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in black type, or
bold block lettering

*insert full name
of Company

COMPANIES FORM No. 395

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

5111

5410412

Name of company

* PPH1 Limited ("the Chargor")

Date of creation of the charge

19 January 2006

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

Supplemental Security Agreement dated 19 January 2006 between the Chargor and the Facility Agent (as defined below) as agent and trustee for the Finance Parties (the "Deed").

Amount secured by the mortgage or charge

All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Company to any Finance Party under each Finance Document, except for any obligation which, if it were so included, would result in this Deed contravening Section 151 of the Companies Act 1985 (the "Secured Liabilities").

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

The Royal Bank of Scotland plc (the "Facility Agent"), 135 Bishopsgate, London

Postcode EC2M 3UR

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

Allen & Overy LLP
One New Change
London EC4M 9QQ

TASC/BK:3848011

Time critical reference

For official Use (02/00)
Mortgage Section

Post room



A07
COMPANIES HOUSE

A2P9UCM3

535
03/02/2006

Short particulars of all the property mortgaged or charged

See continuation sheets.

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*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

Allen & Overy LLP

Date

2/2/2006

On behalf of ~~XXXXXX~~ [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.
- 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 Land

- (a) The Chargor charged by way of a first legal mortgage the properties specified in the Schedule to this Form 395 under the heading Real Property.
- (b) A reference in this subclause to a mortgage or charge of any freehold or leasehold property includes:
 - (i) all buildings and fixtures, fittings and fixed plant and machinery on that property in which the Chargor has an interest; 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.

2. RESTRICTIONS ON DEALINGS

2.1 Security

Except as expressly allowed in the Credit Agreement, the Chargor must not create or permit to subsist any Security Interest on any Security Asset (except for any security created by the Deed).

2.2 Disposals

Except as expressly allowed in the Credit Agreement, the Chargor must not sell, transfer, licence, lease or otherwise dispose of any Security Asset, except for the disposal in the ordinary course of trade of any Security Asset subject to the floating charge created under the Deed.

3. INTERPRETATION

In this form 395:

Additional Counterparty means a bank or financial institution which becomes a Counterparty after the date of the Credit Agreement.

Administrative Party means the Arranger or the Facility Agent.

Arranger means The Royal Bank of Scotland plc.

Assignment of Rent means an assignment of rent entered into or to be entered into by the Company in favour of the Facility Agent.

Company means PPH1 Limited (registered number 5410412)

Counterparty means the Original Counterparty or an Additional Counterparty.

Counterparty Accession Agreement means a letter, substantially in the form of Part 2 of Schedule 7 (Form of Accession Documents) to the Credit Agreement, with such amendments as the Facility Agent may approve or reasonably require.

Credit Agreement means the £91,567,500 credit agreement entered into between, among others, the Company and the Facility Agent dated 31 October 2005.

Environmental Indemnity means an environmental deed of indemnity entered into or to be entered into between, amongst others, Pendragon, the Company and the Facility Agent.

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

Finance Document means:

- (a) the Credit Agreement;
- (b) a Security Document;
- (c) any Hedging Arrangement;
- (d) a Subordination Agreement;
- (e) the Intercreditor Agreement;
- (f) a Fee Letter;
- (g) a Transfer Certificate;
- (h) a Counterparty Accession Agreement;
- (i) an Environmental Indemnity;
- (j) the Tax Indemnity; or
- (k) any other document designated as such by the Facility Agent and the Company.

Finance Party means a Lender, a Counterparty or an Administrative Party.

Hedging Arrangement means any interest hedging arrangement entered into by the Company in connection with interest payable under the Credit Agreement.

Intercreditor Agreement means the intercreditor agreement entered into between the Company, the Lenders and the Facility Agent dated 31 October 2005.

Lender means:

- (a) the Original Lender; or
- (b) any person which becomes a Lender after the date of, and in accordance with, the Credit Agreement.

Mortgage of Shares means a mortgage of the shares of the Company, substantially in the form of Schedule 9 (Form of Mortgage of Shares) to the Credit Agreement with such amendments as the Facility Agent may approve or reasonably require.

Original Counterparty means The Royal Bank of Scotland plc.

Original Lender means The Royal Bank of Scotland plc.

Pendragon means Pendragon PLC (registered number 02304195).

Security Agreement means a security agreement in the form of Schedule 8 (Form of Security Agreement) to the Credit Agreement with such amendments as the Facility Agent may approve or reasonably require.

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

Security Document means:

- (a) a Security Agreement;
- (b) a Mortgage of Shares;
- (c) a Standard Security;
- (d) an Assignment of Rent;
- (e) a Supplemental Security Agreement; or
- (f) any other document designated as such by the Facility Agent and the Company.

Security Interest means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect.

Standard Security means a standard security entered into or to be entered into by the Company in favour of the Facility Agent.

Subordination Agreement means a subordination agreement, substantially in the form of Schedule 10 (Form of Subordination Agreement) to the Credit Agreement with such amendments as the Facility Agent may approve or reasonably require.

Supplemental Security Agreement means a supplemental security agreement in the form of Schedule 11 (Form of Supplemental Security Agreement) to the Credit Agreement with such amendments as the Facility Agent may approve or reasonably require.

Tax Indemnity means the tax deed entered into or to be entered into by, amongst others, Pendragon, the Company and the Facility Agent.

Transfer Certificate means a certificate, substantially in the form of Part 1 of Schedule 7 (Forms of Accession documents) to the Credit Agreement, with such amendments as the Facility Agent may approve or reasonably require or any other form agreed between the Facility Agent and the Company.

SCHEDULE
REAL PROPERTY

Property Address	Title Number
Site 15A Sherwood Park, Annesley, Nottingham	NT372118
Land on the North East side of Norway Road, Hilsea, Portsmouth	HP553519
Land and buildings at 19-21 Upper Brook Street, Manchester M13 9XH	GM339981
Plot D81, Calder Business Park, Denby Dale Road, Wakefield	WYK779960

FILE COPY



**CERTIFICATE OF THE REGISTRATION
OF A MORTGAGE OR CHARGE**

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

COMPANY No. 05410412

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SUPPLEMENTAL SECURITY AGREEMENT DATED THE 19th JANUARY 2006 AND CREATED BY PPH1 LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY 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 3rd FEBRUARY 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 8th FEBRUARY 2006.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —