

M

CHFP025

Please do not
write in
this margin

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

*insert full name
of Company

COMPANIES FORM No. 395

219524/104

Particulars of a mortgage or charge

395

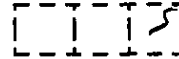
A fee of £13 is payable to Companies House in respect
of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number



4742550

Name of company

* Global Education Management Systems Limited (the **Chargor**).

Date of creation of the charge

30 July 2009.

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

Security Agreement dated 30 July 2009 between, among others, the Chargor
and the Security Trustee (as defined below) (the **Deed**).

Amount secured by the mortgage or charge

All current and future obligations and liabilities (whether actual or
contingent and whether owed jointly or severally or in any other capacity
whatsoever) of the Chargor to any Finance Party under each Finance Document
to which the Chargor is a party, except for any obligation which, if it
were so included, would result in the Deed contravening Section 151 of the
Companies Act 1985 (each capitalised term as defined below) (the **Secured
Obligations**).

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

ICICI Bank UK Plc of Apollo Court, One Thomas More Square, 5 Thomas More
Street, London (the **Security Trustee**) as security trustee for the Secured
Creditors (as defined below)

Postcode E1W 1YN

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

Allen & Overy LLP
40 Bank Street
Canary Wharf
London
E14 5DU

SAND/LARO/CCED:BK 11862127

Time critical reference

For official Use (06/2005)
Mortgage Section

Post room

MONDAY



LD2

L2WHIC3X
03/08/2009
COMPANIES HOUSE

52

Short particulars of all the property mortgaged or charged

Please see attached continuation sheets.

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

Alt & Co LLP

Date

31/7/9

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

*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

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED

1. CREATION OF SECURITY

1.1 General

- (a) All the security created under the Deed:
- (i) was created in favour of the Security Trustee;
 - (ii) was created over present and future assets of the Chargor;
 - (iii) is security for the payment of all the Secured Liabilities; and
 - (iv) was made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (b) If the rights of the Chargor under a document cannot be secured without the consent of a party to that document:
- (i) the Chargor must notify the Security Trustee promptly;
 - (ii) the Security secures all amounts which the Chargor may receive, or has received, under that document but excludes the document itself; and
 - (iii) unless the Security Trustee otherwise requires, the Chargor must use reasonable endeavours to obtain the consent of the relevant party to that document being secured under the Deed.
- (c) The Security Trustee holds the benefit of the Deed on trust for the Finance Parties.

1.2 Land

- (a) The Chargor has charged:
- (i) by way of a first legal mortgage all estates or interests in any freehold or leasehold property now owned by it; this includes the real property (if any) specified in Schedule 2 of the Deed (Security Assets) under its name under the heading **Real Property**; and
 - (ii) (to the extent that they are not the subject of a mortgage under sub-paragraph (i) above) by way of first fixed charge all estates or interests in any freehold or leasehold property.
- (b) A reference in Subclause 2.2 of the Deed to a mortgage or charge of any freehold or leasehold property includes:
- (i) all buildings, fixtures, fittings and fixed plant and machinery on that property; and
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any moneys paid or payable in respect of those covenants.

1.3 Plant and machinery

The Chargor has charged by way of a first fixed charge all plant and machinery owned by it and its interest in any plant or machinery in its possession.

1.4 Restricted credit balances

The Chargor has charged by way of first fixed charge all of its rights in respect of any amount standing to the credit of any Restricted Account and the debt represented by it.

1.5 Insurances

The Chargor has assigned absolutely, subject to a proviso for re-assignment on redemption, all of its rights in respect of any contract or policy of insurance taken out by it or on its behalf or in which it has an interest.

1.6 Other contracts

The Chargor has assigned absolutely, subject to a proviso for re-assignment on redemption, all of its rights in respect of:

- (a) any agreement to which it is a party except to the extent that it is subject to any fixed security created under any other term of Clause 2.6 of the Deed; this includes the agreements (if any) specified in Schedule 2 (Security Assets) of the Deed under its name under the heading **Relevant Contracts**;
- (b) any letter of credit issued in its favour; and
- (c) any bill of exchange or other negotiable instrument held by it.

1.7 Intellectual property

The Chargor has charged by way of a first fixed charge, all of its rights in respect of:

- (a) any know-how, patent, trade mark, service mark, design, business name, topographical or similar right; this includes the patents and trademarks (if any) specified in Schedule 2 (Security Assets) of the Deed under its name under the heading **Specific Intellectual Property Rights**;
 - (b) any copyright or other intellectual property monopoly right; or
 - (c) any interest (including by way of licence) in any of the above,
- in each case whether registered or not and including all applications for the same.

1.8 Miscellaneous

The Chargor has charged by way of first fixed charge:

- (a) any beneficial interest, claim or entitlement it has in any pension fund;
- (b) its goodwill;

- (c) the benefit of any authorisation (statutory or otherwise) held in connection with its use of any Security Asset;
- (d) the right to recover and receive compensation which may be payable to it in respect of any authorisation referred to in paragraph (c) above; and
- (e) its uncalled capital.

1.9 Floating charge

- (a) The Chargor has charged by way of a first floating charge all its assets not at any time otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, charge or assignment under Clause 2.9 (a) of the Deed.
- (b) Except as provided below, the Security Trustee may by notice to the Chargor convert the floating charge created by the Chargor under Subclause 2.9 of the Deed into a fixed charge as regards any of the Chargor's assets specified in that notice, if:
 - (i) an Event of Default is outstanding; or
 - (ii) the Security Trustee 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.
- (c) The floating charge created by Subclause 2.9 of the Deed may not be converted into a fixed charge solely by reason of:
 - (i) the obtaining of a moratorium; or
 - (ii) anything done with a view to obtaining a moratorium,under section 1A of the Insolvency Act 1986.
- (d) The floating charge created by Subclause 2.9 of the Deed will automatically convert into a fixed charge over all of the Chargor's assets if an administrator is appointed or the Security Trustee receives notice of an intention to appoint an administrator.
- (e) The floating charge created by Subclause 2.9 of the Deed is a **qualifying floating charge** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

2. RESTRICTIONS ON DEALINGS

No Chargor may:

- (a) create or permit to subsist any Security Interest on any Security Asset; or
 - (b) sell, transfer, licence, lease or otherwise dispose of any Security Asset,
- except as expressly allowed under the Credit Agreement.

3. LAND

3.1 Compliance with leases

The Chargor must:

- (a) perform all the terms on its part contained in any lease comprised in the Mortgaged Property; and
- (b) not do or allow to be done any act as a result of which any lease comprised in its Mortgaged Property may become liable to forfeiture or otherwise be terminated.

3.2 Compliance with applicable laws and regulations

The Chargor must perform all its obligations under any law or regulation in any way related to or affecting its Mortgaged Property.

3.3 Deposit of title deeds

The Chargor must deposit with the Security Trustee all deeds and documents of title relating to the Mortgaged Property and all local land charges, land charges and Land Registry search certificates and similar documents received by it or on its behalf.

3.4 Preservation

The Chargor may not, without the prior consent of the Security Trustee:

- (a) amend or waive any term of, or terminate, any Relevant Contract to which it is a party; or
- (b) take any action which might jeopardise the existence or enforceability of any such Relevant Contract.

4. WHEN SECURITY BECOMES ENFORCEABLE

4.1 Event of Default

The Security will become immediately enforceable if an Event of Default occurs.

4.2 Discretion

After the Security has become enforceable, the Security Trustee may in its absolute discretion enforce all or any part of the Security in any manner it sees fit or as the Majority Lenders direct.

4.3 Power of sale

The power of sale and other powers conferred by Section 101 of the Act, as amended by the Deed, will be immediately exercisable at any time after the Security has become enforceable.

5. FURTHER ASSURANCES

The Chargor must, at its own expense, take whatever action the Security Trustee or a Receiver may require for:

- (a) creating, perfecting or protecting any security intended to be created by the Deed; or

- (b) facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Security Trustee or any Receiver or any of its delegates or sub-delegates in respect of any Security Asset.

This includes:

- (i) the execution of any transfer, conveyance, assignment or assurance of any property, whether to the Security Trustee or to its nominee; or
- (ii) the giving of any notice, order or direction and the making of any registration,

which, in any such case, the Security Trustee may think expedient.

6. POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints the Security Trustee, each Receiver and any of its delegates or sub-delegates to be its attorney to take any action which the Chargor is obliged to take under the Deed. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under Clause 18 (Power of Attorney) of the Deed.

7. MISCELLANEOUS

7.1 New Accounts

- (a) If any subsequent charge or other interest affects any Security Asset, the Finance Party may open a new account with the Chargor.
- (b) If the Finance Party does not open a new account, it will nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice of that charge or other account.
- (c) As from that time all payments made to the Finance Party will be credited or be treated as having been credited to the new account and will not operate to reduce any Secured Liability.

In this Form 395:

Account Bank means ICICI Bank UK PLC.

Act means the Law of Property Act 1925.

Administrative Party means the Arranger, the Facility Agent or the Security Trustee.

Arranger means ICICI Bank UK PLC.

Borrower means Global Education Management Systems Limited

Commitments means:

- (a) for the Original Lender, the amount set opposite its name in Schedule 1 (Original Parties) of the Credit Agreement under the heading **Commitments** and the amount of any other Commitment it acquires; and
 - (b) for any other Lender, the amount of any Commitment it acquires,
- to the extent not cancelled, transferred or reduced under the Credit Agreement.

Credit Agreement means the £7,000,000 credit agreement dated 20 July 2009 between (among others) the Chargor and the Security Trustee.

Event of Default means an event or circumstance specified as such in Clause 21 (Default) of the Credit Agreement.

Facility Agent means ICICI Bank UK PLC.

Fee Letter means any letter entered into by reference to the Credit Agreement between one or more Administrative Parties and the Borrower setting out the amount of certain fees referred to in the Credit Agreement

Finance Document means:

- (c) the Credit Agreement;
- (d) a Security Document;
- (e) a Subordination Agreement;
- (f) a Fee Letter;
- (g) a Transfer Certificate; and
- (h) any other document designated as such by the Facility Agent and the Borrower.

Finance Party means a Lender or an Administrative Party.

Guarantor means an Original Guarantor.

Lender means:

- (a) the Original Lender; or
- (b) any person which becomes a Party in accordance with Clause 28.2.2 (Assignments and transfers by Lenders) of the Credit Agreement.

Loans means, unless otherwise stated in the Credit Agreement, the principal amount of each borrowing under the Credit Agreement or the principal amount outstanding of that borrowing.

Majority Lenders means, at any time, Lenders:

- (a) whose share in the outstanding Loans and whose undrawn Commitments then aggregate 66 ⅔ per cent. or more of the aggregate of all the outstanding Loans and the undrawn Commitments of all the Lenders;
- (b) if there is no Loan then outstanding, whose undrawn Commitments then aggregate 66⅔ per cent. or more of the Total Commitments; or
- (c) if there is no Loan then outstanding and the Total Commitments have been reduced to zero, whose Commitments aggregated 66⅔ per cent. or more of the Total Commitments immediately before the reduction.

Mortgaged Property means all freehold or leasehold property included in the definition of Security Assets.

Negative Lien Shares means shares in GEMS Menasa (Cayman) Limited owned by Varkey Group and representing not less than 26 per cent. of the share capital of GEMS Menasa (Cayman) Limited.

Obligor means the Borrower or a Guarantor.

Original Guarantor means each of:

- (a) Mr Sunny Varkey;
- (b) Varkey Group Limited (a company registered in the British Virgin Islands with registered number 1031727);
- (c) GEMS Property Management Limited (a company registered in England and Wales with registered number 4947289);
- (d) GEMS Schools Limited (a company registered in England and Wales with registered number 2004770);
- (e) The Hampshire Schools Limited (a company registered in England and Wales with registered number 5373484);
- (f) Moor Allerton School Limited (a company registered in England and Wales with registered number 2024164);
- (g) Cleveland Preparatory School Limited (a company registered in England and Wales with registered number 1441142); and
- (h) Gems Spartacus Limited (a company registered in England and Wales with registered number 5059425).

Original Lender means ICICI Bank UK Plc.

Parties means a party to the Deed.

Property Owner means each of GEMS Property Management Limited, GEMS Schools Limited, The Hampshire Schools Limited, Moor Allerton School Limited, GEMS Spartacus Limited and Cleveland Preparatory School Limited.

Receiver means an administrative receiver, receiver and manager or a receiver, in each case, appointed under the Deed.

Relevant Contracts means the agreements (if any) specified in Schedule 2 (Security Assets) of the Deed under the Chargor's name under the heading Relevant Contracts.

Restricted Account means any bank account agreed by the Security Trustee and the Borrower to be so designated and includes:

- (a) if there is a change of Account Bank, any account into which all or part of a credit balance from a Restricted Account is transferred; and
- (b) any account which is a successor to a Restricted Account on any re-numbering or re-designation of accounts and any account into which all or part of a balance from a Restricted Account is transferred for investment or administrative purposes.

Security means any security created by the Deed.

Security Asset means all assets of the Chargor the subject of any security created by the Deed.

Security Document means:

- (a) the Deed;
- (b) the Share Pledge; and
- (c) any other document evidencing or creating security over any asset of an Obligor to secure any obligation of any Obligor to a Finance Party under the Finance Documents.

Share Pledge means a first ranking share pledge dated 20 July 2009 over the Negative Lien Shares made between Varkey Group and the Security Trustee.

Subordination Agreement means a subordination agreement in form and substance satisfactory to the Facility Agent.

Total Commitments means the aggregate of the Commitments of all the Lenders.

Transfer Certificate means:

- (a) for a transfer by assignment, assumption and release, a certificate substantially in the form of Part 1 of Schedule 5 (Forms of Transfer Certificate) of the Credit Agreement, and
- (b) for a transfer by novation, a certificate substantially in the form of Part 2 of Schedule 5 (Forms of Transfer Certificate) of the Credit Agreement;

in each case with such amendments as the Facility Agent may approve or reasonably require or any other form agreed between the Facility Agent and the Borrower.

Varkey Group means Varkey Group Limited registered in the British Virgin Islands with registered number 1031727.



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

**COMPANY NO. 4742550
CHARGE NO. 5**

**THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A SECURITY AGREEMENT DATED 30
JULY 2009 AND CREATED BY GLOBAL EDUCATION
MANAGEMENT SYSTEMS LIMITED FOR SECURING ALL
MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO
ANY FINANCE PARTY UNDER EACH FINANCE DOCUMENT 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 3 AUGUST
2009**

GIVEN AT COMPANIES HOUSE, CARDIFF THE 11 AUGUST 2009



Companies House
— for the record —



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**