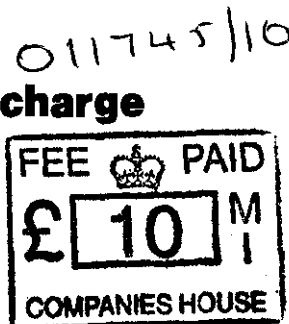


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COMPANIES FORM No. 395

Particulars of a mortgage or charge



395

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Pursuant to section 395 of the Companies Act 1985

CHA 116

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

To the Registrar of Companies

For official use

Company number

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

04167944

Name of company

* BG FUNDING NO.1 PLC (the "Borrower")

Date of creation of the charge

8 October 2002

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

DEBENTURE (the "Deed")

Amount secured by the mortgage or charge

(i) All indebtedness, liabilities and obligations which as at 8 October 2002 or at any time thereafter may be due, owing or incurred in any manner whatsoever to the Lender (or to any Receiver) by the Borrower (whether under the Facility Documents or otherwise) whether actually or contingently and whether solely or jointly with any other person and whether as principal or surety and whether or not the Lender shall have been an original party to the relevant transaction and in whatever currency denominated including all liabilities from time to time assumed or incurred by the Lender at the request of the Borrower in connection with foreign exchange transactions, acceptances, discounting or otherwise or under guarantees, bonds, indemnities, documentary or other credits or any instruments whatsoever and including interest, discount, commission and other lawful charges or reasonable expenses which the Lender may in the course of its business charge in respect of any facilities or accommodation or service provided by it or for keeping the Borrower's account;

continued on continuation sheet 1, page 2

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

BARCLAYS BANK PLC of 54 Lombard Street, London EC3P 3AH (the "Lender")

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

DLA
3 Noble Street
London EC2V 7EE

KLH/hb/banking

hugginsk\forms395\BG Fund

Time critical reference

For official use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

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1. FIXED AND FLOATING CHARGES

1.1 Assignments by the Borrower

1.1.1 As a continuing security for the payment of the Secured Obligations, the Borrower with full title guarantee assigned and agreed to assign absolutely in favour of the Lender all of its rights, title, interest and benefit in the Receivables.

1.1.2 As a continuing security for the payment of the Secured Obligations, the Borrower with full title guarantee assigned and agreed to assign absolutely in favour of the Lender all of its present and future rights, title, interest and benefit in and to each Relevant Contract.

1.2 Fixed charges given by the Borrower

As a continuing security for the payment of the Secured Obligations, the Borrower, with full title guarantee, charged, and agreed to charge, in favour of the Lender the following assets which are at any time owned by the Borrower, or in which the Borrower is from time to time interested:

continued on continuation sheet 1, page 4

Particulars as to commission allowance or discount (note 3)

N/A

Signed

Date

11 October 02

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", "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.

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Particulars of a mortgage or charge (continued)

Continuation sheet No 1
to Form No 395 and 410 (Scot)

CHA 116

Please complete
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bold block lettering

Company Number

04167944

Name of Company

BG FUNDING NO.1 PLC (the "Borrower")

~~limited~~

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

(ii) on a full indemnity basis all costs and reasonable expenses incurred by the Lender in relation to any of the Facility Documents and all costs and expenses properly incurred by the Lender in relation to the protection and enforcement of its rights thereunder;

(iii) interest to the date of discharge on all sums payable and all liabilities and obligations to be discharged under sub-clauses (i) and (ii) above. Such interest shall be computed and compounded as agreed between the parties from time to time or in the absence of such agreement compounded monthly and computed according to the usual practice for the time being of the Lender and shall be payable as well after as before any demand or judgment on the Borrower,

(the above being the "Secured Obligations")

provided that no obligation or liability shall be included in the definition of "Secured Obligations" to the extent that, if it were so included, the Deed (or any part of it) would constitute unlawful financial assistance within the meaning of sections 151 and 152 of the Companies Act 1985.

NOTE.

In this form:-

"BPF" means Benfield Premium Finance Limited, a company incorporated under the laws of England and Wales with registered number 04054458 and having its registered office at 55 Bishopsgate, London EC2N 3BD;

"BPF Trust Deed" means the declaration of trust dated 8 October 2002 and made by BPF in favour of the Borrower;

"Borrower Collection Account" means the account, number 80824127 held by the Borrower with the Lender;

"Cash and Receivables Management Agreement" means the cash and receivables management agreement made between the Borrower, BPF and the Lender and dated 8 October 2002;

"Cash Reserve Account" means the account, number 60914401 held by the Borrower with the Lender;

"Charged Assets" means all property and assets from time to time charged by or pursuant to the Deed;

"Debtor" means any person who is liable (whether as principal debtor or as surety and whether actually or contingently) to discharge or pay a Receivable;

"Encumbrance" means any mortgage, standard security charge, assignation, pledge, lien, letters of inhibition, assessment or other encumbrance securing any obligation of any person or any other type of preferential arrangement (including, without limitation, title transfer and retention arrangements) having a similar effect;

"Event of Default" means any of those events specified in Clause 18.1 of the Facility Agreement;

"Facility Agreement" means the facility agreement made between the Borrower (1) and the Lender (2) and dated 6 February 2002;

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

**Please complete
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1.2.1 by way of first fixed charge all its right, title, interest and benefit in and to the Borrower Collection Account, all monies standing to the credit of the Borrower Collection Account, all interest accrued on monies standing to the credit of the Borrower Collection Account and all rights of the Borrower to repayment of any of the foregoing;

1.2.2 by way of first fixed charge all its right, title, interest and benefit in and to the Operating Account, all monies standing to the credit of the Operating Account, all interest accrued on monies standing to the credit of the Operating Account and all rights of the Borrower to repayment of any of the foregoing;

1.2.3 by way of first fixed charge all its right, title, interest and benefit in and to the Funding Account, all monies standing to the credit of the Funding Account, all interest accrued on monies standing to the credit of the Funding Account and all rights of the Borrower to repayment of any of the foregoing;

1.2.4 by way of first fixed charge all its right, title, interest and benefit in and to the Cash Reserve Account, all monies standing to the credit of the Cash Reserve Account, all interest accrued on monies standing to the credit of the Cash Reserve Account and all rights of the Borrower to repayment of any of the foregoing;

1.2.5 by way of first fixed charge all monies standing to the credit of the Borrower from time to time on any and all accounts with any bank, financial institution, or other person;

1.2.6 by way of first fixed charge the benefit of all licences, consents, agreements and authorisations held or utilised by the Borrower in connection with its business or the use of any of its assets;

1.2.7 by way of first fixed charge all the goodwill and uncalled capital of the Borrower;

1.2.8 to the extent not effectively assigned under clause 3.1.1 of the Deed, by way of first fixed charge all of the Receivables;

1.2.9 by way of first fixed charge to the extent not effectively assigned under clause 3.1.2 of the Deed, the Borrower's right, title, interest and benefit in and to each Relevant Contract, the collateral and all rights thereunder.

1.3 Floating Charge

As further continuing security for the payment of the Secured Obligations, the Borrower agreed to charge and charged with full title guarantee in favour of the Lender by way of first floating charge all its present and future assets and undertakings whatsoever and wheresoever located, which are not effectively charged by way of first fixed mortgage or charge or assigned pursuant to the provisions of clause 3.2 of the Deed (Fixed charges given by the Borrower), clause 3.1 of the Deed (Assignments by the Borrower), or any other provision of the Deed, and (whether or not effectively so charged) heritable property and all other property and assets in Scotland.

2. CONVERSION OF FLOATING CHARGE

2.1 Conversion of floating charge

The Lender may by written notice to the Borrower convert the floating charge created by the Deed into a fixed charge as regards all or any of the Borrower's assets specified in the notice if:

continued on continuation sheet 2, page 4

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Particulars of a mortgage or charge (continued)

Continuation sheet No 2
to Form No 395 and 410 (Scot)

CHA 116

Please complete
legibly, preferably
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bold block lettering

Company Number

04167944

Name of Company

BG FUNDING NO.1 PLC (the "Borrower")

~~limited~~*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"Facility Documents" means the Facility Agreement, the Deed and the BPF Trust Deed;

"Funding Account" means the account, number 30915629 held by the Borrower with the Lender;

"Operating Account" means the account, number 90221686 held by the Borrower with the Lender;

"Permitted Encumbrance" means:

- (a) security interests created with consent of the Lender;
- (b) liens arising by the operation of law in the ordinary course of business;
- (c) conditional sale and retention of title arrangements arising in connection with the purchase of goods in the normal course of business;
- (d) encumbrances which are fully and unconditionally discharged by the date on which the first Withdrawal (as more particularly defined in the Facility Agreement) is made by the Borrower;

"Potential Event of Default" means any event which unless remedied will, in the reasonable opinion of the Lender, become (with the passage of time, the giving of notice, the making of any determination under the Deed or any combination thereof) an Event of Default provided that (for the avoidance of doubt) a Qualification Breach (as defined in Clause 20 of the Facility Agreement) shall not, of itself, constitute a Potential Event of Default until the expiry of the relevant 30 Day Period (as also defined in Clause 20 of the Facility Agreement);

"Receivables" means:

(i) all present and future book and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts recoverable or receivable by the Borrower from other persons or due or owing to the Borrower (including, but not limited to, all such amounts payable to the Borrower under the BPF Trust Deed and the Securitisation Agreement) whether actual or contingent and whether arising under contract or in any other manner whatsoever;

(ii) the benefit of all rights and remedies relating to any of the foregoing including, without limitation, claims for damages and other remedies for non-payment of the same, all entitlements to interest, negotiable instruments, guarantees, indemnities, Encumbrances, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights; and

(iii) all proceeds of any of the foregoing;

"Receiver" means any receiver, receiver and manager or administrative receiver appointed by the Lender under the Deed;

"Relevant Contracts" means each of the BPF Trust Deed, the Securitisation Agreement and the Cash and Receivables Management Agreement;

"Securitisation Agreement" means the securitisation agreement dated 8 October 2002 and made between BPF and the Borrower.

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

**Please complete
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2.1.1 an Event of Default or Potential Event of Default has occurred and is continuing unremedied and unwaived; or

2.1.2 the Lender in its reasonable opinion considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

2.2 Automatic conversion of floating charge

The floating charge created by the Borrower under the Deed shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge in relation to any of the Charged Assets subject to the floating charge created by clause 3.4 of the Deed (a "Floating Charge Asset") if the Borrower creates (or purports to create) an Encumbrance (other than a Permitted Encumbrance) on or over the relevant Floating Charge Asset without the prior consent in writing of the Lender or if any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such Floating Charge Asset.

2.3 No waiver

The giving by the Lender of a notice pursuant to clause 4.1 of the Deed in relation to any class of assets of the Borrower shall not be construed as a waiver or abandonment of the rights of the Lender to serve similar notices in respect of any other class of assets or of any of the other rights of the Lender.

3. CONTINUING SECURITY

3.1 The Deed shall be in addition to, and without prejudice to and shall not merge with, any other right, remedy, guarantee, mortgage or other security which the Lender may at any time hold for any of the Secured Obligations, and the Deed may be enforced against the Borrower without the Lender first having recourse to any other right, remedy, guarantee, mortgage or other security held or available to it.

3.2 The Deed shall remain in full force and effect as a continuing security until the Lender shall have certified in writing that the Secured Obligations have been discharged in full.

4. NEGATIVE PLEDGE

Save as permitted by the terms of the Facility Agreement, the Borrower covenanted with the Lender that, during the continuance of the security created by the Deed, it shall not without the prior written consent of the Lender:

4.1 create or permit to subsist any Encumbrance (other than a Permitted Encumbrance) upon any of the Charged Assets; and

4.2 sell, transfer, lease, lend or otherwise dispose of, whether by a single transaction or a number of transactions and whether related or not, the whole or any part of the Charged Assets otherwise than as envisaged under the Facility Documents or the Cash and Receivables Management Agreement.

continued on continuation sheet 3, page 4

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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5. FURTHER ASSURANCE

5.1 The Borrower will, whenever requested by the Lender and at its own expense, promptly execute such deeds or documents and take any action required by the Lender to perfect and protect the security created (or intended to be created) by the Deed or to facilitate the realisation thereof or otherwise to enforce the same or exercise any of the rights of the Lender under the Deed. In particular, but without limitation, the Borrower will:

5.1.1 execute a valid legal mortgage in such form as the Lender shall reasonably require of any freehold or leasehold property as at 8 October 2002 or in the future belonging to the Borrower which is not effectively charged by the Deed by way of legal mortgage;

5.1.2 execute a legal assignment in such form as the Lender may reasonably require over all or any of the Receivables and give notice of such assignment to the relevant Debtors and/or customers;

5.1.3 execute a valid fixed charge in such form as the Lender may reasonably require over any asset the subject of the floating charge under the Deed; and

5.1.4 otherwise execute all transfers, assignments, conveyances and assurances whatsoever and give all notices, orders, instructions and directions whatsoever which the Lender may think expedient.

provided that prior to the occurrence of an Event of Default, the Borrower will not be obliged to take any such action which might unreasonably restrict its ability to deal in the Charged Assets as envisaged under the Facility Documents and the Cash and Receivables Management Agreement.

5.2 Any security document required to be executed by the Borrower pursuant to clause 7.1 of the Deed will be prepared at the cost of the Borrower and will contain terms and conditions which are no more onerous than those contained in the Deed.

6. RECEIVABLES

6.1 Dealings with and realisation of Receivables

The Borrower will without prejudice to clause 6 of the Deed (Negative Pledge), but in addition to the restrictions in that clause, and subject to the arrangements envisaged in the Cash and Receivables Management Agreement, not, without the prior written consent of the Lender, sell, assign, charge, factor or discount or in any other manner deal with any of the Receivables.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04167944

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 8th OCTOBER 2002 AND CREATED BY BG FUNDING NO.1 PLC FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO BARCLAYS 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 12th OCTOBER 2002.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 16th OCTOBER 2002.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —