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CR 53

COMPANIES FORM No. 402 Particulars of a mortgage or charge

402

Pursuant to Article 402(1) of the Companies (Northern Ireland) Order 1986.

Please do not
write in
this margin

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

* insert full name
of company

To the Registrar of Companies

For official use

Company number

[] [] [] [] [] [] [] []

*NI 29603

29630 / 31 32156

Name of company

* INTELLECTUAL SYSTEMS LIMITED ("THE COMPANY")

Date of creation of the charge

* 5TH SEPTEMBER 1997

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

CHARGE OVER STOCK, SHARES AND OTHER SECURITIES ("THE CHARGE")

Amount secured by the mortgage or charge

All monies which now are or at any time hereafter may be or become due or owing by the Company to Ulster Bank Limited and Ulster Bank Markets Limited ("the Bank") on any current or other account and discharge all other liabilities, whether actual or contingent, now existing or hereafter incurred by the Company to the Bank (whether in either case due, owing or incurred by the Company alone or jointly with any other person(s) and in whatever name, firm or style and whether as principal or surety, and whether originally incurred, due or owing by virtue of a transfer of assignment or other disposition thereof to or in favour of the Bank) together with interest, discount, commission and other banking charges.

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

* Ulster Bank Limited having its registered office at 47 Donegall Place, Belfast and
Ulster Bank Markets Limited having its address for service in Northern Ireland at 2
Linenhall Street, Belfast, BT2 8BA

Postcode

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

L'Estrange & Brett
Solicitors
7 & 9 Chichester Street
BELFAST
BT1 4JG

For official use
Public Office
DEPARTMENT OF
ECONOMIC DEVELOPMENT

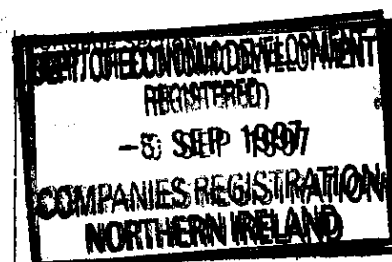
Companies Registration

RECEIVED

- 8 SEP 1997

RECEIPT No.

CHECKED (initials)



Short particulars of all the property mortgaged or charged

Please do not
write in this
margin

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

See Attached Continuation Sheet

Particulars as to commission, allowance or discount (note 3)

Nil

Signed



Date

5TH SEPTEMBER 1997

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 (Article 402). 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 (Article 405). 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 (Article 405), 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 Article 405(4) applies (property situate in Great Britain) and Form No. 405 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 Box 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 are insufficient the particulars must be entered on the prescribed continuation sheet.

1. 400,000 Ordinary Shares of Ten pence each in Controlled Electronic Management Systems Limited.
2. All stocks, shares and other securities:
 - (i) for which the certificates and other documents have been or are about to be deposited by the Company with the Bank or its agents;
 - (ii) for which the certificates and other documents are now held by the Bank or its agents for the account of the Company; or
 - (iii) represented by any certificates or other documents from time to time hereafter deposited by the Company with the Bank or its agents or belonging to the Company and received by the Bank or its agents after the execution hereof, irrespective of whether in any of such cases the deposit was made or the certificates or other documents were received by the Bank or its agents for the purposes of safe custody, collection or otherwise;
3. All stocks, shares or other securities, rights, monies, or other property accruing, offered or issued at any time by way of bonus, redemption, exchange, purchase, substitution, conversion, preference, option or otherwise in respect of any stocks, shares or other securities referred to in paragraph 1 above or in respect of any stocks, shares or other securities, rights, monies or other property previously accruing, offered or issued as mentioned in clause; and
4. All dividends, interest and other income at any time hereafter deriving from any stocks, shares or other securities, rights, monies or other property for the time being falling within paragraphs 2 (i) or 2 (ii) or deriving from any investment of any such dividends, interest or other income.

WHICH items 1, 2, 3 and 4 above are hereinafter called "the Charged Property".

5. The security from time to time constituted by or pursuant to the Charge shall:
 - (a) be in addition to and shall be independent of every bill, note, guarantee, mortgage or other security which the Bank may at any time hold and it is hereby declared that no prior security held by the Bank over the whole or any part of the Charged Property shall merge in the security created hereby or pursuant hereto; and
 - (b) remain in full force and effect as a continuing security until discharge by the Bank.
6. The Company may not at any time, without the written consent of the Bank and in accordance with and subject to any conditions which the Bank may attach to such consent, floating charge, pledge, hypothecation or lien (other than in the ordinary course of business) or other security interest of any kind on or in the Charged Property or any part thereof, whether in any case ranking in priority to or pari passu with or after the security created by the Company pursuant to the Charge.

DUPLICATE FOR THE FILE



NI29630

CERTIFICATE OF THE REGISTRATION OF A MORTGAGE

Pursuant to Article 409(3) of the
Companies (Northern Ireland) Order 1986

I HEREBY CERTIFY that a Mortgage or Charge
dated the fifth day of September One thousand nine hundred and ninety
seven and created by

INTELLECTUAL SYSTEMS LIMITED

for securing all moneys now due, or hereafter to become due, or from
time to time accruing due from the Company to

ULSTER BANK LIMITED

ULSTER BANK MARKETS LIMITED

on any account whatsoever, was this day REGISTERED pursuant to
Part XIII of the Companies (Northern Ireland) Order 1986.

Given under my hand at Belfast, this eighth day of September
One thousand nine hundred and ninety seven

A handwritten signature in cursive script, appearing to read "Janet McBurn".

for the Registrar of Companies for
Northern Ireland

Certificate
received by

A handwritten signature in cursive script, appearing to read "M. Scallan".

Date 11/5/97