COMPANIES FORM No. 395

Particulars of a mortgage or charge

Bare
125106
£90x9

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

CHFP025

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
(Address overleaf - Note 6)

For official use

Company number 4012109

Name of company

* JDP Frames Limited (the "Company")

Date of creation of the charge

06 July 2000

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

A debenture dated 6 July 2000 (the "Debenture") and made between:
1. Singer & Friedlander Limited (the "Bank"); and
2. the Company.

Amount secured by the mortgage or charge

Each and every liability, of any kind whatsoever and howsoever arising, which the Company or any other Group Companies may as at the date of the Debenture or thereafter have to the Bank whether (a) present or future (b) actual or contingent (c) incurred by the Company or any other Group Company alone or jointly with another person or persons and/or (d) incurred by the Company or any other Group Company as principal or as surety or in some other capacity (e) incurred on any account or in any manner whatsoever (including under or pursuant to, or in respect of or in connection with any Guarantee, the Debenture or any other Facility Document) including any liability in respect of any further advances and any liability in respect of any breach of any obligation, undertaking, representation or warranty and every sum (of or in respect of principal, interest or otherwise) as at the date of the Debenture or at any time thereafter due, owing, payable or incurred

See Schedule 1

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

SINGER & FRIEDLANDER LIMITED, having its registered office at 21 New Street, Bishopsgate, London

Postcode EC2M 4HR

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

Simmons & Simmons
21 Wilson Street
London
EC2M 2TX

1/X6184/SHM/SRP 56EDBA

Time critical reference

For official Use
Mortgage Section

Post room

L820I85Y
LD3
COMPANIES HOUSE
0260
13/07/00

Short particulars of all the property mortgaged or charged

See Schedule 2 for Short particulars of all the property mortgaged or charged.

See Schedule 3 for definitions.

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)

None

Signed Simmons & Simmons Date 13/07/2000

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 CF4 3UZ

Schedule 1

from or by the Company or any other Group Company to the Bank under or pursuant to, or in respect of, or in connection with any such liabilities.

Schedule 2

The Company with full title guarantee:

(A) **Real Property**

(1) charges in favour of the Bank by way of legal mortgage all Real Property situated in England and Wales and belonging to the Company at the date of the Debenture (including the Legal Charge Property);

(2) charges in favour of the Bank by way of fixed charge all Real Property situated outside England and Wales and belonging to the Company at the date of the Debenture; and

(3) charges in favour of the Bank by way of fixed charge all Real Property acquired by the Company at any time after the date of the Debenture;

(B) **Chattels**

charges in favour of the Bank by way of fixed charge all right, title and interest of the Company to and in the Chattels;

(C) **Policies**

(1) assigns absolutely to the Bank all right, title and interest of the Company to and in the Life Policies; and

(2) assigns absolutely to the Bank all right, title and interest of the Company to and in all rights and claims to which the Company was at the date of the Debenture or at any time thereafter becomes entitled in relation to the proceeds of any of the Non-Life Policies;

(D) **Intellectual Property**

charges in favour of the Bank by way of fixed charge all right, title and interest of the Company to and in the Charged Intellectual Property;

(E) **Investments**

charges in favour of the Bank by way of fixed charge all right, title and interest of the Company to and in the Investments;

(F) **Accounts**

(1) charges in favour of the Bank by way of fixed charge all right, title and interest of the Company to and in all rights and claims to which the Company was at the time of the Debenture or at any time therefore becomes entitled in relation to all moneys at the date of the Debenture or at any time thereafter standing to the credit of any of the Controlled Accounts opened or maintained with the Bank together with all rights relating or attaching thereto (including the right to interest accruing thereon); and

(2) assigns absolutely to the Bank all right, title and interest of the Company to and in all rights and claims to which the Company was at the date of the Debenture or at any time thereafter becomes entitled in relation to all moneys

at the date of the Debenture or at any time thereafter standing to the credit of any of the Controlled Accounts opened or maintained with any bank or financial institution other than the Bank together with all rights relating or attaching thereto (including the right to interest accruing thereon);

(G) **Contracts**

assigns absolutely to the Bank all right, title and interest of the Company to and in all rights and claims to which the Company was at the date of the Debenture or at any time thereafter becomes entitled under or in respect of the Contracts;

(H) **Claims**

assigns absolutely to the Bank all right, title and interest of the Company to and in the Claims;

(I) **Debts**

charges in favour of the Bank by way of fixed charge all right, title and interest of the Company to and in all the Debts which are not otherwise subject to a fixed charge or assigned (whether at law or in equity) to the Bank by or pursuant to the Debenture;

(J) **Goodwill**

charges in favour of the Bank by way of fixed charge all goodwill at the date of the Debenture or at any time thereafter belonging to the Company;

(K) **Uncalled Capital**

charges in favour of the Bank by way of fixed charge all rights and claims to which the Company was at the date of the Debenture or at any time thereafter becomes entitled in relation to its uncalled capital;

(L) **Orders under Insolvency Act**

charges in favour of the Bank by way of fixed charge all right, title and interest of the Company to and in all moneys and other assets at the date of the Debenture or at any time thereafter due, owing, payable or transferable to the Company or any administrator or liquidator thereof pursuant to any order or declaration of the court made pursuant to any provision of the Insolvency Act 1986;

(M) **Floating Charge**

charges in favour of the Bank by way of floating charge the Floating Charge Accounts and the whole of the Company's other undertaking and assets, present and future, other than any assets for the time being effectively charged to the Bank by way of fixed charge or effectively assigned (whether at law or in equity) to the Bank or otherwise subject to an effective fixed security in favour of the Bank pursuant to this Debenture;

Negative Pledge

The Company undertakes that at no time during the subsistence of the Security will the Company create, grant, extend or attempt to create, grant, extend or permit to subsist any

encumbrance other than a Permitted Encumbrance on or over all or any part of the Charged Property;

Non Disposal

The Company undertakes that at no time during the subsistence of the Security will the Company, except with the prior written consent of the Bank and except for disposals of property for the time being subject to the floating charge in the ordinary and usual course of and for the purposes of its business:

(1) sell, transfer, assign, lease or otherwise dispose of all or any part of the Charged Property; or

(2) dispose of, or create, any estate, interest or right in or over, or relating to the use, occupation, possession or enjoyment of, all or any part of the Charged Property or permit the acquisition by any person of any proprietary interest or any right in or over, or which may affect the value of, any of the Charged Property; or

(3) grant any right of pre-emption or any option in respect of or in connection with any of the foregoing; or

(4) agree to do any of the foregoing;

Prohibition on factoring book debts

The Company shall not at any time without such a direction or consent compound, release, exchange, set-off, factor or discount the whole or any part of any Debt, or grant time or indulgence in respect thereof or enter into any agreement for any of the foregoing or do anything whereby the recovery of the whole or any part of any Debt may be impeded, delayed or prevented; and

Automatic Crystallisation of Floating Charge

The Debenture provides that if:

(1) the Company creates or permits to subsist any encumbrance other than in favour of the Bank on, over or with respect to any of the Charged Property subject to the floating charge, or attempts to do so, or

(2) any person carries out, or attempts to carry out, any enforcement or process (including any distress, execution, taking of possession, forfeiture or sequestration) against any of the Charged Property subject to the floating charge,

the floating charge over the Charged Property the subject of such encumbrance, enforcement or process shall be deemed to have been automatically converted into a fixed charge, without any notice from the Bank to the Company, immediately before such event occurs.

Schedule 3

"Agreement for Lease" means any agreement for the grant or assignment to the Company of the Leases or any of them;

"Bill" means each Tranche A Bill and each Tranche B Bill;

"Borrower" means JDP Furniture Group Limited, company number 3975223;

"Business Sale Agreements" means each of the business sale agreements dated the date of the Debenture and each made between one of the members of the Vendor's Group and one of the Group Companies in connection with the sale of certain business assets;

"Charged Intellectual Property" means all Intellectual Property at the date of the Debenture or any time thereafter belonging to the Company;

"Charged Property" means the undertaking, property, assets, rights and revenues of the Company (whether present or future) from time to time charged in favour of, or assigned (whether in law or in equity) to, the Bank by or pursuant to the Debenture;

"Chattels" means all plant and machinery not charged as described in paragraph (A) of Schedule 2 to this form 395 and all other chattels at the date of the Debenture or any time thereafter belonging to the Company or in which the Company has, at the date of the Debenture or any time thereafter, any right, title or interest (excluding any of the same for the time being forming part of its stock in trade or work in progress);

"Claims" means all claims, rights or causes of action of the Company against any professionals, consultants or other advisers retained by the Company at any time and from time to time;

"Contracts" means the Agreement for Lease and the Sale and Purchase Agreement(s) to which the Company is a party;

"Controlled Accounts" means:

(A) all current, deposit or other accounts howsoever designated at the date of the Debenture or any time thereafter opened or maintained by the Company (or, if the Company is not the Borrower, the Borrower) with the Bank; and

(B) all current, deposit or other accounts howsoever designated at the date of the Debenture or any time thereafter opened or maintained by the Company (or, if the Company is not the Borrower, the Borrower) with any bank or financial institution other than the Bank other than the Floating Charge Accounts,

including all accounts referred to in clause 16.3 of the Debenture;

"Debts" means:

(A) all present and future book and other debts and other moneys of any nature whatsoever now or at any time hereafter due, owing, payable or incurred to the Company, including those purchased by the Company pursuant to any Receivables Agreement to which it is a party and including also those referred to, or deriving from the assets referred to, in clause 3.1 of the Debenture but excluding any moneys now or at any time hereafter standing to the credit of any of the Floating Charge Accounts or any of the Controlled Accounts;

(B) all claims and other things in action which may give rise to any such debts or moneys;

(C) the benefit of all bills of exchange, promissory notes and negotiable instruments of any description now or at any time hereafter enjoyed or held by the Company in relation to any of the foregoing; and

(D) all rights of any nature whatsoever relating to any of the foregoing including any security (whether in the form of guarantees, indemnities, insurances or otherwise) and any remedies therefor;

(E) without limitation to (A) above, all amounts payable at any time to the Company pursuant to any Factoring Agreement; and

(F) without limitation to (A) above, all amounts at any time payable by any member of the Vendor Group to the Company in respect of receivables sold to the Company;

"Facility Agreement" means the facility agreement dated the date of the Debenture and made between (1) the Borrower and (2) the Bank;

"Facility Documents" means the Facility Agreement, each Bill, the Security Documents, the Guarantees, the Personal Guarantee, the Warrant Instrument, the Intercreditor Deed, any Factoring Agreement entered into at any time and any other document from time to time designated as such by the Borrower and the Bank and shall include each or any one or more of them severally and "Facility Document" means, unless the context otherwise requires, any one of them;

"Factoring Agreement" means any factoring agreement entered into at any time between any Group Company and Singer & Friedlander Factors Limited;

"Floating Charge Accounts" means the foreign currency accounts maintained by the Borrower with ABN Amro for so long as such accounts are operated in accordance with clause 21.3(F) of the Facility Agreement and any other account opened or maintained with a bank or financial institution other than the Bank which the Company and the Bank may agree to designate as a "Floating Charge Account" from time to time;

"Guarantees" means unconditional and unlimited guarantees and indemnities in respect of all of the present and future liabilities of each Group Company to the Bank under the Facility Documents or otherwise to be executed by each Group Company in favour of the Bank;

"Group" means the Borrower, JP Newco 1 Limited (4012106), JDP Frames Limited (4012109), JP Newco 3 Limited (4012111), JP Newco 4 Limited (4012112), JP Newco 5 Limited (4012102), JP Newco 6 Limited (4012084), JP Newco 7 Limited (4012089), JP Newco 8 Limited (4012094) and the Borrower's subsidiaries and holding companies for the time being and "Group Company" means each member of the Group;

"Intercreditor Deed" means a deed between each Group Company, each member of the Vendor Group and the Bank providing for certain liabilities of the Group owed to the Vendor Group to be subordinated to the liabilities of the Group owed to the Bank;

"Intellectual Property" means patents, supplementary protection certificates, trade marks, service marks, rights (whether registered or unregistered) in any designs, applications for any of the foregoing, trade or business names and copyright (including rights in computer software) and topography rights, inventions, know-how, secret formulae and processes, lists of suppliers and customers and other confidential and proprietary knowledge and information, plant breeders'

rights, rights protecting goodwill and reputation, database rights and rights under licences and consents in relation to any of the above and all rights or forms of protection of a similar nature or having equivalent effect anywhere in the world;

"Investments" means all shares, stocks, debentures, bonds, warrants and securities of any kind whatsoever whether marketable or otherwise and any certificates representing any of the same and all other interests both present and future held by or on behalf of the Company in any person (including any subsidiary of the Company) and includes all allotments, rights, benefits and advantages whatsoever at any time accruing, offered or arising in respect of or incidental to the same and all money or property offered at any time by way of dividend, conversion, redemption, bonus, preference, option or otherwise in respect thereof and including any amounts outstanding to the Company from any other Group Company;

"Keyman Insurance Policy" means a keyman insurance policy with an insurer acceptable to the Bank on the life or critical illness of John Payne in an insured amount of £600,000;

"Legal Charge Property" means

(A) the Company's leasehold interest comprised in a lease dated the date of the Debenture between (1) Wade Upholstery Limited and (2) the Company in respect of the land and buildings known as and situate at Wellington Mill (Production) Long Eaton, Derbyshire as more particularly described in such lease;

(B) the Company's leasehold interest comprised in a lease dated the date of the Debenture between (1) Wade Upholstery Limited and (2) the Company in respect of the land and buildings known as and situate at Canal Street, Long Eaton, Derbyshire.

"Life Policies" means any policies of life insurance or assurance in which the Company may now or at any time hereafter have an interest;

"Non-Life Policies" means any policies of insurance (other than the Life Policies) in which the Company may now or at any time hereafter have an interest, including the Trade Indemnity Policies in relation to which it is an insured;

"Permitted Encumbrance" means

(A) repairer's and carrier's liens arising by operation of law which are discharged within the period prescribed by such repairer's or carrier's normal credit terms;

(B) rights of set-off over bank accounts arising by operation of law;

(C) title retentions over Raw Material Stock (as defined in clause 20) entered into in the normal course of the Group's trade which are discharged within the period prescribed by the relevant supplier's normal credit terms;

(D) Finance Leases to the extent permitted under the definition of Permitted Indebtedness; and

(E) encumbrances created with the prior written consent of the Bank;

"Personal Guarantee" means an unconditional guarantee and indemnity with a limit of £100,000 in respect of all of the present and future liabilities of each Group Company to the Bank under the Facility Documents and otherwise to be executed by John Payne in favour of the Bank;

"Real Property" means:

(A) all freehold or leasehold property wheresoever situate (including the Legal Charge Property) at the date of the Debenture or at any time thereafter belonging to the Company together with all rights, easements and privileges from time to time attached or appurtenant thereto or benefiting the same; and

(B) all buildings, erections and structures (whether in the course of construction or otherwise) and fixtures and fittings and fixed plant and machinery from time to time therein or thereon;

"Receivables Agreements" means each of the receivables agreements dated the dated of the Debenture and each made between one of the members of the Vendor Group and one of the Group Companies in connection with the sale of certain receivables;

"Sale and Purchase Agreements" means the Business Sale Agreements and the receivables Agreements and each other agreement or document which is ancillary to or otherwise connected with any of the Business Sale Agreements or the Receivables Agreements;

"Security" means the security from time to time constituted by or pursuant to this Debenture;

"Security Documents" means all documents from time to time creating or evidencing security for all or any part of the obligations of the Group under the Facility Documents including the Debentures and any assignment of the Keyman Insurance Policy, (including any document from time to time designated as such by the Borrower and the Bank);

"Trade Indemnity Policies" means the trade indemnity policies maintained with Euler Trade Indemnity Plc in respect of JP Newco 4 Limited and JP Newco 5 Limited and any other trade insurance policy entered into as at the date of the Facility Agreement or at any time thereafter in respect of any receivables owing at any time to any Group Company;

"Tranche A" means the sterling amortising cash advance and acceptance credit facility referred to in clause 2.1(A) of the Facility Agreement;

"Tranche A Bill" means a sterling bill of exchange drawn, or to be drawn, by the Borrower and accepted, or to be accepted, by the Bank under Tranche A;

"Tranche B" means the sterling amortising cash advance and acceptance credit facility referred to in clause 2.1(B) of the Facility Agreement;

"Tranche B Bill" means a sterling bill of exchange drawn, or to be drawn, by the Borrower and accepted, or to be accepted, by the Bank under Tranche B;

"Vendor Group" means Wade Furniture Group Limited (company number 2043487), Wade Upholstery Limited (185380), Wade Furniture Limited (1276817), YP Furniture Limited (1908046), Welbeck House Limited (2273633), Parker & Farr Furniture Limited (1719939), Celebrity Motion Furniture Limited (3690486), Cintique Limited (261721); and

"Warrant Instrument" means a warrant to be granted to the Bank, in consideration of the sum of £1, for the Bank to subscribe for ten per cent of the fully diluted share capital of the Borrower (or at the Bank's option any holding company of the Borrower at any time) in issue immediately after the exercise of the warrant at an exercise price equal to the par value of each share the subject of the warrant.

FILE COPY

CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04012109

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 6th JULY 2000 AND CREATED BY JDP FRAMES LIMITED FOR SECURING EACH AND EVERY LIABILITY OF ANY KIND WHATSOEVER AND HOWSOEVER ARISING, WHICH THE COMPANY OR ANY GROUP COMPANIES (AS DEFINED) AS AT THE DATE OF THE DEBENTURE OR THEREAFTER HAVE TO SINGER & FRIEDLANDER LIMITED WHETHER INCURRED BY THE COMPANY OR ANY GROUP COMPANY ALONE OR JOINTLY WITH ANOTHER PERSON ON ANY ACCOUNT WHATSOEVER AND UNDER OR PURSUANT TO THE DEBENTURE OR ANY OTHER FACILITY DOCUMENT (AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 13th JULY 2000.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 18th JULY 2000.

LR
LC

REGISTRAR OF COMPANIES FOR ENGLAND AND WALES

THE OFFICIAL SEAL OF THE REGISTRAR OF COMPANIES

COMPANIES HOUSE

HC026B