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COMPANIES FORM No. 395

168516/52

Particulars of a mortgage or charge

395

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

CHFP025

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

82

4179465

Name of company

* Paymentshield Life Underwriting Services Limited (the "Chargor")

Date of creation of the charge

8 November 2006

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

Debenture entered into between (1) Paymentshield Holdings Limited, (2) Paymentshield Limited, (3) the Chargor, (4) Defacto 1413 Limited (together the "Chargors") and (5) Royal & Sun Alliance Insurance PLC

Amount secured by the mortgage or charge

The amount secured means all present and future liabilities and obligations of any of the Chargors to the Lender under the Finance Documents and all present and future liabilities and obligations of Paymentshield Limited in respect of the Advanced Profit Commission (as defined in the Affinity Agreement) under the Affinity Agreement (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever and whether or not the Lender was the original creditor in respect thereof) including without limitation costs, charges and expenses charged by the Lender at rates agreed between it and any of the Chargors.

Unless otherwise defined above, the capitalised terms are defined in the attached Schedule of Definitions.

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

Royal & Sun Alliance Insurance PLC of St. Marks Court, Chart Way, Horsham, West Sussex

Postcode RH12 1XL

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

Eversheds LLP

Senator House

85 Queen Victoria Street

London

EC4V 4JL

Time critical reference

najibp/2483527

For official Use (06/2005)

Mortgage Section

Post room

TUESDAY



A03

ATNHKKIT

14/11/2006

280

COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

See Appendix 1 attached.

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

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

Signed Everheds LLP

Date 13/11/2006

On behalf of ~~XXXXXXXXXXXX~~ [chargee] †

Notes

† delete as
appropriate

- 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

Appendix 1

Capitalised terms used in this Companies 395 are defined, unless the context otherwise requires, in the attached Schedule of Definitions.

1. Mortgages and Fixed Charges

1.1 As a continuing security for payment of the Secured Liabilities, the Chargors with full title guarantee charge to the Lender all their right, title and interest from time to time in each of the following assets:-

1.1.1 by way of first legal mortgage all Land which is described in Schedule 1A (Details of Land) of the Debenture (if any) and all other Land now vested in any Chargor (other than the Excluded Land);

1.1.2 by way of first fixed charge all other Land now vested in any Chargor (to the extent not effectively charged by Clause 1.1.1) and all Land acquired by any Chargor after the date of this Debenture (other than the Excluded Land);

1.1.3 by way of first fixed charge:-

1.1.3.1 the Securities;

1.1.3.2 the Intellectual Property;

1.1.3.3 the Monetary Claims;

1.1.3.4 the Fixed Plant and Equipment;

1.1.3.5 the Loose Plant and Equipment;

1.1.3.6 the Accounts (other than the Excluded Account);

1.1.3.7 the Relevant Contracts;

1.1.3.8 the Insurances;

1.1.3.9 the Related Rights under or in connection with the Securities, the Accounts, the Insurances, the Intellectual Property, the Monetary Claims, the Fixed Plant and Equipment and the Loose Plant and Equipment; and

1.1.3.10 its present and future goodwill and uncalled capital.

1.2 Floating Charge

As continuing security for payment of the Secured Liabilities, the Chargors with full title guarantee charge by way of first floating charge the whole of the Chargors' respective undertaking and assets, present and future and wherever situated, which are not for any reason effectively charged (whether in law or equity) by way of fixed security by this Debenture, including, without limitation, any heritable property of the Chargors situated in Scotland.

1.3 Crystallisation: By Notice

The Lender may at any time by notice in writing to any of the Chargors convert the floating charge created by Clause 1.2 (*Floating Charge*) with immediate effect into a fixed charge as regards any property or assets specified in the notice if:-

- 1.3.1 the Enforcement Date has occurred; or
- 1.3.2 the Lender considers that any of the Charged Property may be in jeopardy or in danger of being seized or sold pursuant to any form of legal process; or
- 1.3.3 the Lender considers that it is necessary in order to protect the priority of the Security created by or pursuant to this Debenture.

1.4 Crystallisation: Automatic

The floating charge created by Clause 1.2 (*Floating Charge*) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all of the undertaking and assets subject to the floating charge if:-

- 1.4.1 any of the Chargors creates or attempts to create any Security (other than as permitted pursuant to the terms of the Finance Documents) over any of the Charged Property; or
- 1.4.2 any person levies or attempts to levy any distress, execution or other process against any of the Charged Property; or
- 1.4.3 any step is taken (including the presentation of a petition, the passing of a resolution or the making of an application) to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of any Chargor, over all or any part of its assets, or if such person is appointed.

1.5 Negative Pledge

The Chargors undertake that they shall not, at any time during the subsistence of this Debenture, create or permit to subsist any Security over all or any part of

the Charged Property, except as expressly permitted under the terms of the Finance Documents.

1.6 Disposals

The Chargors undertake that they shall not (and shall not agree to) at any time during the subsistence of this Debenture, except as expressly permitted under the terms of the Finance Documents, sell, transfer, assign, lease or hire out, factor, discount, licence, lend, part with their interest in or otherwise dispose of any of the Charged Property or permit the same to occur, or agree to do any of the foregoing, provided that, until:-

1.6.1 the floating charge created by Clause 1.2 (*Floating Charge*) of the Debenture is converted into a fixed charge; or

1.6.2 the occurrence of the Enforcement Date,

the Chargors may hold, enjoy and deal with, in accordance with the Finance Documents, the Charged Property which is not at the relevant time expressed to be subject to a fixed charge or mortgage.

Schedule of Definitions

"Account"	means any account opened or maintained by the Chargor at any bank or financial institution
"Affinity Agreement"	has the same meaning as that contained in the Finance Agreement
"Charged Property"	means all the assets and undertaking of the Chargors which from time to time are, or purport to be, the subject of the security created in favour of the Lender by or pursuant to this Debenture
"Enforcement Action"	<p>means:-</p> <ul style="list-style-type: none">(a) the acceleration of any Secured Liabilities or any declaration that any Secured Liabilities are prematurely due and payable or payable on demand;(b) the taking of any steps to enforce or require the enforcement of this Debenture (including the crystallisation of any floating charge);(c) the making of any demand against any of the Chargors in relation to any guarantee, indemnity or other assurance against loss in respect of any Secured Liabilities;(d) the exercise of any right of set-off against any of the Chargors in respect of any Secured Liabilities excluding any right of set off under a netting arrangement with the Chargor's clearing bank;(e) the suing for, commencing or joining of any legal or arbitration proceedings against any of the Chargors to recover any Secured Liabilities; or(f) the petitioning, applying or voting for, or the taking of any steps which may lead to any administration, winding-up, insolvency or

dissolution of or in relation to the Chargor

"Enforcement Date"	means the date on which the Lender first takes Enforcement Action
"Excluded Account"	means the blocked sterling deposit account opened by Defacto 1413 Limited with The Governor and Company of the Bank of Scotland designated with account number 06078340 (sort code 12-01-03) into which Defacto 1413 Limited has placed or will place the Deposit Monies
"Excluded Land"	means the land described in Schedule 1 (Excluded Land) of the Debenture and any subsequent land or property acquired by any one of the Chargors for the purpose of operating in the ordinary course of business (for the avoidance of doubt excluding investment properties)
"Finance Agreement"	means the Finance Agreement between (1) Defacto 1413 Limited as borrower and (2) Royal & Sun Alliance Insurance Plc as Lender dated on or about the date of this Debenture
"Finance Documents"	has the same meaning as that contained in the Finance Agreement
"Fixed Plant and Equipment"	means all plant, machinery or equipment of any of the Chargors of any kind which does not for any reason constitute a Fixture, but is now or at any time directly or indirectly attached by any means and for any purpose to any land or building, whether or not it is removable or intended to form part of the land or building
"Fixtures"	means all things of any kind now or at any time affixed to land for any purpose, including, without limitation, trade and tenants fixtures
"Group"	means the Chargors and each of their respective subsidiaries
"Insurances"	means any policy of insurance or assurance in which any of the Chargors has an interest and all claims and rebates of premium under any such

policy

"Intellectual Property"

means any of the following in which any of the Chargors has an interest:-

- (a) any registered intellectual property right in any territory or jurisdiction, including, without limitation, patents, trade marks, service marks, registered designs, and any similar right in any territory or jurisdiction and any applications or right to apply for any of the above;
- (b) any invention, copyright, design right or performance right;
- (c) any trade secrets, know-how and confidential information; and
- (d) the benefit of any agreement or licence for the use of any such right

"Land"

means any estate, right or interest in or over land, whether legal or equitable, and wherever the land is situated including, without limitation, any buildings and Fixtures on land, and the benefit of any covenants or rights owed to any person or enforceable by him by virtue of the ownership possession or occupation of land but for these purposes **"Land"** excludes heritable property situated in Scotland and the Excluded Land

"Loose Plant and Equipment"

means, in relation to any of the Chargors, all plant, machinery, equipment and motor vehicles now or at any time owned by any of the Chargors as a capital asset which is not Fixed Plant and Equipment

"Monetary Claims"

means all book and other debts and monetary claims now or in the future owing to any of the Chargors (whether alone or jointly with any other person), whenever payable and whether liquidated or unliquidated, certain or contingent including, without limitation, credit balances on any Account, and together with all cheques, bills

of exchange, negotiable instruments, credits and securities at any time given in relation to, or to secure payment of, any such debt

"Related Rights"

means in relation to any Charged Property:

- (a) the proceeds of sale of any part of that Charged Property;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that Charged Property;
- (c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that Charged Property; and
- (d) any moneys and proceeds paid or payable in respect of that Charged Property

"Relevant Contracts"

Means the contracts listed in Schedule 2 of the Debenture

"Secured Liabilities"

means all present and future liabilities and obligations of any of the Chargors to the Lender under the Finance Documents and all present and future liabilities and obligations of Paymentsshield Limited in respect of the Advanced Profit Commission (as defined in the Affinity Agreement) under the Affinity Agreement (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever and whether or not the Lender was the original creditor in respect thereof) including without limitation costs, charges and expenses charged by the Lender at rates agreed between it and any of the Chargors

"Securities"

means all the right, title and interest of a Chargor, now or in the future, in any:-

- (a) stocks, shares, bonds, debentures, loan stocks, or other securities issued by any

person;

- (b) warrants, options or other rights to subscribe, purchase or otherwise acquire any stocks, shares, bonds, debentures, loan stocks or other securities or investments issued by any person; and
- (c) units or other interests in any unit trust or collective investment scheme

"Security"

means a mortgage, charge, pledge, lien or any other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04179465

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 8th NOVEMBER 2006 AND CREATED BY PAYMENTSHIELD LIFE UNDERWRITING SERVICES LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM ANY OF THE CHARGORS TO ROYAL & SUN ALLIANCE INSURANCE PLC ON ANY ACCOUNT WHATSOEVER 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 14th NOVEMBER 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 17th NOVEMBER 2006.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —