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* Insert full name
of company

COMPANIES FORM No. 395

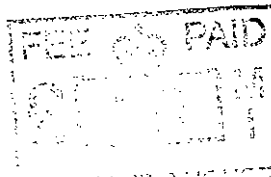
Particulars of a mortgage or charge

Pursuant to section 395 of the Companies Act 1985

395

**A fee of £10 is payable to Companies House in respect of
each register entry for a mortgage or charge.**

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



For official use

Company number

3702189

Name of company

* HONOURS LIMITED (the "Company")

Date of creation of the charge

22 March 1999

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

Deed of Charge (the "Deed")

Amount secured by the mortgage or charge

b

All monies and liabilities whatsoever which now are or at any time hereafter may (whether before or after demand) become due, owing or payable, in any currency, by the Company, actually or contingently, under or in respect of the Deed or the Facility Agreement in the manner provided for herein and therein and all banking, legal and other costs, charges and expenses whatsoever (on a full indemnity basis) and also all losses and damages that may be sustained, suffered or incurred by the Secured Parties (or any of them) arising out of or in connection with any act, matter or thing due or omitted to be done by the Company under the Deed or the Facility Agreement and also interest on the foregoing to the date of payment (the "Secured Amounts").

"Facility Agreement" means the loan agreement between the Company, Deutsche Bank AG, London as agent and security trustee and the lenders named therein as from time to time modified, supplemented or varied in any manner or respect whatsoever including, in particular, by any alteration or modification which increases or otherwise affects the liability of the Company under the Deed;

"Secured Parties" means the Finance Parties and any Receiver;

"Finance Parties" means any of Deutsche Bank AG, London as agent, Deutsche Bank AG, London and Nationwide Building Society as arrangers, the Security Trustee or a Lender; and

"Lender" means the Deutsche Bank AG, London and Nationwide Building Society and their respective successors.

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

DEUTSCHE BANK AG, London (the "Security Trustee")

6 Bishopsgate
London

AS SECURITY TRUSTEE for itself
& the other Secured Parties (ARD).

Postcode

EC2N 4DA

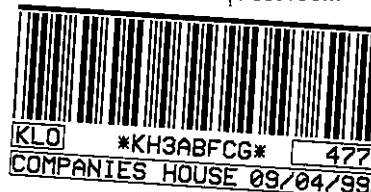
Presentor's name, address and
reference (if any):

Freshfields
65 Fleet Street
London EC4Y 1HS
DX 23 LONDON
LMB/EB/395hon

For official use

Mortgage

Post room



Time critical reference

Short particulars of all the property mortgaged or charged

1. By the Deed, the Company, with full title guarantee, charged (and in respect of paragraph (b) below charged by way of first fixed charge and assigned by way of security) to the Security Trustee for payment or discharge of the Secured Amounts:

(a) by way of first fixed charge:

- (i) all its right, title, interest and benefit, present and future, in, under and pursuant to the Receivables Trust; and
- (ii) all its right, title, interest and benefit, present and future, in and to all moneys, rights, powers and property

whatsoever which may from time to time and at any time be distributed or derived from, or accrue on or relate to, the Receivables Trust in any way whatsoever including all rights to receive payment of any amounts which may become payable to the Company thereunder and all payments received by the Company thereunder and also including, without limitation, all rights to serve notices and/or make demands and/or otherwise act thereunder and pursuant thereto and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof;

(b) by way of first fixed charge all its right, title, interest and benefit, present and future, in, to and under:

- (i) the Sale and Purchase Agreement and each of the other Relevant Documents;
- (ii) the Cash Management Agreement;
- (iii) any and all other contracts entered into from time to time by the Company;

including all rights to receive payment of any amounts which may become payable to the Company thereunder and all payments received by the Company thereunder including, without limitation, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages to obtain other relief in respect thereof;

(c) by way of first fixed charge, subject to paragraph 2 below, all its right, title, interest and benefit, present and future, in and to all sums of money which may now be or hereafter are from time to time standing to the credit of the Issuer Account (and any other accounts of the Company from time to time, wherever held) together with all interest accruing from time to time thereon and the debts represented thereby;

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

Particulars as to commission allowance or discount (note 3)

NIL

Signed

Friedrichs

Date

9/4/99

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

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.

*Delete as appropriate

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Short particulars of all the property mortgaged or charged (continued)

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(d) by way of first floating charge, the undertaking of the Company and all its property, assets and rights, whatsoever and wheresoever, both present and future (including all stock in trade and including all freehold and leasehold property) and whether or not expressed to be charged to the Security Trustee under paragraph 1(a), 1(b) or 1(c) above, if and to the extent such property, assets and rights are not or have ceased to be effectively mortgaged or charged by way of first fixed charge or assigned by way of security,

but in each case so that the covenants implied by the Law of Property (Miscellaneous Provisions) Act 1994 (the "LP (MP) Act") in the mortgages and charges contained in or created pursuant to the Deed are construed with the omission of:

(A) the words "other than charges, encumbrances or rights which that person does not and could not reasonably be expected to know about" in section 3(1)(b) LP (MP) Act; and

(B) section 6(2) LP (MP) Act..

2. The charges contained in the Deed are made for securing further advances and shall be without prejudice and in addition to any other security whatsoever which may be held by the Security Trustee from the Company or any other person for or in respect of the whole or part of the Secured Amounts; and the charges, covenants and provisions contained in the Deed shall remain in force as continuing security to the Security Trustee notwithstanding any settlement of account or the existence at any time of a credit balance on any current or other account or any other act, event or matter whatsoever, except only the execution by the Security Trustee as a deed of an absolute and unconditional release or the execution by or on behalf of the Security Trustee of a receipt for all (and not part only) of the Secured Amounts.

3. The Company shall not:

- (i) create or permit to subsist any Security Interest on the whole or any part of its present or future property, assets or revenues;
- (ii) sell or otherwise dispose of any of its assets on terms whereby such property or asset is or may be leased to or re-acquired or acquired by it;
- (iii) sell or otherwise dispose of any of its receivables on recourse terms except for the discounting of bills or notes in the ordinary course of business;

except for Permitted Security Interests;

"Authority" means collectively the Secretary of State for Education and Employment, the Secretary of State for Scotland and the Department of Education for Northern Ireland;

"Bank Mandate" means the mandate to Deutsche Bank AG, London in respect of the establishment and maintenance of the Issuer Account;

"Cash Management Agreement" means an agreement to be entered into by Honours Trustee Limited, the Company, the Second Beneficiary, the Security Trustee and the Deutsche Bank AG, London as cash manager whereunder the cash manager undertake, inter alia, to act as cash manager in relation to the certain payments received under the Loans and to provide certain calculation, administrative and cash-flow management services to the company and Honours Trustee Limited upon and subject to the terms thereof;

"Issuer Account" means the Companies account number 01001730000GBP000LDN with the Deutsche Bank AG, London;

"Loan" means a loan at any time included in the Second Portfolio and includes (unless the context otherwise requires) all amounts owing thereunder (including without limitation all accrued interest) and "Loans" means all of them;

"Permitted Security Interest" means any Security Interest:

- (a) created under or pursuant to the Deed;
- (b) created under or pursuant to any assignment of any underwriting commitment of any of the Lenders to provide funds to the Company;
- (b) created or permitted to subsist with the prior written consent of all of the Lenders; and
- (c) arising by operation of law;

"Receivables Trust" means the trust constituted by the RT Declaration of Trust over the certain property, in favour of the Company and the Second Beneficiary;

"Relevant Documents" means the Sale and Purchase Agreement and certain other contractual documents relating to the Sale and Purchase Agreement;

Short particulars of all the property mortgaged or charged (continued)

"RT Declaration of Trust" means the deed dated 8 March 1999 pursuant to which the Honours Trustee Ltd declares that it holds certain property upon trust for the beneficiaries specified therein and upon and subject to the terms set out therein and the other Transaction Documents;

"Sale and Purchase Agreement" means the agreement relating to the sale and purchase of the Loans between the Student Loans Company Limited, the Authority, the Company and the Honours Trustee Limited and dated 8 March 1999;

"Second Beneficiary" means, as at 23 March 1999, Deutsche Bank;

"Second Portfolio" means the portfolio of loans which the Company agrees to sell or transfer to the Purchaser pursuant to the Sale and Purchase Agreement, where the context requires means such of those loans as are outstanding at any time;

"Security Interest" means any mortgage, charge (including, for the avoidance of doubt, any floating charge), pledge, lien, right of set-off, assignment by way of security, retention of title or any other security interest whatsoever or any other agreement having the effect of conferring security, howsoever created or arising; and

"Transaction Documents" means the RT Declaration of Trust, the Relevant Documents, the Facility Agreement, the Deed, the Cash Management Agreement, the Bank Mandate.

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03702189

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF CHARGE DATED THE 22nd MARCH 1999 AND CREATED BY HONOURS LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO DEUTSCHE BANK AG AS SECURITY TRUSTEE FOR ITSELF AND THE OTHER SECURED PARTIES (AS THEREIN DEFINED) UNDER OR IN RESPECT OF THE DEED OF THE FACILITY AGREEMENT (AS THEREIN DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 9th APRIL 1999.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 14th APRIL 1999.

LC
AE



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



C O M P A N I E S H O U S E