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COMPANIES FORM No. 395

Particulars of a mortgage or charge

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

CHFP025

Please do not write in this margin

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

*insert full name of Company

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

Name of company

* Post Office Limited (the **Chargor**)

Date of creation of the charge

20 March 2007

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

Security Agreement (the **Security Agreement**) entered into between the Chargor and Alliance & Leicester PLC (for itself and as trustee for Alliance & Leicester Commercial Bank PLC) (the **Chargee**) dated 20 March 2007

Amount secured by the mortgage or charge

See continuation sheet

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

Alliance & Leicester PLC, Carlton Park, Narborough, Leicester

Presenter's name address and reference (if any)

Allen & Overy LLP
One Bishops Square
London
E1 6AO

(IAA/NBW)

Time critical reference

For official Use (of)
Mortgage Section

M
2007
PACT

THURSDAY
WED



PGL2R00J

PMO 04/04/2007 2051
COMPANIES HOUSE

LD4 12/04/2007 387
COMPANIES HOUSE

LD2 04/04/2007 505
COMPANIES HOUSE

See continuation sheet

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)

Nil

Signed

** Allen + Overy LLP*

Date 3 April 2007

On behalf of ~~XXXXXXXXXXXXXXXXXX~~ [chargee] † Alliance & Leicester PLC

*A fee 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 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is **Companies House, Crown Way, Cardiff CF14 3UZ**.

395 Continuation Sheet
Post Office Limited and Alliance & Leicester PLC
(for itself and as trustee for Alliance & Leicester Commercial Bank PLC)

Amount secured by the mortgage or charge

As defined in the Security Agreement, **Secured Liabilities** means all present and future obligations of the Chargor to pay the A&L Debt

Intercreditor Agreement means the agreement so entitled among the Chargor, the Secretary of State for Trade and Industry, the Chargee and ALCB dated on or about the date of the Security Agreement

A&L Debt, as defined in the Intercreditor Agreement, means, at any time, (A) any amount payable, owing due or incurred on any Day B by the Chargor to A&L ^{Company Director} and/or ALCB at that time under the A&L Agreement by way of settlement of amounts collected by the Chargor from customers of A&L or ALCB pursuant to any of the Relevant Agreements together with any Related Debt applicable to those amounts, including without limitation pursuant to sub-clauses 4.6 to 4.8 (inclusive) of the A&L Agreement, but excluding (B) any amounts in respect of fees, charges, error amounts, service credits, damages or any other amounts payable from time to time under the A&L Agreement, any Relevant Agreement or otherwise howsoever together with any Related Debt applicable to those amounts

A&L means the Chargee

A&L Agreement means the Reconciliation and Settlement Agreement dated 7 August 1998 as amended (a) by way of letter agreement dated on or about 6 April 2004, (b) by way of a letter agreement dated on 20 March 2007, between the Chargor, A&L and ALCB and (c) otherwise from time to time

ALCB means Alliance & Leicester Commercial Bank PLC

Day B means, in relation to an Estimated Final Settlement Figure (as defined in the A&L Agreement) the day on which the Bank of England is open for banking business immediately following the day on which a post office or distribution centre is open to which that Estimated Final Settlement Figure relates

Related Debt means, in relation to any amount payable, owing due or incurred by the Chargor to A&L and/or ALCB, (A) any refinancing, novation, refunding, deferral or extension of that amount, (B) any further advance which may be made under any agreement supplemental to the relevant documents relating to that amount (together with all related interest, fees and costs), (C) any claim for damages or restitution in the event of rescission of that amount or otherwise, (D) any claim flowing from any recovery by a payment or discharge in respect of that amount on the grounds of preference or otherwise, (E) and any amount (such as post-insolvency interest) which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings

Relevant Agreements means (A) the Agreement for the provision of Retail Cash Services between the Chargor and A&L dated 6 April 2004, (B) the Agreement for the Provision of Bill Payment Services between the Chargor and ALCB dated 6 April 2004, and (C) the Agreement for Amendment and Extension of Coin Services dated 14 July 2005 (amending the agreement for the provision of Wholesale Cash Services to Wholesale Customers between the Chargor and A&L dated 6 April 2004), each as amended from time to time

Short particulars of all the property mortgaged or charged

As defined in the Security Agreement, **Security Assets** means all assets of the Chargor the subject of any security created by the Security Agreement

Clause 2 1 (b)(ii) (Creation of Security) of the Security Agreement states that all security created under the Security Agreement is created over present and future assets of the Chargor other than (i) the Excluded Assets and (ii) the Subsequent Excluded Assets

Excluded Assets means the Chargor's legal and beneficial interest in, (a) its shareholdings in First Rate Travel Services Limited (company number 04287490), First Rate Travel Services Holdings Limited (company number 04287534) and Midasgrange Limited (company number 4890174), (b) the Note Circulation Scheme Cash, (c) any lease of any property under which the Chargor is a tenant, (d) each of, (i) the agreement for the provision of Post Office Card Account banking services between the Chargor and the Secretary of State for Work and Pensions dated 22 March 2002, (ii) the agreement for the provision of Post Office Card Account banking services between the Chargor and the Commissioners for Inland Revenue dated 22 March 2002, (iii) the agreement for the provision of Post Office Card Account banking services between the Chargor and the Department for Social Development acting for and on behalf of the Social Security Agency dated 22 March 2002, (iv) the agreement for the provision of banking services relating to the card account at Post Office (Agreement No TEC02012) between the Chargor and Electronic Data Systems Limited dated 26 March 2002, and (v) the Citibank direct agreement in connection with card account at Post Office (Agreement No TEC02010) between the Company, Citibank International PLC and Electronic Data Systems Limited dated 26 March 2002, (e) and the POL Reserve

Note Circulation Scheme means the scheme of that name operated by the Bank of England under which members of the scheme are able (a) to sell to the Bank of England at the close of a Working Day bank notes held in a specific location and/or under specific conditions and to re-purchase bank notes at the start of the next Working Day in accordance with the terms laid down by the Bank of England

Note Circulation Scheme Cash means bank notes (denominated in sterling) issued by the Bank of England falling within the Note Circulation Scheme which are held by the Chargor or on its behalf in secure locations designated (for the purposes of the Note Circulation Scheme) as qualifying cash centres by the Bank of England and the Chargor or are being transported to and from such cash centres (including such bank notes to which the Bank of England has title)

POL Reserve means any amount required to be set aside to back a reserve to be maintained by the Chargor, pursuant to a direction under section 72 of the Postal Services Act 2000

Subsequent Excluded Assets means, to the extent that the Chargor can demonstrate to the Chargee (acting reasonably) that it is not permitted (by the contractual arrangements relating thereto) to grant the Chargee security over the same, the Chargor's legal and beneficial interests in any Relevant JV that is entered into, incorporated or set up after the date of the Security Agreement

Relevant JV means (a) First Rate Services Limited (company number 04287490), (b) First Rate Travel Services Holdings Limited (company number 04287534) and (c) each joint venture or outsourcing arrangement entered into with the approval of the Secretary of State for Trade and Industry and the Chargee and/or the relevant joint venture or other entity incorporated or set up for the purposes of carrying out such joint venture or outsourcing arrangement

Working Day means a day (other than a Saturday or Sunday) on which banks are open for general business in London

FILE COPY



**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

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

COMPANY No 02154540

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SECURITY AGREEMENT DATED THE 20th MARCH 2007 AND CREATED BY POST OFFICE LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO ALLIANCE & LEICESTER PLC AND/OR ALLIANCE & LEICESTER COMMERCIAL BANK PLC 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 4th APRIL 2007

GIVEN AT COMPANIES HOUSE, CARDIFF THE 18th APRIL 2007



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES