigned Agreements to the Company (or as it shall direct).
- (b) Until the occurrence of a Declared Default, but subject to clause 8.8 of the Debenture (Assigned agreements), the relevant Charging Company may continue to deal with the counterparties to the relevant Assigned Agreements.

1.4 Conversion of floating charge

If:-

- (a) a Declared Default has occurred; or
- (b) the Security Agent is, acting reasonably, of the view that any legal process or execution is being enforced against any Floating Charge Asset or that any Floating Charge Asset is in danger of being seized or otherwise in jeopardy,

the Security Agent may, by notice to any Charging Company, (provided that, in respect of any conversion of the Floating Charge under paragraph (b) above, the Security Agent may only specify the Floating Charge Asset in question or the group of assets into which that Floating Charge Asset falls) convert the floating charge created under the Debenture into a fixed charge as regards those assets which it specifies in the notice. Each relevant Charging Company shall promptly execute a fixed charge or legal assignment over those assets in the form which the Security Agent requires.

1.5 Automatic conversion of floating charge

If any Charging Company creates (or purports to create) any Security Interest (except as permitted by the Senior Credit Agreement and the Subordinated Facility Agreement or with the prior consent of the Security Agent) on or over any Floating Charge Asset without the prior consent in writing of the Security Agent, or if any third party levies or attempts to levy any distress, attachment, execution or other legal process against any Floating Charge Asset, the floating charge created under the Debenture will automatically (without notice) and immediately be converted into a fixed charge over the relevant Floating Charge Asset.

1.6 Leasehold Interests Containing Prohibition on Charging:

- (a) Until the relevant consent has been obtained, there shall be excluded from the charge created by clause 1.1 (and from the operation of the further assurance provisions set out in clause 2) any leasehold property held by a Charging Company under a lease the terms of which either preclude absolutely such Charging Company from creating any charge over its leasehold interest in such property or require the consent of any third party prior to the creation of such charge and such consent shall not have been previously obtained (each an "Excluded Property").
- (b) With regard to each Excluded Property, each relevant Charging Company has made the undertaking to make application for the consent of the relevant third party to the creation of the charge contained in clause 1.1 (or to be created pursuant to clause 2) within twenty Business Days of the date of the Debenture and to use all reasonable endeavours to obtain such consent as soon as possible and to keep the Security Agent or its solicitors regularly informed of the progress of its negotiations with such third parties.

- (c) Forthwith, upon receipt of the relevant third party's consent as aforesaid, the relevant Excluded Property shall thereupon stand charged to the Security Agent pursuant to the terms of clause 1.1 above. If required by the Security Agent at any time following receipt of such consent the relevant Charging Company will execute a valid legal mortgage in such form as the Security Agent shall reasonably require.

1.7 Intellectual Property Rights restricting charging

- (a) There shall be excluded from the charge created by clause 1.1 (Fixed charges) and from the operation of clause 2 (Further assurance) any Intellectual Property Right in which a Charging Company has an interest under any licence or other agreement which either precludes absolutely or conditionally (including requiring the consent of any third party) that Charging Company from creating any charge over its interest in that Intellectual Property (each an **"Excluded Intellectual Property Right"**) until the relevant condition or waiver has been satisfied or obtained.
- (b) For each Excluded Intellectual Property Right, each relevant Charging Company has made the undertaking to apply for the relevant consent or waiver of prohibition or condition within fourteen days of the date of the Debenture and, in respect of any licence or agreement which provides that the relevant third party will not unreasonably withhold its consent to charging (for this purpose a **"Relevant Intellectual Property Right"**), to use its best endeavours to obtain such consent as soon as possible and to keep the Security Agent informed of the progress of its negotiations.
- (c) Forthwith upon receipt of the relevant waiver or consent, the relevant formerly Excluded Intellectual Property Right shall stand charged to the Security Agent under clause 1.1 (Fixed charges). At any time following receipt of that waiver or consent or, in respect of any Relevant Intellectual Property Right, if earlier, the date falling sixty days after the date of the Debenture, the relevant Charging Company will, if required by the Security Agent, forthwith execute a valid fixed charge or legal assignment in such form as the Security Agent shall require.

2. FURTHER ASSURANCE

2.1 General

- (a) Subject to Schedule 4 paragraph 24 (Share certificates and stock transfers) of the Senior Credit Agreement, the Company will, at its own expense, promptly following request by the Security Agent, execute such deeds and other agreements and otherwise take whatever action the Security Agent may reasonably require:-
- (i) to perfect and/or protect the security created (or intended to be created) by the Debenture;
 - (ii) to facilitate the realisation or enforcement of such security;
 - (iii) to facilitate the exercise of any of the Security Agent's rights, powers or discretions under the Debenture; and/or
 - (iv) to confer on the Security Agent security over any assets of that Charging Company (in whatever jurisdiction situated) equivalent or similar to the security intended to be conferred by the Debenture,

including the conversion of charges to assignments, equitable security to legal security, the execution of any transfer, conveyance, assignment or assurance whatsoever and the giving of all notices, orders, instructions and directions whatsoever.

- (b) Any security document required to be executed by a Charging Company under this clause 2.1 will contain clauses corresponding to the provisions set out in the Debenture.

2.2 H.M. Land Registry

- (a) In relation to real property which is registered at HM Land Registry or which is subject to a first registration application at HM Land Registry and which is charged by way of legal mortgage under the Debenture situated in England and Wales, each Charging Company shall apply to the Chief Land Registrar for a restriction to be entered on the Register of Title of all that real property and agrees to apply for such a restriction in the following terms:-

"Except under an Order of the Registrar, no disposition by the proprietor of the land or charge or other security interest is to be registered without the consent of the proprietor for the time being of *[the charge hereby created]*".

- (b) Subject to the terms of the Senior Credit Agreement and the Subordinated Facility Agreement, the Senior Lenders and the Subordinated Lenders respectively are under an obligation to make further advances to Obligors and the security was made for securing those further advances. The Security Agent shall apply to the Chief Land Registrar in the following terms:-

"*[Description of the Lenders]* are under an obligation to make further advances and application is made to the Registrar for a note to be entered on the register to that effect."

- (c) In respect of any part of the Charged Property title to which is registered at H.M. Land Registry or which is in the process of first registration at HM Land Registry, it is certified that the security created by the Debenture does not contravene any of the provisions of the memorandum or articles of association of any Charging Company.

2.3 Register of trade marks

Each Charging Company as registered proprietor appoints the Security Agent as its agent to apply for the particulars of the Debenture and of the Secured Parties' interest in its existing trade marks and trade mark applications and any future trade marks or trade mark applications registered or to be registered in the United Kingdom in the name of that Charging Company, to be made on the Register of Trade Marks under section 25(1) of the Trade Marks Act 1994, and each Charging Company agrees to execute all documents and forms required to enable those particulars to be entered on the Register of Trade Marks.

3. NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS

The Company may not:-

- (a) create or agree to create or permit to subsist any Security Interest over all or any part of the Charged Property;
- (b) sell, transfer, lease out, lend or otherwise dispose of all or any part of the Charged Property (other than Floating Charge Assets on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so; or
- (c) dispose of the equity of redemption in respect of all or any part of the Charged Property,

except as permitted by the Senior Credit Agreement and the Subordinated Facility Agreement or with the prior written consent of the Security Agent.

CHARGING COMPANIES

Name	Registered Number
Ineos Phenol Limited	4122347
Grangehunter Limited	4068860
Ineos Oxide Limited	3545207
Ineos Overseas Company I Limited	4092648
Ineos Overseas Company II Limited	4092597
Ineos Investment Holdings (Fluor & Silicas) Limited	3982231
Ineos Intermediate Holdings (Fluor & Silicas) Limited	4085956
Ineos Holdings (Fluor & Silicas) Limited	3938607
Ineos Fluor Holdings Limited	4049690
Ineos Fluor Limited	4041123
Ineos Fluor International Limited	4110462
Ineos Fluor Partners Limited	4115524
Ineos Fluor Delaware Limited	4115605
Ineos Silicas Holdings Limited	4012355
Ineos Silicas International Limited	4111647
Ineos Silicas Partners Limited	4115521
Ineos Silicas Delaware Limited	4115529
Ineos Silicas Limited	48745

ASSIGNED AGREEMENTS

1. Asset Purchase Agreement by and between The Dow Chemical Company and Ineos, L.L.C dated 31 July 2000.
2. Master Sale and Purchase Agreement relating to the ICI Cormorant, Conway and Kestrel Business between Imperial Chemical Industries PLC, Valueclip Limited, Totalalpha Limited, Webrate Limited and Mawlaw 519 Limited dated 5 December 2000.
3. Purchase and Sale Agreement regarding the acquisition of the Phenolchemie Business of the Degussa Group dated 30 March 2001.
4. Funding Loan Agreement.
5. Intercompany Loan Agreements dated on or about the date of the Debenture:
 - (a) between Ineos Holdings Limited (4215887) (as lender) and Ineos Holdings (Fluor & Silicas) Limited (3938607) (as borrower) for €30,000,000 denominated in Euros (originally advanced under the Subordinated Loan Agreement);
 - (b) between Ineos US Finance LLC (as lender) and Ineos Partners (DGP) (as borrower) for €141,147,292 denominated in Dollars (originally advanced as a Term C Advance);
 - (c) between Ineos Holdings Limited (4215887) (as lender) and Ineos Oxide (3545207) (as borrower) for €135,000,000 denominated in Euros (originally advanced under the Subordinated Loan Agreement);
 - (d) between Ineos US Holding Company (as lender) and Ineos Holdings (Fluor & Silicas) Limited (3938607) (as borrower) for €123,337,139 denominated in Dollars (originally advanced as Term C Advance);
 - (e) between Ineos Oxide Limited (3545207) (as lender) and Ineos UK Holding Finance Company Limited (4105193) (as borrower) for €9,144,000 denominated in Dollars (originally advanced under the Subordinated Loan Agreement);
 - (f) between Ineos UK Holding Finance Company Limited (4105193) (as lender) and Ineos US Finance LLC (as borrower) for €9,144,000 denominated in Dollars (originally advanced under the Subordinated Loan Agreement);
 - (g) between Ineos US Finance LLC (as lender) and Ineos Partners (DGP) (as borrower) for €9,144,000 denominated in Dollars (originally advanced under the Subordinated Loan Agreement);
 - (h) between Ineos Oxide Limited (3545207) (as lender) and Ineos Holdings (Fluor & Silicas) Limited (3938607) (as borrower) for \$5,250,000 (cash in lender); and
 - (i) between Ineos US Finance LLC (as lender) and Ineos Holdings (Fluor & Silicas) Limited (3938607) (as borrower) for €38,852,708 denominated in Dollars (originally advanced as Term C Advance).

SUBSIDIARY SHARES

Charging Company	Subsidiary	Number and class of shares
Ineos Holdings (Fluor & Silicas) Limited	Ineos Fluor Holdings Limited	1 ordinary share of £1
Ineos Holdings (Fluor & Silicas) Limited	Ineos Silicas Holdings Limited	1 ordinary share of £1

DETAILS OF PROPERTIES

Not Applicable

INTELLECTUAL PROPERTY RIGHTS

Not Applicable

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03938607

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE BETWEEN INEOS HOLDINGS LIMITED (THE "PRINCIPAL OBLIGOR") AND OTHER COMPANIES AND BARCLAYS BANK PLC THE SECURITY AGENT (THE "DEBENTURE") DATED THE 23rd MAY 2001 AND CREATED BY INEOS HOLDINGS (FLUOR & SILICAS) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM ANY CHARGING COMPANY OR ANY OTHER OBLIGOR TO ANY SECURED PARTY UNDER ANY FINANCE DOCUMENT ON ANY ACCOUNT WHATSOEVER EXCEPT FOR ANY MONIES WHICH WERE SO INCLUDED, WOULD CAUSE THE INFRINGEMENT OF SECTION 151 OF THE COMPANIES ACT 1985 OR OTHERWISE UNLAWFUL OR PROHIBITED BY ANY APPLICABLE LAW (THE "INDEBTEDNESS") (ALL TERMS AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 5th JUNE 2001.

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

LC
Pam.



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES