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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.

199379/78
395

CHFP025

Please do not
write in
this margin

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

*insert full name
of Company

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

2111

3124784

Name of company

* Study Group Properties Limited (the **Chargor**)

Date of creation of the charge

13 December 2006

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

Security agreement (the **Security Agreement**) dated 13 December 2006 between, among others, the Chargor and the Security Trustee (as defined below).

Amount secured by the mortgage or charge

The Secured Moneys means the Secured Moneys (Senior) (as defined below) and the Secured Moneys (Mezzanine) (as defined below), excluding any obligation or liability which, if it were so included, would result in the Security Agreement contravening Section 151 of the Companies Act 1985.

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

BWA Custodians Limited (the **Security Trustee**) of Level 23, 45 Clarence Street, Sydney NSW 2000, Australia.

Postcode

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

Allen & Overy LLP
One Bishops Square
London
E1 6AO

RN/44014-00001/AMBA: 572331

Time critical reference

For official Use (06/2005)

Mortgage Section



Short particulars of all the property mortgaged or charged

Please see 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

Allen & Overy LLP

Date

15 December 2006

On behalf of ~~XXXXXXXXXXXXXXXXXXXX~~ [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 Security Agreement:
- (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 Moneys; and
 - (iv) was made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.
- (b) The Security Trustee holds the benefit of the Security Agreement on trust for the Finance Parties.

1.2 Land

- (a) Subject to paragraph (b) below, 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 specified in Schedule 1 (Security Assets) of this form 395 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) If the Chargor's estate or interest in any leasehold property (other than the real property (if any) specified in Schedule 1 (Security Assets) of this form 395 under its name under the heading **Real Property**) cannot be charged under the lease agreement which creates that interest or cannot be charged without the consent of another party to that lease agreement, the Chargor's leasehold estate or interest is not charged under paragraph (a) above (unless required under Subclause 2.1(a) above).
- (c) A reference in paragraph (a) or (b) above 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 Investments

- (a) The Chargor has charged:
- (i) by way of a first legal mortgage all shares in any member of the Group (other than itself) owned by it or held by any nominee on its behalf; and

- (ii) (to the extent that they are not the subject of a mortgage under the Security Agreement) by way of a first fixed charge its interest in all shares, stocks, debentures, bonds or other securities and investments owned by it or held by any nominee on its behalf.
- (b) A reference in paragraph (a) above to a mortgage or charge of any stock, share, debenture, bond or other security includes:
 - (i) any dividend or interest paid or payable in relation to it; and
 - (ii) any right, money or property accruing or offered at any time in relation to it by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

1.4 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.

1.5 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 (but not the proceeds from that insurance policy).

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, other than the Excluded Contracts, 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 of the Security Agreement;
- (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 1 (Security Assets) of this form 395 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 Partnerships and joint ventures

The Chargor has charged by way of a first fixed charge, all of its rights and interests in respect of any partnership or joint venture in which the Chargor is a partner or joint venturer respectively, other than rights and interests in Excluded Contracts.

1.9 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 authorization (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 authorization referred to in paragraph (c) above; and
- (e) its uncalled capital.

1.10 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 of the Security Agreement.
- (b) Except as provided below, the Security Trustee may by notice to the Chargor convert the floating charge created by Clause 2.10 of the Security Agreement into a fixed charge as regards any of the Chargor's assets specified in that notice, if:
 - (i) an Event of Default (Mezzanine) or an Event of Default (Senior), as applicable, is outstanding; or
 - (ii) the Security Trustee (acting in good faith) 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 Clause 2.10 of the Security Agreement 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 the Insolvency Act 2000.
- (d) The floating charge created by Clause 2.10 of the Security Agreement 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 Clause 2.10 of the Security Agreement is a **qualifying floating charge** for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986.

2. RESTRICTIONS ON DEALINGS

The Chargor has agreed in the Security Agreement that it will not:

- (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 Senior Credit Agreement and the Mezzanine Credit Agreement.

In this Form 395:

A\$ Commitment means, in respect of a Financier (Senior) for a Term Loan Facility, the amount (if any) set out opposite its name in schedule 2 to the Senior Credit Agreement for that Senior Facility, as adjusted under the Senior Credit Agreement and which is denominated in Australian Dollars;

Acquisition Document means the sale and purchase agreement dated on or around 3 August 2006 between the Vendor (as seller), DMGT (as guarantor) and the UK Borrower (as purchaser);

Additional Borrower (Mezzanine) means a company which becomes an Additional Borrower (Mezzanine) in accordance with clause 9.12 of the Mezzanine Credit Agreement;

Additional Borrower (Senior) means a company which becomes an Additional Borrower (Senior) in accordance with clause 13.12 of the Senior Credit Agreement;

Additional Guarantor (Mezzanine) means a person who has executed a Guarantee Assumption Agreement (Mezzanine);

Additional Guarantor (Senior) means a person who has executed a Guarantee Assumption Agreement (Senior);

Agent means BOS International (Australia) Limited in its capacity as agent under the Senior Finance Documents;

Amortising A\$ Commitment means, in relation to an Amortising Financier, the amount set out opposite its name in part A of schedule 2 as its A\$ Commitment, as adjusted under the Senior Credit Agreement;

Amortising Commitment means, in relation to an Amortising Financier,

- (a) its Amortising A\$ Commitment; or
- (b) its Amortising GBP Commitment;

Amortising Facility means the loan facility made available by the Amortising Financiers to the Borrower (Senior) under clause 5 of the Senior Credit Agreement;

Amortising Financiers means the Financiers (Senior) listed in part A of schedule 2 to the Senior Credit Agreement and any person who is a Substitute Financier in relation to the Amortising Facility;

Amortising GBP Commitment means, in relation to an Amortising Financier, the amount agreed between the Australian Borrower and the Agent prior to Financial Close to be its GBP Commitment, as adjusted under the Senior Credit Agreement;

Arrangers means each of BOSIAL and Australia and New Zealand Banking Group Limited;

Australian Borrower means SGI Group (Finance) Pty Limited with ACN 120 929 811 of Level 4, Customs House, 31 Alfred Street, Sydney, New South Wales 2000, Australia;

Australian Borrower Charge means the deed of charge entered into prior to Financial Close between the Australian Borrower and the Security Trustee;

Australian Dollars, A\$ and \$ means the lawful currency of the Commonwealth of Australia;

Bank Guarantee means a guarantee issued by the Agent under the Working Capital Facility or the Lease Guarantee Facility (as the case may be) substantially in the form of schedule 8 to the Senior Credit Agreement;

Beneficiary means:

- (a) a Senior Creditor;
- (b) a Mezzanine Creditor; or
- (c) a New Beneficiary;

Borrower (Mezzanine) means:

- (a) the Australian Borrower; or
- (b) any Additional Borrower (Mezzanine);

Borrower (Senior) means:

- (a) the Australian Borrower; or
- (b) the UK Borrower; or
- (c) any Additional Borrower (Senior);

BOSIAL means BOS International (Australia) Limited;

Business Day means a day on which banks are open for business in Sydney, London and New York excluding a Saturday, Sunday or public holiday;

Capex Commitment means, in relation to a Capex Financier, the amount set out opposite its name in part C of schedule 2 to the Senior Credit Agreement, as adjusted under the Senior Credit Agreement;

Capex Facility means the loan facility made available by the Capex Financiers to the Borrower (Senior) under clause 7 of the Senior Credit Agreement;

Capex Financiers means the Financiers (Senior) listed in part C of schedule 2 to the Senior Credit Agreement and any person who is a Substitute Financier in relation to the Capex Facility;

CHAMP means Castle Harlan Australian Mezzanine Partners Pty Limited (ABN 33 091 067 846) as managers of CHAMP Buyout II Trust and advisors to Castle Harland Inc as manager of CHAMP II Worldwide Affiliates, L.P. and CHAMP II Worldwide, L.P.;

Collateral Security (Mezzanine) means any present or future Security Interest, Guarantee or other document or agreement created or entered into by a Transaction Party (Mezzanine) or any other person as security for, or to credit enhance, the payment of any of the Secured Moneys (Mezzanine);

Collateral Security (Senior) means any present or future Security Interest, Guarantee or other document or agreement created or entered into by a Transaction Party (Senior) or any other person as security for, or to credit enhance, the payment of any of the Secured Moneys (Senior);

Commitment means:

(a) in respect of a Financier (Senior):

- (i) the Amortising Commitment;
- (ii) the Interest Only Commitment;
- (iii) the Capex Commitment;
- (iv) the Working Capital Commitment; and
- (v) the Lease Guarantee Commitment,

in respect of that Financier (Senior), being the aggregate of the amounts specified opposite its name in schedule 2 to the Senior Credit Agreement, as adjusted under the Senior Credit Agreement; and

(b) in respect of a Financier (Mezzanine) the amount specified opposite its name in schedule 2 of the Mezzanine Credit Agreement, as adjusted under the Mezzanine Credit Agreement;

Commitment Letter means the commitment letter entitled "Commitment Letter" dated 17 July 2006 from the Arrangers to CHAMP;

Company means Study Group Holdings Limited (a company incorporated in England and Wales with registered number 5888001);

Completion means the completion of the acquisition by the UK Borrower of 100% of the shares in the Target in accordance with the Acquisition Document;

Control has the meaning given in section 50AA of the Corporations Act;

Corporations Act means the Corporations Act 2001 (Cth);

Credit Support Document means:

- (a) any Bank Guarantee; or
- (b) any Letter of Credit;

DMGT means Daily Mail and General Trust plc (registered in England and Wales under number 1844594);

Dollar Equivalent means in relation to an amount expressed in Foreign Currency at any time, the amount of Australian Dollars determined by translating that amount of the Foreign Currency into Australian Dollars at the Exchange Rate for that Foreign Currency at that time;

Entity means a person, corporation, partnership, trust or any other entity or organisation;

Event of Default (Mezzanine) means any event specified in clause 10.1 of the Mezzanine Credit Agreement;

Event of Default (Senior) means any event specified in clause 14.1 of the Senior Credit Agreement;

Exchange Rate means, in relation to any Foreign Currency, the spot rate of exchange determined by the Mezzanine Agent to be the rate of exchange to buy that Foreign Currency with Australian Dollars;

Excluded Contracts means all the contracts listed in Schedule 1 (Security Assets) of this form 395 under the heading "Excluded Contracts" and such other contracts designated as "Excluded Contracts" by the Chargor party to such contract and the Security Trustee in writing.

Fee Letter (Mezzanine) means:

- (a) the fee letter dated on or about 3 August 2006 between the Mezzanine Agent, the Security Trustee and the Borrower (Mezzanine); or
- (b) the Commitment Letter;

Fee Letter (Senior) means:

- (a) the fee letter dated on or about 3 August 2006 between the Agent, the Security Trustee, the Australian Borrower and the UK Borrower; or
- (b) the Commitment Letter;

Finance Debt means an obligation (whether present or future, actual or contingent) to pay or deliver any money or commodity under or in respect of any financial accommodation, including under or in respect of any:

- (a) moneys borrowed or raised;
- (b) redeemable or repurchaseable share or stock (unless, in the case of HoldCo, such share or stock is solely redeemable at HoldCo's option);
- (c) bill of exchange, promissory note or other financial instrument (whether or not transferable or negotiable);
- (d) put option or buyback or discounting arrangement in respect of any property;
- (e) lease, licence or other arrangement in respect of any property entered into primarily to raise finance or to finance the acquisition of that property (other than a lease, licence or arrangement which may be accounted for as an operating lease under applicable generally accepted accounting principles);
- (f) hire purchase or deferred payment obligation (for more than 90 days) for any property or service;

- (g) interest or currency swap or hedge arrangement, financial option, futures contract or analogous transaction (other than a Hedging Agreement entered into in accordance with the approved hedging policy); or
- (h) arrangement which achieves the same or a similar commercial effect as or to any of the above,

and (without double counting) any Guarantee of Finance Debt of another person;

Finally Paid means, in respect of the Secured Moneys or any other monetary liability, satisfaction of the following conditions:

- (a) payment or satisfaction in full; and
- (b) at that time, the person to whom those Secured Moneys or other liability are payable (or were payable prior to payment or satisfaction in full) has no reason to believe (acting reasonably and in good faith) that any person, including a Transaction Party (Senior), Transaction Party (Mezzanine), liquidator, provisional liquidator, administrator, official manager, trustee in bankruptcy, receiver, receiver and manager, administrative receiver, statutory manager, compulsory manager, other controller (as defined in the Corporations Act) or similar official, is reasonably likely to exercise a right to recoup or claim repayment of any part of the amount paid or satisfied, whether under the laws of preferences, fraudulent dispositions or otherwise;

Finance Documents means the Senior Finance Documents and the Mezzanine Finance Documents;

Finance Party means:

- (a) before the Senior Period has ended, a Finance Party (Senior);
- (b) after the Senior Period has ended, a Finance Party (Mezzanine);

Finance Party (Mezzanine) means:

- (a) the Mezzanine Agent;
- (b) the Security Trustee;
- (c) any Financier (Mezzanine); or
- (d) any Hedge Counterparty (Mezzanine);

Finance Party (Senior) means:

- (a) the Agent;
- (b) the Security Trustee;
- (c) any Financier (Senior); or
- (d) any Hedge Counterparty (Senior);

Financial Close means the date on which all of the conditions precedent set out in clauses 2.1 and 2.1(bb) of the Senior Credit Agreement have been confirmed by the Agent as having been fulfilled to

the entire satisfaction of the Agent or waived by the Agent and the first Funding Portion (Senior) has been provided;

Financial Indebtedness means any debt or other monetary liability (including contingent liabilities) in respect of moneys borrowed or raised or any financial accommodation;

Financier (Mezzanine) means each party listed in schedule 2 to the Mezzanine Credit Agreement;

Financier (Senior) means each party listed in schedule 2 to the Senior Credit Agreement;

Foreign Currency means GBP;

Funding Portion (Mezzanine) means each portion of the Total Commitment (Mezzanine) provided under the Mezzanine Credit Agreement;

Funding Portion (Senior) means each portion of the Total Commitment provided under the Senior Credit Agreement, including in the case of a Funding Portion (Senior) under the Working Capital Facility or the Lease Guarantee Facility, by the issue of a Credit Support Document;

GBP or £ means the lawful currency of the United Kingdom;

GBP Commitment means, in respect of a Financier (Senior) for a Term Loan Facility, the amount (if any) agreed between the Australian Borrower and the Agent prior to Financial Close for that Senior Facility, as adjusted under the Senior Credit Agreement and which is denominated in GBP;

Group means at any time the Australian Borrower and its Subsidiaries at that time, including, from Financial Close, the Target Companies;

Group Member means a member of the Group;

Group Structure Diagram (Mezzanine) means the Group structure diagram in schedule 7 to the Mezzanine Credit Agreement, as amended or updated by the delivery of a new diagram to the Mezzanine Agent from time to time;

Group Structure Diagram (Senior) means the Group structure diagram in schedule 7 to the Senior Credit Agreement, as amended or updated by the delivery of a new diagram to the Agent from time to time;

Guarantee means a guarantee, indemnity, letter of credit, performance bond, acceptance or endorsement, or other undertaking or obligation:

- (a) to provide funds (including by the purchase of property), or otherwise to make property available, in or to enable payment or discharge of;
- (b) to indemnify against the consequences of a default in the payment of; or
- (c) otherwise to be responsible for,

an obligation (whether or not it involves the payment of money), otherwise to be responsible for the solvency or financial condition, of any other person;

Guarantee Assumption Agreement (Mezzanine) means an agreement in the form of annexure A to the Mezzanine Credit Agreement;

Guarantee Assumption Agreement (Senior) means an agreement in the form of annexure A to the Senior Credit Agreement;

Guarantor (Mezzanine) means:

- (a) any Original Guarantor (Mezzanine); or
- (b) any Additional Guarantor (Mezzanine);

Guarantor (Senior) means:

- (a) any Original Guarantor (Senior); or
- (b) any Additional Guarantor (Senior);

Hedge Counterparty (Mezzanine) means any Finance Party (Mezzanine) or a Related Body Corporate of a Finance Party (Mezzanine) that enters into a Hedging Agreement (Mezzanine) with a Transaction Party (Mezzanine);

Hedge Counterparty (Senior) means any Finance Party (Senior) or a Related Body Corporate of a Finance Party (Senior) that enters into a Hedging Agreement (Senior) with a Transaction Party (Senior);

Hedging Agreement means Hedging Agreement (Mezzanine) or Hedging Agreement (Senior) as appropriate;

Hedging Agreement (Mezzanine) means each interest rate, foreign exchange transaction, equity or equity index option, bond option, commodity swap, commodity option, cap transaction, currency swap transaction, cross-currency swap rate transaction or any other hedge or derivative agreement entered into by a Transaction Party (Mezzanine) with a Finance Party (Mezzanine), a Related Body Corporate of a Finance Party (Mezzanine) or any other counterparty acceptable to the Mezzanine Agent including any master agreement and any transaction or confirmation under it in relation to one or more of the Senior Facilities or the Mezzanine Debt which complies with the requirements of clause 9.15 (Hedging) of the Mezzanine Credit Agreement;

Hedging Agreement (Senior) means each interest rate, foreign exchange transaction, equity or equity index option, bond option, commodity swap, commodity option, cap transaction, currency swap transaction, cross-currency swap rate transaction or any other hedge or derivative agreement entered into by a Transaction Party (Senior) with a Finance Party (Senior), a Related Body Corporate of a Finance Party (Senior) or any other counterparty acceptable to the Agent including any master agreement and any transaction or confirmation under it in relation to one or more of the Senior Facilities or the Mezzanine Debt which complies with the requirements of clause 13.15 (Hedging) of the Senior Credit Agreement;

HoldCo means SGI Group Holdings Pty Limited (ACN 120 929 311);

HoldCo Mortgage means the mortgage granted by HoldCo in favour of the Security Trustee prior to Financial Close over the shares in the Australian Borrower;

Intercreditor Deed means the Intercreditor deed dated on or around 3 August 2006 between the Australian Borrower, the UK Borrower, HoldCo, the Agent, the Mezzanine Agent and the Security Trustee;

Interest Only A\$ Commitment means, in relation to an Interest Only Financier, the amount set out opposite its name in part B of schedule 2 as its A\$ Commitment, as adjusted under the Senior Credit Agreement;

Interest Only Commitment means, in relation to an Interest Only Financier:

(a) its Interest Only A\$ Commitment; or

(b) Interest Only GBP Commitment,

(or both as applicable);

Interest Only Facility means the loan facility made available by the Interest Only Financiers to the Borrower (Senior) under clause 6 of the Senior Credit Agreement;

Interest Only Financiers means the Financiers (Senior) listed in part B of schedule 2 to the Senior Credit Agreement and any person who is a Substitute Financier in relation to the Interest Only Facility;

Interest Only GBP Commitment means, in relation to an Interest Only Financier, the amount agreed between the Australian Borrower and the Agent prior to Financial Close to be its GBP Commitment, as adjusted under the Senior Credit Agreement;

Key Lease means any lease of real property by a Group Member in respect of which the annual rental payments constitute more than 5% of the annual Operating Lease Expense of the Group;

Lease Guarantee Commitment means, in relation to a Lease Guarantee Financier, the amount set out opposite its name in part E of schedule 2 to the Senior Credit Agreement, as adjusted under the Senior Credit Agreement;

Lease Guarantee Facility means the loan facility made available by the Lease Guarantee Financiers to the Borrower (Senior) under clause 9 of the Senior Credit Agreement;

Lease Guarantee Financiers means the Financiers (Senior) listed in part C of schedule 2 to the Senior Credit Agreement and any person who is a Substitute Financier in relation to the Lease Guarantee Facility;

Letter of Credit means a letter of credit issued by the Agent under the Working Capital Facility or the Lease Guarantee Facility substantially in the form of schedule 9 to the Senior Credit Agreement;

Material Contract means:

(a) each joint venture and licence agreement between a Group Member and each of Charles Stuart University, The University of Sydney and Monash University;

(b) each material joint venture and licence agreement (howsoever described) between a Group Member and any university located in the United Kingdom, including the University of Sussex, the University of Northumbria and the University of Surrey;

(c) each Key Lease; and

(d) each Taylors Institute Management Document;

Mezzanine Agent means BOS International (Australia) Limited in its capacity as agent under the Mezzanine Finance Documents;

Mezzanine Credit Agreement means the mezzanine credit agreement dated 3 August 2006 between, among others, the Australian Borrower; each party listed in schedule 1 of that document (as original guarantors) and Security Trustee;

Mezzanine Creditor means:

- (a) a Finance Party (Mezzanine) (but does not include a Retired Beneficiary or, prior to the end of the Senior Period, the Security Trustee); and
- (b) any other person recognised as a "Mezzanine Creditor" under clause 8 of the Security Trust Deed who is a party to, or a participant in, a Mezzanine Finance Document;

Mezzanine Debt means the Principal Outstanding (Mezzanine) under the Mezzanine Credit Agreement at any time;

Mezzanine Finance Documents means:

- (a) the Mezzanine Credit Agreement;
- (b) any Fee Letter (Mezzanine);
- (c) any Hedging Agreement (Mezzanine) with a Hedge Counterparty (Mezzanine);
- (d) any Security (Mezzanine);
- (e) the Security Trust Deed;
- (f) the Intercreditor Deed;
- (g) the Subordination Deed Poll;
- (h) any Guarantee Assumption Agreement (Mezzanine);
- (i) any Substitution Certificate (Mezzanine); or
- (j) any other document or agreement which the Australian Borrower and the Mezzanine Agent agree is a Mezzanine Finance Document,

or any document or agreement entered into in connection with, or for the purpose of amending or novating, any of the above;

New Beneficiary means, at any time, a person who is not an existing Beneficiary at that time, and who is recognised as a Beneficiary under clause 8 of the Security Trust Deed, but does not include a Retired Beneficiary;

New Senior Creditor means any provider of Financial Indebtedness to a Borrower (Senior) or a Transaction Party which complies with clause 6.1 or 6.2 of the Intercreditor Deed (as applicable), and:

- (a) who is approved by the Senior Agent in writing as ranking equally with the Senior Creditors under the Intercreditor Deed; and

- (b) who (or whose New Senior Creditor Representative) has become bound by the Security Trust Deed and the Intercreditor Deed to the satisfaction of the Security Trustee and has a Recognition Deed issued in respect of it under the Security Trust Deed;

New Senior Creditor Representative means a trustee, agent or other representative for any New Senior Creditor who has become party to the Intercreditor Deed and the Security Trust Deed and has a Recognition Deed issued in respect of it under the Security Trust Deed;

On-Loan Agreement means the loan agreement between HoldCo (as lender) and the Australian Borrower (as borrower) pursuant to which HoldCo will on-lend certain funding from shareholders in HoldCo to the Australian Borrower;

Operating Lease Expense means for any period, the aggregate amount of all rent, licence fees or equivalent amounts paid in cash by any Group Member under any operating lease of real property during that period;

Original Dollar Amount means in relation to a Funding Portion (Mezzanine) under the Facility denominated in:

- (a) Australian Dollars, the amount of the Funding Portion (Mezzanine);
- (b) a Foreign Currency, the Dollar Equivalent of the Funding Portion calculated at the Exchange Rate on the date which is 3 Business Days before the Funding Date for that Funding Portion (Mezzanine);

Original Guarantor (Mezzanine) means each party listed in schedule 1 to the Mezzanine Credit Agreement;

Original Guarantor (Senior) means each party listed in schedule 1 to the Senior Credit Agreement;

Petersen SPV means Peterson Investments Pty Limited;

Principal Outstanding (Mezzanine) means at any time the aggregate Original Dollar Amount of all outstanding Funding Portions (Mezzanine) at that time;

Recognition Deed means a deed in, or substantially in, the form of Annexure C to the Security Trust Deed (or in any other form that the parties from time to time agree) under which a New Senior Creditor becomes bound by the Security Trust Deed and the Intercreditor Deed in accordance with clause 8.4 of the Security Trust Deed;

Related Body Corporate means a related body corporate as defined in section 50 of the Corporations Act;

Retired Beneficiary means, at any time, a person who was a Beneficiary but who has assigned or novated to one or more New Beneficiaries all of its rights and obligations under the Finance Documents;

Secured Moneys (Mezzanine) means all amounts (including damages) that are payable, owing but not payable, or that otherwise remain unpaid by a Transaction Party (Mezzanine) to a Finance Party (Mezzanine) on any account at any time under or in connection with any Mezzanine Finance Document or any Transaction Document (Mezzanine) or any transaction that the Mezzanine Finance Documents contemplate, whether:

- (a) present or future, actual or contingent;

- (b) incurred alone, jointly, severally or jointly and severally;
- (c) the Transaction Party (Mezzanine) is liable on its own account or the account of, or as surety for, another person and without regard to the capacity in which the Transaction Party (Mezzanine) is liable;
- (d) due to a Finance Party (Mezzanine) alone or with another person;
- (e) a Finance Party (Mezzanine) is entitled for its own account or the account of another person;
- (f) arising from a banker and customer relationship or any other relationship;
- (g) originally contemplated by the Transaction Party (Mezzanine) or a Finance Party (Mezzanine) or not; and
- (h) a Finance Party (Mezzanine) is the original person in whose favour any of the above amounts were owing or an assignee and, if a Finance Party (Mezzanine) is an assignee:
 - (i) whether or not the Transaction Party (Mezzanine) consented to or knew of the assignment;
 - (ii) no matter when the assignment occurred; and
 - (iii) whether or not the entitlements of that original person were assigned with this document;

Secured Moneys (Senior) means all amounts (including damages) that are payable, owing but not payable, or that otherwise remain unpaid by a Transaction Party (Senior) to a Finance Party (Senior) on any account at any time under or in connection with any Senior Finance Document or any Transaction Document (Senior) or any transaction that the Senior Finance Documents contemplate, whether:

- (a) present or future, actual or contingent;
- (b) incurred alone, jointly, severally or jointly and severally;
- (c) the Transaction Party (Senior) is liable on its own account or the account of, or as surety for, another person and without regard to the capacity in which the Transaction Party (Senior) is liable;
- (d) due to a Finance Party (Senior) alone or with another person;
- (e) a Finance Party (Senior) is entitled for its own account or the account of another person;
- (f) arising from a banker and customer relationship or any other relationship;
- (g) originally contemplated by the Transaction Party (Senior) or a Finance Party (Senior) or not; and
- (h) a Finance Party (Senior) is the original person in whose favour any of the above amounts were owing or an assignee and, if a Finance Party (Senior) is an assignee:
 - (i) whether or not the Transaction Party (Senior) consented to or knew of the assignment;

- (ii) no matter when the assignment occurred; and
- (iii) whether or not the entitlements of that original person were assigned with this document;

Security (Mezzanine) means:

- (a) the HoldCo Mortgage;
- (b) the Australian Borrower Charge;
- (c) the UK Borrower Charge;
- (d) any Security Interest granted by an Additional Guarantor (Mezzanine) under clause 9.7 of the Mezzanine Credit Agreement;
- (e) any Security Interest granted by an Additional Borrower (Mezzanine) under clause 9.12 of the Mezzanine Credit Agreement;
- (f) the Target Securities (Mezzanine); and
- (g) each Collateral Security (Mezzanine);

Security (Senior) means:

- (a) the HoldCo Mortgage;
- (b) the Australian Borrower Charge;
- (c) the UK Borrower Charge;
- (d) any Security Interest granted by an Additional Guarantor (Senior) under clause 13.7 of the Senior Credit Agreement;
- (e) any Security Interest granted by an Additional Borrower (Senior) under clause 13.12 of the Senior Credit Agreement;
- (f) the Target Securities (Senior); and
- (g) each Collateral Security (Senior);

Security Assets means all assets of the Chargor the subject of any security created by the Security Agreement.

Security Interest means an interest or power:

- (a) reserved in or over an interest in any asset, including any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of, or having similar commercial effect to, security for the payment of a debt, any other monetary obligation or the performance of any other obligation (including a right of set-off or right to withhold payment of a deposit or other money), and includes any agreement to grant or create any

of the above but does not include a deemed security interest under section 17(1)(b) of the Personal Property Securities Act 1999 (NZ) that does not secure Finance Debt;

Security Provider (Mezzanine) means a person who has granted a Security (Mezzanine);

Security Provider (Senior) means a person who has granted a Security (Senior);

Security Trust Deed means the security trust deed dated 3 August 2006 between (among others) the Chargor and the Security Trustee;

Senior Credit Agreement means the senior credit agreement dated 3 August 2006 between (among others) the Chargor and the Security Trustee;

Senior Creditor means:

- (a) a Finance Party (Senior); or
- (b) a New Senior Creditor; or
- (c) any other person recognised as a "Senior Creditor" under clause 8 of the Security Trust Deed who is a party to, or a participant in, a Senior Finance Document;

Senior Facilities means:

- (a) the Amortising Facility;
- (b) the Interest Only Facility
- (c) the Capex Facility;
- (d) the Working Capital Facility; or
- (e) the Lease Guarantee Facility;

Senior Finance Documents means:

- (a) the Senior Credit Agreement;
- (b) any Fee Letter (Senior);
- (c) any Hedging Agreement (Senior) with a Hedge Counterparty (Senior);
- (d) any Security (Senior);
- (e) the Security Trust Deed;
- (f) the Intercreditor Deed;
- (g) the Subordination Deed Poll;
- (h) any Guarantee Assumption Agreement (Senior);
- (i) any Substitution Certificate (Senior); or

- (j) any other document or agreement which the Australian Borrower and the Agent agree is a Senior Finance Document,

or any document or agreement entered into in connection with, or for the purpose of amending or novating, any of the above;

Senior Period means the period from 3 August 2006 until:

- (a) the Secured Moneys (Senior) have been Finally Paid;
- (b) all commitments under the Senior Finance Documents have been cancelled in full; and
- (c) all money due or owing to the Senior Creditors by the Mezzanine Creditors under the Intercreditor Deed have been Finally Paid;

Series A Notes means the unsecured loan notes each having a face value of \$1 constituted by the instrument, made on Completion by HoldCo, convertible into ordinary shares;

Series B Notes means the unsecured loan notes each having a face value of \$1 constituted by the instrument, made on Completion by HoldCo, convertible into ordinary B shares;

Shareholder Document means:

- (a) the Shareholders Agreement;
- (b) the Subscription Agreement;
- (c) the constitution of Holdco;
- (d) the Shareholder Loan Notes; or
- (e) the On-Loan Agreement;

Shareholder Loan Notes means the Series A Notes and the Series B Notes;

Shareholders Agreement means the shareholders agreement relating to Holdco dated on or prior to Financial Close between Holdco, CHAMP, Petersen SPV and the Existing Managers (as defined therein);

Subordination Deed Poll means the subordination deed poll dated on or prior to Financial Close executed by HoldCo in favour of the Security Trustee;

Subscription Agreement means the subscription agreement dated on or prior to Financial Close between HoldCo, CHAMP, Petersen SPV and the Existing Managers (as defined therein) in relation to the subscription of equity in HoldCo;

Subsidiary means, in relation to an Entity (**Head Entity**):

- (a) a subsidiary as defined in section 46 of the Corporations Act of that Head Entity;
- (b) any entity which that Head Entity Controls; or
- (c) any Entity which would be a Subsidiary of the Head Entity if both Entities were registered under the Corporations Act;

Substitute Financier means a person substituted by a Financier (Senior) under clause 21.3 of the Senior Credit Agreement for any of the Financier (Senior)'s Commitment;

Substitution Certificate (Mezzanine) means a certificate in the form of annexure C to the Mezzanine Credit Agreement which is executed pursuant to clause 17.3 of the Mezzanine Credit Agreement;

Substitution Certificate (Senior) means a certificate in the form of annexure C to the Senior Credit Agreement which is executed pursuant to clause 21.3 of the Senior Credit Agreement;

Target means Study Group International Limited (registered in England and Wales under number 3108030);

Target Companies means the Target Companies (Senior) and the Target Companies (Mezzanine);

Target Companies (Mezzanine) means the Target and its Subsidiaries including the Taylors Institute as set out in the Group Structure Diagram (Mezzanine) in schedule 7 to the Mezzanine Credit Agreement;

Target Companies (Senior) means the Target and its Subsidiaries including the Taylors Institute as set out in the Group Structure Diagram (Senior) in schedule 7 to the Senior Credit Agreement;

Target Securities (Mezzanine) means each Security (Mezzanine) given or to be given by a Target Company (Mezzanine) in accordance with clause 9.13;

Target Securities (Senior) means each Security (Senior) given or to be given by a Target Company (Senior) in accordance with clause 13.13;

Taylors Institute means Taylors Institute of Advanced Studies Limited, a corporation limited by guarantee (ACN 005 432 155);

Taylors Institute Management Documents means:

- (a) the management agreement dated 30 June 2002 between Taylors Institute and Study Group Australia Pty Limited; and
- (b) the services agreement dated 8 April 1998 between Taylors Institute and Study Group Australia Pty Limited;

Term Loan Facilities means the Amortising Facility and the Interest Only Facility;

Total Amortising Commitments means:

- (a) in relation to the Amortising A\$ Commitments at any time, the aggregate of the Amortising A\$ Commitments of the Amortising Financiers at that time;
- (b) in relation to the Amortising GBP Commitments at any time, the aggregate of the Amortising GBP Commitments of the Amortising Financiers at that time;

Total Capex Commitments means, at any time, the aggregate of the Capex Commitments of the Capex Financiers at that time;

Total Commitment (Mezzanine) means, at any time, the aggregate Commitments of the Financiers (Mezzanine) at that time;

Total Commitments means:

- (a) the Total Amortising Commitments;
- (b) the Total Interest Only Commitments;
- (c) the Total Capex Commitments;
- (d) the Total Working Capital Commitments; and
- (e) the Total Lease Guarantee Commitments;

Total Interest Only Commitments means:

- (a) in relation to the Interest Only A\$ Commitments at any time, the aggregate of the Interest Only A\$ Commitments of the Interest Only Financiers at that time;
- (b) in relation to the Interest Only GBP Commitments at any time, the aggregate of the Interest Only GBP Commitments of the Interest Only Financiers at that time;

Total Lease Guarantee Commitments means, at any time, the aggregate of the Lease Guarantee Commitments of the Lease Guarantee Financiers at that time;

Total Working Capital Commitments means, at any time, the aggregate of the Working Capital Commitments of the Working Capital Financiers at that time;

Transaction Document (Mezzanine) means:

- (a) each Acquisition Document;
- (b) each Material Contract;
- (c) any Shareholder Document;
- (d) any Mezzanine Finance Document;
- (e) any Senior Finance Document; or
- (f) any other document or agreement which the Australian Borrower and the Mezzanine Agent agree is a Transaction Document (Mezzanine),

or any document or agreement entered into in connection with, or for the purpose of amending or novating any of the above;

Transaction Document (Senior) means:

- (a) each Acquisition Document;
- (b) each Material Contract;
- (c) any Shareholder Document;
- (d) any Mezzanine Finance Document;
- (e) any Senior Finance Document; or

- (f) any other document or agreement which the Australian Borrower and the Agent agree is a Transaction Document (Senior),

or any document or agreement entered into in connection with, or for the purpose of amending or novating any of the above;

Transaction Party means the Transaction Parties (Mezzanine) and the Transaction Parties (Senior);

Transaction Party (Mezzanine) means:

- (a) each Borrower (Mezzanine);
- (b) any Guarantor (Mezzanine); and
- (c) any Security Provider (Mezzanine);

Transaction Party (Senior) means:

- (a) each Borrower (Senior);
- (b) any Guarantor (Senior); and
- (c) any Security Provider (Senior);

UK Borrower means Study Group Holdings Limited with company number 5888001 of 40 Bank Street, London E14 5DS, United Kingdom;

UK Borrower Charge means the deed of charge entered into prior to Financial Close between the UK Borrower and the Security Trustee;

Vendor means Hobsons Study Group Limited (registered in England and Wales under number 3708142);

Working Capital Commitment means, in relation to a Working Capital Financier, the amount set out opposite its name in part D of schedule 2 to the Senior Credit Agreement, as adjusted under the Senior Credit Agreement;

Working Capital Facility means the loan facility made available by the Working Capital Financiers to the Borrower under clause 8 of the Senior Credit Agreement; and

Working Capital Financiers means the Financiers (Senior) listed in Part D of schedule 2 to the Senior Credit Agreement and any person who is a Substitute Financier in relation to the Working Capital Facility.

SCHEDULE 1
SECURITY ASSETS

REAL PROPERTY

Bellerbys Educational Services Limited – Real Property


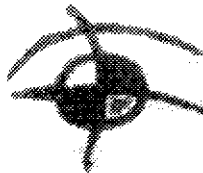
Property Address	Nature of Holding	Owning Entity	Registered Number
Part Block G, Creek Road, McMillan Court, Greenwich	Leasehold	Bellerbys Educational Services Limited	TGL254297
Blocks K, J and L, Stowage, Greenwich	Leasehold	Bellerbys Educational Services Limited	TGL246250
Bounty House, Stowage, Greenwich	Freehold	Bellerbys Educational Services Limited	TGL245531

SHARES

Charging Company	Description of shares held	Company in which shares held
Study Group International Limited	Forty thousand (40,000) preference shares	Bellerbys Educational Services Limited
	One hundred and twenty two (122) ordinary shares	
Study Group International Limited	Three hundred (300) ordinary shares	Study Group Properties Limited
Study Group International Limited	One hundred (100) ordinary shares	Embassy Educational Services (UK) Limited
Study Group International Limited	One (1) ordinary share	Study Group Limited
Study Group International Limited	One (1) ordinary share	Study Group International (UK) 2 Limited

SPECIFIC INTELLECTUAL PROPERTY RIGHTS

A – TRADE MARKS REGISTERED IN THE UK BY STUDY GROUP INTERNATIONAL LIMITED

Owner	Number	Mark	Class(es)	Status and expiry date
Study Group International Limited	2212970	EMBASSY CES	41	Registered and in force until 1 November 2009
Study Group International Limited	2212971		41	Registered and in force until 1 November 2009
Study Group International Limited	2213440	STUDY GROUP INTERNATIONAL	41	Registered and in force until 4 November 2009
Study Group International Limited	2283082		41, 43	Registered and in force until 11 October 2011

B – COMMUNITY TRADE MARK OWNED BY STUDY GROUP INTERNATIONAL LIMITED

Owner	Number	Mark	Class(es)	Status
Study Group International Limited	E1229384	EMBASSY CES	41, 42	Registered

EXCLUDED CONTRACTS

No.	Document	Date
1	Promotion and referral agreement between The University of Stirling and Study Group Limited	20/04/2005
2	Agreement between RDI Consultants Limited and Bellerbys Educational Services Limited	10/09/2005
3	Feeder College agreement between Oxford Brookes University and Bellerbys Educational Services Limited	01/11/2005
4	Appointment of Education Advisers between The University of East London and Bellerbys College	1/12/2005
5	Agreement between The University of Portsmouth and Bellerbys College	1/12/2003

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 03124784

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SECURITY AGREEMENT DATED THE 13th DECEMBER 2006 AND CREATED BY STUDY GROUP PROPERTIES LIMITED FOR SECURING THE SECURED MONEYS 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 18th DECEMBER 2006.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 21st DECEMBER 2006.



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES