

# M

CHFP041

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legibly, preferably  
in black type or  
bold block  
lettering\* Insert full name  
of company

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.

Pursuant to section 395 of the Companies Act 1985

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

For official use Company number

Name of company

4

4179465

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

Date of creation of the charge

10 December 2007

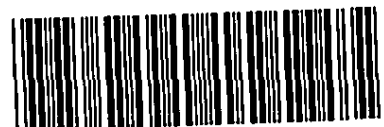
Description of the instrument (if any) creating or evidencing the charge (note 2)

Debenture dated 10 December 2007 between, amongst others, the *Chargor* and Lloyds TSB Bank PLC as  
security trustee (the *Debenture*)

Amount secured by the mortgage or charge

For a description of the amount secured by the Debenture please see continuation sheet no 1 attached to this  
Form 395All capitalised terms used in this Form 395 shall have the same meaning given to them in the continuation  
sheets no 5 to 10 unless defined elsewhere in this Form 395

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

Lloyds TSB Bank PLC as security trustee for and on behalf of the Finance Parties (the *Security Trustee*)  
25 Gresham Street LondonPresenter's name, address and  
reference (if any)  
FRESHFIELDS BRUCKHAUS  
DERINGER  
65 FLEET STREET, LONDON  
ENGLAND  
UNITED KINGDOM EC4Y 1HS  
DX 23 LONDON/CHANCERY LAFor official use  
Mortgage Section\*PGDJQ00R\*  
PMO 21/12/07 135  
COMPANIES HOUSE\*LTT8HW6Y\*  
LD5 08/01/2008 41  
COMPANIES HOUSE\*LUJKWVUX\*  
LD6 21/12/2007 146  
COMPANIES HOUSE

Time critical reference

Short particulars of all the property mortgaged or charged

For short particulars of all the property charged see continuation sheet no 2, 3 and 4 attached to this Form 395

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legibly, preferably  
in black type or  
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lettering

A fee 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)

Signed Frederick Buckham Dwyer

Date 21 December 2007

On behalf of ~~[company]~~ [mortgagee/chargee] <sup>†</sup>

<sup>†</sup> 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 are to be made payable to **Companies House**
- 6 The address of the Registrar of Companies is - Companies House, Crown Way, Cardiff CF4 3UZ

**CONTINUATION SHEET NUMBER 1**

**AMOUNT SECURED BY THE MORTGAGE OR CHARGE**

All present, future, actual and contingent liabilities (whether owed solely or jointly with any other person and whether as principal or surety) owing, payable or incurred by any Obligor to any Finance Party in any currency under or pursuant to the Finance Documents (the ***Secured Liabilities***)

## CONTINUATION SHEET NUMBER 2

### SHORT PARTICULARS OF ALL PROPERTY MORTGAGED OR CHARGED

#### 1. MORTGAGES, FIXED CHARGES AND FLOATING CHARGE

1.1 As a continuing security for payment of the Secured Liabilities, the Chargor with full title guarantee charged to the Security Trustee all its right, title and interest from time to time in each of the following assets

- (a) by way of first fixed charge all revenues payable to the Group with respect to the Funded Assets and Clawbacks,
- (b) by way of first fixed charge the Proceeds Account into which the revenues referred to in paragraph 1.1(a) above are to be paid pursuant to Clause 1.5.1 of the Debenture,
- (c) by way of first fixed charge the Related Rights under or in connection with the Funded Assets, the Clawbacks and the Proceeds Account,

provided that such Security under paragraphs (a), (b) and (c) above shall not prejudice

- (i) the Borrower's obligations to pay premiums to RSA and Aviva in the ordinary course of its business in connection with commitments to RSA and Aviva specifically under any Policies subject to Commission Buy-outs and/or the Double Indemnity Commission,
  - (ii) the priority security of RSA and Aviva with respect to assets and revenues of the Group not constituted by the Funded Assets or the Clawbacks, and
  - (iii) the existing floating charge created in favour of RSA and Aviva such that RSA and Aviva shall not be required to release assets from their respective floating charges so as to invalidate any existing qualifying floating charges that they may hold
- (d) by way of second ranking fixed charge all Land now vested in it,
- (e) by way of second ranking fixed charge all other Land now vested in it (to the extent not effectively charged by paragraph (d) above) and all Land acquired by it after the date of the Debenture,
- (f) by way of second ranking fixed charge
  - (i) the Securities,
  - (ii) the Intellectual Property,
  - (iii) the Monetary Claims,
  - (iv) the Fixed Plant and Equipment,
  - (v) the Loose Plant and Equipment,

### CONTINUATION SHEET NUMBER 3

- (vi) the Accounts (other than the Proceeds Account which is subject to a first fixed charge),
  - (vii) the Insurances,
  - (viii) 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
  - (ix) its present and future goodwill and uncalled capital
- (g) As continuing security for payment of the Secured Liabilities, the Chargor with full title guarantee charged by way of second ranking floating charge the whole of the Chargor's 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 the Debenture, including, without limitation, any heritable property of the Chargor situated in Scotland

#### 2. ASSIGNMENT

The Chargor assigned to the Security Trustee by way of first priority security and with full title guarantee (and to the extent that the security so constituted shall be a continuing security in favour of the Security Trustee) all of its present and future rights, title and interest in and to each Acquisition Agreement together with any Related Rights relating thereto

#### 3. TRUST

If or to the extent that for any reason the assignment or charging of any Charged Property is prohibited, the Chargor shall hold it on trust for the Security Trustee

#### 4. QUALIFYING FLOATING CHARGE

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 will apply to any floating charge created by the Debenture

#### 5. NEGATIVE PLEDGE

The Chargor undertook that it shall not, at any time during the subsistence of the 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

#### 6. DISPOSALS

The Chargor undertook that it shall not (and shall not agree to) at any time during the subsistence of the 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 (including specifically and without limitation any Funded Assets and Clawbacks) or permit the same to occur, or agree to do any of the foregoing, provided that, until -

- (a) the floating charge created by Clause 11 (g) above is converted into a fixed charge, or

**CONTINUATION SHEET NUMBER 4**

(b) the occurrence of the Enforcement Date,

the Chargor 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

## CONTINUATION SHEET NUMBER 5

### DEFINITIONS

**Accession Letter** means a document substantially in the form set out in Schedule 6 (*Form of Accession Letter*) to the Facility Agreement

**Account** means any account opened or maintained by the Chargor at any bank or financial institution

**Acquisition** means any acquisition by a Group Company of any Target Shares or Target Assets in accordance with an Acquisition Agreement

**Acquisition Agreement** means any sale and purchase agreement or asset purchase agreement relating to an Acquisition together with any related agreements giving any Group Company a right or claim against any Vendor or any third party in connection with any Acquisition or transferring title to any Group Company of any asset acquired under those agreements (but, for the avoidance of doubt, shall not include any Disclosure Letter)

**Additional Guarantor** means a company which becomes an Additional Guarantor in accordance with Clause 25 (*Changes to the Obligors*) of the Facility Agreement

**Agent** means Lloyds TSB Bank PLC

**Arranger** means Lloyds TSB Bank PLC

**Aviva** means Aviva Insurance Limited a company incorporated in Scotland with registered number SC002116

**Aviva Underwriting Agreement** means the underwriting agreement between Aviva and the Borrower dated on or around 8 November 2006

**Borrower** means Paymentshield Limited, a company incorporated in England and Wales with registered number 2728936

**Charged Property** means all the assets and undertaking of the Chargor which from time to time are, or purport to be, the subject of the security created in favour of the Security Trustee by or pursuant to the Debenture

**Chargors** means the Chargor together with the Borrower, Paymentshield Group Holdings Limited and Paymentshield Holdings Limited

**Clawback** means in the event that a Policy is cancelled or otherwise terminated in its first two years, a rateable refund payable to the Borrower inter alia by (i) a cash payment by the selling agent, broker or other selling intermediary or (ii) by a netting or other set-off of a Double Indemnity Commission or other commission that is to be paid to the selling agent, broker or other selling intermediary by the Borrower

**Commission Buy-outs** means the accelerated payment to a selling agent, broker or other selling intermediary of all future commissions under a defined Policy on a discounted basis such that all future commissions under such Policies shall cease to be payable by the Borrower

## CONTINUATION SHEET NUMBER 6

**Commission Buy-Out Policy** means a Policy in respect of which an IFA has received an upfront payment in lieu of all future payments of commission payable in respect of that Policy and any renewal of that Policy where the upfront payment is funded in whole or in part using the proceeds of the revolving loan facility made available under the Facility Agreement as described in Clause 2 (*The Facility*) thereto

**Disclosure Letter** has the meaning given to it in an Acquisition Agreement

**Double Indemnity Commission** means the accelerated payment of up to 2 years of commissions paid to IFA's by the Borrower in connection with a Double Indemnity Policy

**Double Indemnity Policy** means a Policy in respect of which an IFA has received double indemnity commission on its inception where 45% of that commission is funded using the proceeds of the revolving loan facility made available under the Facility Agreement as described in Clause 2 (*The Facility*) thereto

**Enforcement Action** means

- (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 the 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 Security Trustee first takes Enforcement Action

**Facility Agreement** means the £35,000,000 facility agreement between inter alios the Borrower and the Security Trustee dated 10 December 2007

**Fee Letter** means any letter or letters dated on or about the date of the Facility Agreement between the Arranger and the Borrower (or the Agent and the Borrower) setting out any of the fees referred to in Clause 11 (*Fees*) of the Facility Agreement

**Finance Documents** means the Facility Agreement, any Fee Letter, any Accession Letter, any Resignation Letter, the Intercreditor Agreement, any Security Document or any Transfer Certificate and any other document designated as such by the Agent and the Borrower

**Finance Party** means the Security Trustee, the Agent, the Arranger or a Lender



## CONTINUATION SHEET NUMBER 7

**Fixed Plant and Equipment** means all plant, machinery or equipment of any of the Chargor 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

**Funded Assets** means the right of the Borrower to receive, and the proceeds of, the following

- (a) in the event that a Double Indemnity Policy is cancelled in the first 12 months following its inception, the proportion of the commission that the IFA is required to refund to the Borrower after deducting that part of the refund that the Borrower is required to pay to Aviva and/or RSA (as illustrated in Schedule 12 to the Facility Agreement),
- (b) in the event that a Double Indemnity Policy is renewed following its initial 12 month period of insurance, an amount equal to 55% of the commission received by an IFA on inception of that Double Indemnity Policy funded from the commission payable by Aviva and/or RSA as the case may be to the Borrower upon such renewal of that Double Indemnity Policy in month 13 (as illustrated in Schedule 12 to the Facility Agreement), and
- (c) in the case of a Commission Buy-Out Policy, the Borrower's right to receive from the IFA that part of the commission that the IFA would otherwise have been paid (had that right not been acquired) using the proceeds of the revolving loan facility made available under the Facility Agreement as described in Clause 2 (*The Facility*) thereto

**Group** means the Chargor and each of its subsidiaries

**Group Company** means any of Paymentshield Group Holdings Limited, each Target and each of their respective Subsidiaries for the time being

**Guarantor** means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with Clause 25 (*Changes to the Obligors*) of the Facility Agreement

**IFA** means those independent financial advisors, agents, brokers and other intermediaries who are appointed by the Borrower pursuant to the terms of either of the Underwriting Agreements

**Insurances** means any policy of insurance or assurance in which the Chargor has an interest and all claims and rebates of premium under any such policy

**Intellectual Property** means any of the following in which the Chargor 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,

## CONTINUATION SHEET NUMBER 8

- (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

**Intercreditor Agreement** means an intercreditor agreement originally dated 8 November 2006 to be amended and restated on or about the date of the Facility Agreement between, amongst others, Paymentshield Group Holdings Limited, the Obligors, the Finance Parties, Cullum Capital Ventures Limited, RSA and Aviva

**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

**Lender** means Lloyds TSB Bank PLC and any New Lender (as defined in the Facility Agreement) to whom rights and/or obligations are assigned or transferred in accordance with Clause 24 (Changes to the Lenders) of the Facility Agreement (for so long as the relevant person’s rights and obligations have not been fully assigned or transferred or repaid and cancelled)

**Loose Plant and Equipment** means, in relation to the Chargor, all plant, machinery, equipment and motor vehicles now or at any time owned by the Chargor 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 the Chargor (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

**Obligor** means a Borrower or a Guarantor

**Original Guarantor** means the Chargor, the Borrower, Paymentshield Group Holdings Limited and Paymentshield Holdings Limited

**Paymentshield Group Holdings Limited** means a company incorporated in England and Wales with registered number 5919794

**Paymentshield Holdings Limited** means a company incorporated in England and Wales with registered number 5131340

**Policy** means any contract of household and mortgage payment protection insurance between Aviva or, as the case may be, RSA and a policyholder made pursuant to the RSA Affinity Agreement or the Aviva Underwriting Agreement

**Proceeds Account** means the account in the name of the Borrower numbered 0652607 (sort code 30 00 02) designated “Proceeds Account” held with Lloyds TSB Bank PLC

## CONTINUATION SHEET NUMBER 9

**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

**RSA** means Royal & Sun Alliance PLC a company incorporated in England and Wales with registered number 93792

**RSA Affinity Agreement** means the affinity agreement between RSA and the Borrower dated on or around 8 November 2006

**Securities** means all the right, title and interest of the 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, assignment by way of security, right of set-off, retention of title provision, trust or flawed asset arrangement (for the purpose of, or which has the effect of, granting security) or other security interest securing any obligation of any person or any other agreement or arrangement in any jurisdiction having a similar effect

**Security Document** means each of the documents described in Schedule 10 (*Security Documents*) to the Facility Agreement and any other document creating, evidencing or granting Security in favour of the Finance Parties (or any of them) in respect of the obligations of the Obligors under the Finance Documents, each in form and substance satisfactory to the Agent

**Subsidiaries** means a subsidiary within the meaning of section 736 of the Companies Act 1985

**Target** means, subject to the provisions of Clause 22.19 (*Acquisition Activity*) of the Facility Agreement a company formed under the laws of England and Wales, Scotland or Northern Ireland and which is identified in an Acquisition Agreement and which owns or otherwise holds the legal or equitable title to Commission Buy-Out Policies but does not own any other material assets or have any other material liabilities

**Target Assets** means the Commission Buy-Out Policies described in an Acquisition Agreement

**CONTINUATION SHEET NUMBER 10**

***Target Shares*** means all of the issued share capital of a Target and all warrants in respect of the share capital of a Target

***Transfer Certificate*** means a certificate substantially in one of the forms set out in Schedule 5 (*Form of Transfer Certificates*) to the Facility Agreement or any other form agreed between the Agent and the Borrower

***Underwriting Agreements*** means each of the Aviva Underwriting Agreement and the RSA Affinity Agreement, in each case as at 8 November 2006 or as amended in accordance with the permissions granted in accordance with the provisions of the Facility Agreement and the Intercreditor Agreement

***Vendor*** means any Vendors in respect of a Target or any Target Assets which enters into an Acquisition Agreement

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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 04179465

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 10th DECEMBER 2007 AND CREATED BY PAYMENTSHIELD LIFE UNDERWRITING SERVICES LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM ANY OBLIGOR TO ANY FINANCE PARTY 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 21st DECEMBER 2007

GIVEN AT COMPANIES HOUSE, CARDIFF THE 14th JANUARY 2008

*P. Neel*



*Companies House*

— for the record —



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES