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CHFP014

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in black type, or
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 5)

For official use

Company number

2

4661575

Name of company

* CELSA STEEL (UK) LIMITED (the "Borrower")

Date of creation of the charge

16/04/2004

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

Debenture dated 16 April 2004 (the "Debenture") between (1) the Borrower; and (2)
Bank of America, National Association (the "Security Trustee")

Amount secured by the mortgage or charge

All monies, obligations and liabilities (whether present or future, actual or
contingent) from time to time due, owing or incurred by the Borrower to the Secured
Parties whether directly or indirectly, under or pursuant to the terms of any of the
Finance Documents and/or in connection with the credit facilities or other financial
accommodation from time to time granted or otherwise made available pursuant to
the Finance Documents, including liabilities under Hedging Agreements to the extent
entered into with any of the Secured Parties and, without limitation, interest (as well
after as before judgment) at such rate as may from time to time be payable and all
commissions, fees, costs, charges and expenses payable under or pursuant to the
Finance Documents (together the "Secured Obligations").

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

Bank of America, National Association

5 Canada Square, London

(Attention: Business Credit, Portfolio Management)

Postcode

E14 5AQ

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

Hammonds (ref: DJC/MOI/AME.070-0012)

Hammonds, 7 Devonshire Square,
Cutlers Gardens, London, EC2M 4YH

Time critical reference

For official Use
Mortgage Section

Post room



A52
COMPANIES HOUSE

0686
24/04/04

1 Fixed Charges

By Clause 2.1 of the Debenture the Borrower with full title guarantee and as a continuing security for the payment and discharge of the Secured Obligations charged to the Security Trustee:-

- (a) by way of fixed charge all of its Receivables from time to time; and
- (b) by way of fixed charge each Receivables Account and the Ancillary Rights relating thereto.

2 Floating Charge

By Clause 2.2 of the Debenture the Borrower with full title guarantee and as a continuing security for the payment, performance and discharge of the Secured Obligations charged to the Security Trustee by way of floating charge all of its undertaking and all of its other business, property, assets and rights (including its Inventory), whatsoever and wheresoever, both present and future (save insofar as any of the same shall for the time being be effectively mortgaged or charged by way of fixed charge under the provisions of Clauses 2.1(a) or 2.1(b) of the Debenture or assigned by way of security under the provisions of Clause 2.3 of the Debenture.

See continuation sheet 1

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legibly, preferably
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bold block lettering

1
2
3

Particulars as to commission allowance or discount (Note 3)

NIL

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

Signed

Hammond

Date

23/04/04

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

† 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", "Debentures", "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

3 Assignments by way of Security

By Clause 2.3 of the Debenture the Borrower with full title guarantee and as a continuing security for the payment, performance and discharge of the Secured Obligations assigned and agreed to assign to the Security Trustee all its rights, title and interest in and to the Assigned Agreements and all its rights, benefits and remedies enjoyed or exercisable thereunder.

*Please complete
legibly, preferably
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bold block lettering*

4 Tacking/Further Advances

The security constituted by the Debenture secures present and further advances.

NOTE: Negative Pledge

The Borrower has agreed that it will not, save as permitted under the Agreement or the Debenture:-

(a) Encumbrances

create or permit to subsist any encumbrance on or over the Collateral or any interest therein ranking in priority to, *pari passu* with or subsequent to the security constituted or intended to be constituted by the Debenture; or

(b) Disposals

sell, transfer, assign, lease out, lend or otherwise dispose of (whether outright, by a sale and repurchase or sale and leaseback arrangement or otherwise), or grant any rights (whether of pre-emption or otherwise) over, the Collateral or any interest therein nor enter into any agreement to do any of the same (save in the ordinary course of its operations in the case of assets of the Borrower charged by the Debenture by way of floating charge only and save for Permitted Disposals).

NOTE: Conversion of Floating Charge

(a) Without prejudice to the security constituted or intended to be constituted by the Debenture, the Security Trustee may at any time by notice in writing to the Borrower convert the floating charge created by the Borrower pursuant to Clause 2.2 of the Debenture with immediate effect into a fixed charge as regards any of the Collateral of the Borrower specified in the notice:-

(i) at any time after the Security Trustee becomes entitled to appoint a Receiver notwithstanding it may elect not to do so; or

(ii) if the Security Trustee is of the view (acting reasonably) such Collateral to be in danger of seizure, distress, attachment, execution, diligence or other legal process or to be otherwise in jeopardy.

(b) The floating charge created by the Borrower pursuant to Clause 2.2 of the Debenture shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge:-

(i) upon the presentation of a petition or an application for an administration order to be made in relation to the Borrower or upon a notice of intention to appoint an administrator in relation to the Borrower being received;

(ii) if the Borrower fails to comply with its obligations under Clause 7 of the Debenture provided that the floating charge created by the Borrower pursuant to Clause 2.2 of the Debenture shall only be converted into a fixed charge to the extent of the Collateral to which the breach relates;

(iii) upon any person taking any step with a view to levying distress against any of the Collateral of the Borrower or any judgment creditor taking any step with a view to the enforcing against any of the Collateral of the Borrower a judgment obtained against the Borrower whether by a warrant of execution, writ of fieri facias, garnishee order, charging order or otherwise; or

(iv) if any other floating charge created by the Borrower crystallises for any reason.

See continuation sheet 2.

DEFINITIONS

"Account" in relation to the Borrower, its right to payment for a sale and delivery of goods;

"Account Debtor" each person having any obligation on or in connection with an Account;

"Affiliate"

(a) a person which, directly or indirectly, controls or is controlled by or is under common control with, the Borrower;

(b) a person which beneficially owns or holds, directly or indirectly, 5% or more of any class of voting shares of the Borrower; or

(c) a person in which 5% of any class of voting shares is beneficially owned or held, directly or indirectly, by the Borrower;

"Agent" Bank of America, National Association in its capacity as agent for the Banks;

"Agreement" the credit agreement dated 18 February 2003 (as amended) made between (1) the Borrower, (2) Bank of America, National Association (as Issuing Bank, Agent and Security Trustee) and (3) the banks and financial institutions named therein (as Original Banks);

"Ancillary Rights" the right to demand, sue for, recover, receive and give receipts for all amounts due and to become due in respect of Receivables the benefit of all covenants and undertakings from Account Debtors in relation to the Accounts and the benefit of all other causes and rights of action against Account Debtors in respect of amounts due and to become due under their Accounts;

"Assigned Agreements" collectively, the Property Licences, the Processing Agreement, the Inventory Purchase Agreement and the Buy Back Agreement;

"Bank" (i) any Original Bank and (ii) any bank, financial institution, trust, fund or other entity which has become a party to the Agreement pursuant to Clause 25 of the Agreement, which, in each case, has not ceased to be a party to the Agreement;

"Beneficiary" each of the Agent, the Issuing Bank, the Security Trustee and any Bank;

"Buy Back Agreement" the agreement relating to the purchase of stock by Celsa Spain from the Borrower in certain circumstances entered into or, as the case may be, to be entered into between (1) Celsa Spain and (2) the Borrower in the approved terms;

"Celsa Spain" Compania Espanola de Laminacion, S.L. (a company incorporated in Spain registered at the Mercantile Registry of Barcelona at volume 20584, sheet 81, page number B-7278 whose registered office is at Poligona Industrial San Vicente s/n Castellbisball (Barcelona) and with NIF number B59559 351);

"Celsa UK Group Undertaking" the deed of undertaking entered into or, as the case may be, to be entered into between (1) the Parent, (2) OpCo, (3) PropCo, (4) the Borrower and (5) Bank of America, National Association (acting in its capacity as Agent and Security Trustee) in the approved terms;

"Collateral" all of the Borrower's undertaking and all of its other business, property, assets and rights (including its Inventory) and, where the context so admits, each of them and any part thereof and the proceeds of the disposal of the same and all rights, title and interest in and to the same, in each such case as may now or in the future be the subject of the security constituted or intended to be constituted by the Debenture;

"Disposal" a sale, lease as lessor, lend, transfer, assignment or other disposal (whether outright, by way of sale and repurchase, sale and leaseback or otherwise) of any asset;

"Fees Letter" the letter from the Agent to the Borrower dated 5 April 2004 setting out certain of the fees payable under Clause 19 of the Agreement;

See continuation sheet 3.

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

"Finance Documents" the Agreement, the Security Documents, the Hedging Agreements, the Buy Back Agreement, the Fees Letter, the Celsa UK Group Undertaking and any other agreement, deed, notice, document or certificate entered into pursuant thereto or otherwise in connection therewith from time to time;

"Group" the Parent and all its Subsidiaries from time to time;

"Hedging Agreements" interest rate hedging agreements entered into between the Borrower and the Agent or other banks or financial institutions reasonably acceptable to the Agent in the approved terms;

"Inventory" all of the Borrower's inventory, goods and merchandise owned at the date of the Debenture or at any time thereafter, wherever located, to be furnished under any contract of service or held for sale or lease, all raw materials, work-in-progress, finished goods, returned goods and materials and supplies of any kind, nature or description which are or might be used or consumed in its businesses or used in connection with the manufacture, packing, shipping, advertising, selling or finishing of such goods, merchandise and such other specified property, and all documents of title or other document representing them;

"Inventory Purchase Agreement" the agreement for the purchase of Inventory by the Borrower from OpCo entered into or, as the case may be, to be entered into between (1) the Borrower and (2) OpCo in the approved terms;

"Issuing Bank" Bank of America, National Association in its capacity as the Bank issuing any Letter of Credit;

"Letter of Credit" any letter of credit or a standby letter of credit (which has been specifically agreed between the Borrower and the Agent) issued by the Issuing Bank at the request of the Borrower pursuant to the terms of Clause 4.4 of the Agreement;

"OpCo" Celsa Manufacturing (UK) Limited, a company incorporated in England and Wales with registered number 4577881;

"Original Banks" Bank of America, National Association;

"Parent" Celsa (UK) Holdings Limited, a company incorporated in England and Wales with registered number 4578086;

"Permitted Disposal"

- (a) a sale of Inventory in the ordinary course of trading;
- (b) a Disposal of cash under the Inventory Purchase Agreement to acquire Inventory;
- (c) a Disposal of cash by way of Permitted Dividend;
- (d) as a result of the creation of a Permitted Encumbrance;
- (e) a payment under the Property Licences or the Processing Agreement;
- (f) a Disposal of cash by way of acquisition of Short Term Cash Equivalent Investments;
- (g) with the prior written consent of the Agent or as permitted under the Agreement;

"Permitted Dividend" has the meaning given to it in Clause 13.3(c) of the Agreement;

"Permitted Encumbrance" any encumbrance permitted under Clause 13.3(a) of the Agreement;

"PropCo" Celsa (Wales) Limited, a company incorporated in England and Wales with registered number 4578079;

"Processing Agreement" the inventory processing agreement entered into or, as the case may be, to be entered into between (1) the Borrower and (2) OpCo in the approved terms;

See continuation sheet 4.

"Property Licences" collectively, the licence agreements entered into or, as the case may be, to be entered into between (1) the Borrower and (2) OpCo and (1) the Borrower and (2) PropCo respectively in the approved terms;

"Receivables" all present and future book and other debts, revenues and claims, whether actual or contingent due or owing to the Borrower by Account Debtors in relation to the Accounts and the benefit of all related rights and remedies, including, without limitation, under negotiable or non-negotiable instruments, guarantees, indemnities, legal and equitable charges, reservation of proprietary rights, rights of tracing and liens;

"Receivables Account" means each account specified in Schedule 1 to the Debenture (or any renamed, substituted or replacement account therefor) to which Receivables are paid or credited together with all monies from time to time standing to the credit of any such account;

"Receiver" a receiver and/or manager (including, as the context admits, an administrative receiver) appointed under the Debenture;

"Secured Parties" each of the Banks, the Agent, the Issuing Bank and the Security Trustee;

"Security Documents" the Debenture and any document creating an encumbrance over any asset of the Borrower entered into pursuant thereto and any other security document granted to the Security Trustee as security for the Borrower's obligations to the Beneficiaries;

"Short Term Cash Equivalent Investments"

(a) debt securities denominated in sterling, United States dollars or euro issued or guaranteed by the government of, respectively, the United Kingdom, the United States of America or any government of a member state of the European Union which has adopted the euro as its currency, in each case where such debt securities are readily marketable are not convertible into any other form of security;

(b) debt securities and commercial paper denominated in sterling, United States dollars or euro which are readily marketable, are not convertible into any other form of security, are rated P-1 by Moody's Investor Services Inc. ("Moody's") or A-1 by Standard & Poor's Corporation ("S&P") and are not issued or guaranteed by any member of the Group or its Affiliates;

(c) certificates of deposit denominated in sterling, United States dollars or euro which are readily marketable issued by a bank incorporated in a member state of the European Union at the date of this Agreement provided that such bank has either been approved for the purposes of this definition by the Agent or has a current long term unsecured debt rating of at least A granted by Moody's or S&P;

(d) such other securities, investments or instruments (if any) as are approved as such in writing by the Agent; and

(e) cash held in an account opened with the Security Trustee or any other bank having a current long term debt rating of at least A granted by Moody's or S&P;

See continuation sheet 5.

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

"Subsidiary" a subsidiary (as that term is defined in section 736 Companies Act 1985) and a subsidiary undertaking (as that term is defined in section 258 Companies Act 1985);

*Please complete
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bold block lettering*

**SCHEDULE 1
RECEIVABLES ACCOUNT(S)**

Name of Account holder	Name and address of entity at which account is held	Account details	Amount held as at the date of the Debenture
Celsa Steel Sales (UK) Limited	Bank of America, National Association	Receivables Account No: 6008 65716 022 Sort Code: 16-50-50	£1.00

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04661575

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 16th APRIL 2004 AND CREATED BY CELSA STEEL (UK) LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE SECURED PARTIES 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 24th APRIL 2004.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 28th APRIL 2004.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —