



Registration of a Charge

Company name: **HARRODS LIMITED**

Company number: **00030209**



X47C84YW

Received for Electronic Filing: **13/05/2015**

Details of Charge

Date of creation: **29/04/2015**

Charge code: **0003 0209 0011**

Persons entitled: **BARCLAYS BANK PLC (AND ITS SUCCESSORS IN TITLE AND PERMITTED TRANSFEREES)**

Brief description:

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION**

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

LINKLATERS LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 30209

Charge code: 0003 0209 0011

The Registrar of Companies for England and Wales hereby certifies that a charge dated 29th April 2015 and created by HARRODS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 13th May 2015 .

Given at Companies House, Cardiff on 14th May 2015

The above information was communicated by electronic means and authenticated
by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

EXECUTION VERSION

Certified that, save for material redacted pursuant to section 859G of the Companies Act 2006, this copy instrument is a correct copy of the original instrument.

Linklaters LLP.

SECURITY AGREEMENT

dated 29 April 2015

created by

THE COMPANIES NAMED IN SCHEDULE 1
as the Chargors

in favour of

BARCLAYS BANK PLC
acting as Security Agent

Linklaters

Ref: L-234830

Linklaters LLP

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THIS DEED is dated 29 April 2015 and made between:

- (1) THE COMPANIES listed in Schedule 1 as chargors (the "Chargors"); and
- (2) BARCLAYS BANK PLC as security agent for the Secured Parties (the "Security Agent")

Background

- (A) The Security Agent and each Chargor intend this document to take effect as a deed (even though the Security Agent only executes it under hand).
- (B) The Security Agent holds the benefit of this Deed for the Secured Parties on the terms of the Finance Documents.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

"Administrator" means an administrator appointed under Schedule B1 to the Insolvency Act.

"Delegate" means a delegate or sub-delegate appointed by the Security Agent or a Receiver in accordance with this Deed.

"Enforcement Event" means the Agent giving notice to the Company pursuant to Clause 25.15 (Acceleration) of the Facility Agreement.

"Facility Agreement" means the facility agreement dated 29 April 2015 between, among others, the Company, certain Subsidiaries of the Company as guarantors, Barclays Bank PLC as Arranger, the Lenders named in that agreement and Barclays Bank PLC as Agent and Security Agent.

"Finance Document" means the Facility Agreement, any Hedging Agreement, any Fee Letter, any Accession Letter and any Transaction Security Document referred to as such in the Facility Agreement and any other document designated as such by the Agent and the Company.

"Finance Party" means the Security Agent, the Agent, an Arranger or a Lender as described in the Facility Agreement.

"Fixtures" means fixtures, fittings and fixed plant, machinery and apparatus.

"Head Lease" means any lease pursuant to which title to any Real Property is vested in a Chargor.

"Insolvency Act" means the Insolvency Act 1986.

"Insurances" means, in relation to a Chargor, all its right, title and interest from time to time in and to all contracts and policies of insurance of any kind taken out by or on behalf of it and all Related Rights

"Intellectual Property Offices" means the United Kingdom Intellectual Property Office and the Office for Harmonisation in the Internal Market and any successor organisations.

"Law of Property Act" means the Law of Property Act 1925.

"Majority Senior Creditors" shall have the meaning given to that term in the Facility Agreement.

"Fixed Charge Intellectual Property" means the Intellectual Property listed in Schedule 4 (*Fixed Charge Intellectual Property*) and all Related Rights.

"Party" means a party to this Deed.

"Propco Lease" means the lease dated 5 December 2006 between Harrods Property Limited and Harrods Limited relating to Harrods Store, 87/135 Brompton Road, London SW1X 7XL, Former Knightsbridge Crown Court, 25 Basil Street, London SW3 and Part Ground, Basement and Lower Basement Levels, Trevor Square, 96 to 104 Brompton Road, London SW3, as registered at the Land Registry with title number BGL61175 and as supplemented or varied from time to time.

"Real Property" means, in relation to a Chargor, all its right, title and interest from time to time in and to the property listed in Schedule 3 (*Real Property*), all Fixtures from time to time on that property (other than any tenant's fixtures and fittings), and all Related Rights.

"Receiver" means a receiver and manager or other receiver appointed in respect of all or any part of the Security Assets and shall, if allowed by law, include an administrative receiver.

"Related Rights" means, in relation to any asset:

- (a) any proceeds of sale, transfer or other disposal, lease, licence, sub-licence, or agreement for sale, transfer or other disposal, lease, licence or sub-licence, of that Security Asset;
- (b) any moneys or proceeds paid or payable deriving from that Security Asset;
- (c) any rights, claims, guarantees, indemnities, Security or covenants for title in relation to that Security Asset;
- (d) any awards or judgments in favour of a Chargor in relation to that Security Asset; and
- (e) any other assets deriving from, or relating to, that Security Asset.

"Secured Liabilities" means all present and future liabilities and obligations at any time due, owing or incurred by each Obligor to any Secured Party under the Finance Documents, both actual and contingent and whether incurred solely or jointly or as principal or surety or in any other capacity.

"Secured Parties" means each Finance Party and Hedge Counterparty from time to time party to the Finance Documents and any Receiver or Delegate.

"Security Assets" means the assets which from time to time are, or expressed to be, the subject of the Security Interests or any part of those assets.

"Security Interests" means all or any of the Security created or expressed to be created in favour of the Security Agent by or pursuant to this Deed.

1.2 Incorporation of defined terms

Unless a contrary indication appears, terms defined in the Facility Agreement have the same meaning in this Deed.

1.3 Construction

- (a) Any reference in this Deed to a "**Finance Document**" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated.
- (b) The provisions in Clause 1.2 (*Construction*) of the Facility Agreement apply to this Deed, except that references to the Facility Agreement shall be construed as references to this Deed.

1.4 Third Party Rights

- (a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**") to enforce or to enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.

1.5 Disposition

The terms of the other Finance Documents are incorporated into each Finance Document to the extent required for any disposition or purported disposition of all or any part of any Real Property or the property held pursuant to the Propco Lease or any other relevant Security Asset contained in any Finance Document to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

2. SECURITY INTERESTS

2.1 Creation of Security Interests

Each Chargor, with full title guarantee and as security for the payment of all Secured Liabilities, charges in favour of the Security Agent:

- (a) by way of first legal mortgage, the Real Property and the Propco Lease;
- (b) by way of first fixed charge, all its Fixed Charge Intellectual Property; and
- (c) by way of first floating charge, all its undertaking and all its assets, both present and future (including assets expressed to be mortgaged or charged under this Clause 2.1).

2.2 Ranking

The floating charge created by each Chargor under Clause 2.1 (*Creation of Security Interests*) ranks:

- (a) behind all the mortgages and fixed charges created by that Chargor; but
- (b) in priority to any other Security over the Security Assets of that Chargor except for Security ranking in priority in accordance with paragraph (f) of Schedule 2 (*Rights of Receivers*).

2.3 Conversion by notice

The Security Agent may convert the floating charge over all or any of the Security Assets into a fixed charge by notice to the relevant Chargor specifying the relevant Security Assets:

- (a) if an Event of Default has occurred and is continuing and the Security Agent reasonably considers that any Security Assets are in danger of being (i) seized or sold pursuant to

any form of legal process or (ii) sold, leased, transferred or otherwise disposed of in breach of Clause 3.2 (*Disposals*); and/or

(b) following the occurrence of an Enforcement Event.

2.4 Automatic conversion

If:

- (a) any Chargor creates or attempts to create any Security or Quasi Security in breach of Clause 3.1 (*Negative pledge*) over any Security Asset subject to a floating charge; or
- (b) any person takes any step to effect any expropriation, attachment, sequestration, distress or execution against any such Security Asset,

the floating charge over the relevant Security Assets shall automatically and immediately be converted into a fixed charge.

2.5 Company voluntary arrangement moratorium

Obtaining a moratorium or doing anything with a view to obtaining a moratorium pursuant to Schedule A1 of the Insolvency Act (including any preliminary decision or investigation) shall not cause the floating charge over all or any of the Security Assets to crystallise until the date upon which it is permitted to crystallise in accordance with paragraph 13 of Schedule A1 of the Insolvency Act.

2.6 Consents

If the consent of any party to a document is required to create fixed security over, or an assignment of, the rights of a Chargor under that document:

- (a) that Chargor shall promptly notify the Security Agent;
- (b) until the consent of the relevant party has been obtained, this Deed shall secure all amounts which that Chargor may receive, or has received, under that document but exclude any fixed security over, or any assignment of, those rights;
- (c) if the Security Agent so requires and notifies the relevant Chargor in writing accordingly, that Chargor shall use reasonable endeavours for a period of 45 days (or such shorter period as the relevant Chargor and the Security Agent agree (each acting reasonably)) to obtain the consent of the relevant party to the creation of fixed security over or, as the case may be, an assignment of, those rights under this Deed as soon as reasonably practicable. If the relevant Chargor has used its reasonable endeavours, but has not by the end of the period referred to above been able to procure the consent of the relevant party to the creation of such fixed security or, as the case may be, assignment, the obligation to procure such consent shall cease on the expiry of the period referred to above; and
- (d) on the date on which the consent of the relevant party is obtained, the fixed security over or, in respect of an asset expressed to be subject to an assignment, the assignment of, those rights under this Deed shall attach to those rights.

2.7 No other prejudicial conduct

Save as permitted by the Facility Agreement, no Chargor shall do, or permit to be done, anything which could reasonably be expected to adversely prejudice the Security Interests.

3. RESTRICTIONS ON DEALING WITH SECURITY ASSETS

3.1 Negative pledge

No Chargor shall create or permit to subsist any Security or Quasi Security over any Security Asset, except as permitted by the Facility Agreement.

3.2 Disposals

No Chargor shall enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of any Security Asset, except as permitted by the Facility Agreement.

4. FURTHER ASSURANCE

(a) Each Chargor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):

- (i) to perfect the Security created or intended to be created under or evidenced by this Deed (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Security Interests) or for the exercise of any rights, powers and remedies of the Security Agent or the Secured Parties provided by or pursuant to the Finance Documents or by law; and/or
- (ii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security Interests.

(b) Each Chargor shall use its reasonable endeavours to take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Secured Parties by or pursuant to this Deed.

5. REAL PROPERTY

5.1 Real Property

Each Chargor shall, in respect of the Real Property and the Propco Lease:

- (a) promptly apply to the Land Registry for first registration of the Real Property and the Propco Lease (where it is capable of being registered at the Land Registry and is not already so registered) and for registration of it as proprietor of the Real Property and the Propco Lease;
- (b) promptly apply to the Land Registry to register the Security created by paragraph (a) of Clause 2.1 (*Creation of Security Interests*);
- (c) promptly apply to the Land Registry requesting:

- (i) a restriction in the form specified by the Security Agent; and
- (ii) the obligation to make further advances,

to be entered on the register of the title to that Real Property and the Propco Lease in respect of the Security created by paragraph (a) of Clause 2.1 (*Creation of Security Interests*);

- (d) promptly pay all applicable registration fees; and
- (e) promptly deal with any requisitions by the Land Registry relating to that Real Property and/or the Propco Lease and keep the Security Agent informed as to the progress of any such application for registration, the nature of any such requisitions and its response,

or, if the Security Agent gives notice to that Chargor that the Security Agent will submit the relevant forms to the Land Registry, that Chargor shall promptly provide the Security Agent with all duly completed forms reasonably requested by the Security Agent and all applicable registration fees.

5.2 Title Information Document

On completion of the registration of any Security Interest pursuant to this Clause 5, the relevant Chargor shall promptly supply to the Security Agent a copy of the relevant Title Information Document issued by the Land Registry or, as the case may be, Certificate of Registration of Land Charge issued by the Land Charges Registry.

5.3 Protection of assets

Subject to the terms of the Finance Documents, each Chargor shall (subject to fair wear and tear) keep in good and substantial repair and condition all the Real Property and the property held pursuant to the Propco Lease which is a Security Asset where failure to do so has a Material Adverse Effect.

5.4 Compliance with obligations

Subject to the terms of the Finance Documents, each Chargor shall comply with any covenants, stipulations, conditions, licences, consents and any other statutory, regulatory or contractual obligations relating to its Real Property and the property held pursuant to the Propco Lease or its use.

5.5 Leases

Subject to the terms of the Finance Documents, each Chargor shall:

- (a) observe and perform in all material respects all covenants, stipulations and obligations binding upon it as lessee under any Head Lease, and as lessor or lessee under the Propco Lease and any Occupational Lease;
- (b) diligently enforce all material covenants, stipulations and obligations benefiting it as lessor under any Head Lease, Occupational Lease or the Propco Lease;
- (c) other than as permitted by the Finance Documents, not amend, waive, release or vary any provision of, or exercise any option or power to break, terminate, forfeit or extend (or agree to do any of the foregoing) any Head Lease or Occupational Lease (other than the Propco Lease);

- (d) not do or permit to be done anything under any Head Lease (other than the Propco Lease) which may result in its forfeiture;
- (e) promptly notify the Security Agent of anything which may result in the forfeiture or termination of any Head Lease or Occupational Lease (other than the Propco Lease); and
- (f) other than as permitted by the Finance Documents, not grant any new Occupational Lease or exercise any of the powers of leasing or agreeing to lease any Real Property or the property held pursuant to the Propco Lease vested in or conferred on mortgagors by law.

5.6 Power to remedy

- (a) If a Chargor does not comply with any provision of this Clause 5 and such non-compliance is not remedied within 15 Business Days of the earlier of (A) the Security Agent giving notice to the relevant Chargor and (B) the relevant Chargor becoming aware of the failure to comply, the Security Agent, or any agent, contractor or other person required by the Security Agent, may take any action reasonably required by the Security Agent to comply with any such provision.
- (b) The cost and expense of any action referred to in paragraph (a) above shall be borne by the relevant Chargor.

6. INSURANCES

6.1 Notice of security over insurances

Each relevant Chargor shall on the date of this Deed give notice of the floating charge created over insurances substantially in the form set out in Schedule 5 (*Form of notice of security over insurances*) (or in such other form as is acceptable to the Security Agent) and shall use its reasonable endeavours for a period of 45 days to ensure that each recipient of any such notice promptly signs and returns the relevant form of acknowledgement. If the relevant Chargor has used its reasonable endeavours but has not by the end of the period referred to above been able to procure the acknowledgment of the relevant counterparty, the obligation to procure such acknowledgment shall cease on the expiry of the period referred to above.

7. INTELLECTUAL PROPERTY

7.1 Documents

Each Chargor shall, following the occurrence of an Event of Default which is continuing and upon the request of the Security Agent, promptly deliver to the Security Agent, and the Security Agent shall be entitled to hold, such documents relating to that Chargor's United Kingdom and European Community trade mark registrations and applications for registration as the Security Agent reasonably requires.

7.2 Notification

Each Chargor shall promptly notify the Security Agent of any filing of an application by it or on its behalf for, or any registration of, any United Kingdom and European Community registered trade marks.

7.3 Perfection Requirements

Each Chargor shall:

- (a) with respect to that Chargor's United Kingdom and European Community trade mark registrations and applications for registration as at the date of this Deed, as soon as reasonably practicable and in any event within three months from the date of this Deed; and
- (b) with respect to United Kingdom and European Community trade mark applications filed by that Chargor or on its behalf after the date of this Deed, as soon as reasonably practicable and in any event within three months of the application date; and
- (c) with respect to any United Kingdom and European Community trade mark registrations and applications for registration acquired by that Chargor after the date of this Deed, as soon as reasonably practicable and in any event within three months of the date of acquisition;

in each case:

- (i) submit to the relevant Intellectual Property Offices such documents necessary to record and perfect the Security created or expressed to be created by or pursuant to this Deed with respect to such registration or application;
- (ii) use all reasonable endeavours to ensure that all requirements, demands and queries made by any Intellectual Property Office in connection with such registration or application are dealt with promptly in order to comply with any perfection formality in relation to such Security; and
- (iii) forward copies of all such documents to the Security Agent promptly after submission thereof, as well as any material documents received from such Intellectual Property Office that provides evidence of the application to register and the registration of such Security.

All costs and expenses related to any action referred to in this paragraph 7.3 (including any reasonable costs and expenses incurred by the Security Agent (subject to any agreed caps)) shall be borne by the Chargors.

8. PROPCO LEASE

Each relevant Chargor shall, promptly following occurrence of the same, notify the Security Agent of any rescission, cancellation, termination or forfeiture of the Propco Lease.

9. ENFORCEMENT OF SECURITY INTERESTS

9.1 When enforceable

The Security Interests shall be immediately enforceable on and at any time after the occurrence of an Enforcement Event.

9.2 Enforcement action

At any time after the Security Interests have become enforceable, the Security Agent may in its absolute discretion enforce all or any part of the Security Interests in any manner it sees fit or as directed by the Majority Senior Creditors.

9.3 Law of Property Act powers

At any time after the Security Interests have become enforceable, the powers, authorities and discretions conferred by the Law of Property Act on mortgagees, including the power of sale and other powers conferred by section 101 (*Powers incident to estate or interest of mortgagee*) of the Law of Property Act, as varied and extended by this Deed, shall be immediately exercisable.

10. LAW OF PROPERTY ACT

10.1 Section 101

The power of sale and other powers conferred by section 101 (*Powers incident to estate or interest of mortgagee*) of the Law of Property Act on mortgagees, as varied and extended by this Deed, shall arise (and the Secured Liabilities shall be deemed due and payable for that purpose) on the date of this Deed and shall be exercisable in accordance with Clause 9.3 (*Law of Property Act powers*).

10.2 Section 103

Section 103 (*Regulation of exercise of power of sale*) of the Law of Property Act shall not apply to this Deed.

10.3 Section 93

Section 93 (*Restriction on consolidation of mortgages*) of the Law of Property Act shall not apply to this Deed.

10.4 Sections 99 and 100

At any time after the Security Interests have become enforceable, the Security Agent may make any lease or agreement for lease, accept any surrender of lease and grant any option as it sees fit and without the need to comply with any provision of section 99 (*Leasing powers of mortgagor and mortgagee in possession*) or section 100 (*Powers of mortgagor and mortgagee in possession to accept surrenders of leases*) of the Law of Property Act.

11. APPOINTMENT OF RECEIVERS AND ADMINISTRATORS

11.1 Appointment of Receivers

If:

- (a) requested by any Chargor; or
- (b) the Security Interests have become enforceable,

without any notice or further notice, the Security Agent may, by deed or otherwise in writing signed by the Security Agent or any person authorised for this purpose by the Security Agent, appoint one or more persons to be a Receiver of all or any part of the Security Assets. The Security Agent may similarly remove any Receiver and appoint any person instead of any Receiver. If the Security Agent appoints more than one person as Receiver, the Security Agent may give those persons power to act either jointly or severally;

11.2 Appointment of Administrators

Paragraph 14 of Schedule B1 to the Insolvency Act applies to this Deed and the Security Agent may appoint an Administrator of any Chargor pursuant to that paragraph.

11.3 Agent of Chargor

Any Receiver shall be the agent of the relevant Chargor for all purposes. That Chargor alone shall be responsible for the Receiver's contracts, engagements, acts, omissions and defaults, save in the case of any fraud, gross negligence or wilful misconduct of any such Receiver.

11.4 Remuneration of Receivers

The Security Agent may determine the remuneration of any Receiver and the maximum rate specified in section 109(6) (*Appointment, powers, remuneration and duties of receiver*) of the Law of Property Act shall not apply. The Security Agent may direct payment of that remuneration out of moneys it receives as Receiver. The relevant Chargor alone shall be liable for the remuneration and all other costs, losses, liabilities and expenses of the Receiver, save in the case of any fraud, gross negligence or wilful misconduct of the Security Agent.

12. RIGHTS AND LIABILITIES OF SECURITY AGENT AND RECEIVERS

12.1 Rights of Receivers

Any Receiver appointed pursuant to Clause 11 (*Appointment of Receivers and Administrators*) shall have:

- (a) the rights set out in Schedule 2 (*Rights of Receivers*); and
- (b) the rights, powers, privileges and immunities conferred by law, including:
 - (i) in the case of an administrative receiver, the rights, powers, privileges and immunities conferred by the Insolvency Act on administrative receivers duly appointed under the Insolvency Act; and
 - (ii) in all other cases, the rights, powers, privileges and immunities conferred by the Law of Property Act and the Insolvency Act on receivers or receivers and managers.

12.2 Rights of Security Agent

At any time after the Security Interests have become enforceable, to the fullest extent permitted by law, any rights conferred by any Finance Document or by law upon a Receiver may be exercised by the Security Agent, whether or not the Security Agent shall have appointed a Receiver of all or any part of the Security Assets.

12.3 Delegation

The Security Agent may delegate in any manner to any person any rights exercisable by the Security Agent under any Finance Document. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Security Agent thinks fit and the Security Agent may pass confidential information to any such delegate.

12.4 Financial collateral arrangement

- (a) To the extent that this Deed constitutes a "financial collateral arrangement" (as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "**Financial Collateral Regulations**")) the Security Agent shall, following an Enforcement Event, have the right:
- (i) to use and dispose of any Security Asset which constitutes "financial collateral" (as defined in the Financial Collateral Regulations ("**Financial Collateral**")) in such manner as it sees fit, in which case the Security Agent shall comply with any requirements of the Financial Collateral Regulations in relation to obtaining "equivalent financial collateral" (as defined in the Financial Collateral Regulations);
 - (ii) to set-off the value of any equivalent financial collateral against, or apply it in discharge of, any Secured Liabilities in accordance with the Financial Collateral Regulations; and
 - (iii) to appropriate any Security Asset which constitutes Financial Collateral in such manner as it sees fit in or towards satisfaction of the Secured Liabilities in accordance with the Financial Collateral Regulations.
- (b) If the Security Agent is required to value any equivalent financial collateral or Financial Collateral for the purpose of paragraph (a)(ii) or (a)(iii) above, the value shall be:
- (i) in the case of cash, its face value at the time of appropriation or set-off; and
 - (ii) in the case of financial instruments or other Financial Collateral, their market value at the time of appropriation or set-off as determined (after appropriation) by the Security Agent by reference to a public index or other applicable generally recognised source or such other process as the Security Agent may select, including a valuation carried out by an independent investment bank, firm of accountants or other valuers appointed by the Security Agent,
- as converted, where necessary, into the currency in which the Secured Liabilities are denominated at a market rate of exchange prevailing at the time of appropriation or set-off selected by the Security Agent. The Parties agree that the methods of valuation set out in this paragraph (b) are commercially reasonable for the purpose of the Financial Collateral Regulations.
- (c) Following the occurrence of an Enforcement Event, each Chargor authorises the Security Agent to transfer any Security Asset which constitutes Financial Collateral in accordance with the Financial Collateral Regulations, and any such Security Asset shall pass from the relevant Chargor to the Security Agent by way of outright title transfer, free and clear of any liens, claims, charges or encumbrances or any other interest of any Chargor or any third party. The Security Agent shall, accordingly, have the right following an Enforcement Event to deal with, lend, dispose of, pledge, charge or otherwise use any Security Asset which constitutes Financial Collateral.

12.5 Possession

If the Security Agent, any Receiver or any Delegate takes possession of the Security Assets, it may at any time relinquish possession. Neither the Security Agent, any Receiver nor any

Delegate shall be liable, by reason of viewing or repairing any of the present or future assets of any Chargor, as a mortgagee in possession.

12.6 Security Agent's liability

Neither the Security Agent, any Receiver nor any Delegate shall, either by reason of taking possession of the Security Assets or for any other reason and whether as mortgagee in possession or otherwise, be liable for:

- (a) any costs, losses, liabilities or expenses relating to the realisation of any Security Assets; or
- (b) any act or omission of the Security Agent, any Receiver, any Delegate or their respective officers, employees or agents in relation to the Security Assets or in connection with the Finance Documents,

in each case, unless directly caused by its fraud, gross negligence or wilful misconduct.

13. ORDER OF APPLICATION

All amounts from time to time received or recovered by the Security Agent or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or any part of the Security Interests shall be held by the Security Agent on trust for application at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law, in the order set out in the Facility Agreement.

14. POWER OF ATTORNEY

14.1 Appointment

Each Chargor by way of security irrevocably appoints the Security Agent, each Receiver and each Delegate severally to be its attorney (with full power of substitution), on its behalf and in its name or otherwise, at such time and in such manner as the attorney thinks fit:

- (a) to do anything which that Chargor is obliged to do under any Finance Document to which it is party but, following the expiry of any time period permitted for performance, has failed to do by the date it was obliged to do so (including to do all such acts or execute all such documents, assignments, transfers, mortgages, charges, notices, instructions, filings and registrations as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s))); and
- (b) to exercise any of the rights conferred on the Security Agent, any Receiver or any Delegate in relation to the Security Assets or under any Finance Document or under any law.

14.2 Ratification

Each Chargor ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do in the exercise or purported exercise of the power of attorney granted by it in Clause 14.1 (*Appointment*) save in the case of any fraud, gross negligence or wilful misconduct of any such attorney.

15. PROTECTION OF THIRD PARTIES

No purchaser or other person dealing with the Security Agent, any Receiver or its agents shall be concerned to enquire:

- (a) whether the powers conferred on the Security Agent, any Receiver or its agents have arisen;
- (b) whether the powers conferred on the Security Agent, any Receiver or its agents have become exercisable;
- (c) whether any consents, regulations, restrictions or directions relating to such powers have been obtained or complied with;
- (d) whether the Security Agent, any Receiver or its agents is acting within such powers;
- (e) whether any money remains due under the Finance Documents and the receipt in writing of the Security Agent, any Receiver or its agents shall be sufficient discharge to that purchaser or other person;
- (f) as to the propriety or validity of acts purporting or intended to be in exercise of any such powers; or
- (g) as to the application of any money paid to the Security Agent, any Receiver or its agents.

16. SAVING PROVISIONS

16.1 Continuing Security

Subject to Clause 17 (*Discharge of Security*), the Security Interests are continuing Security and will extend to the ultimate balance of the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

16.2 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of any Chargor or Obligor or any security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation or otherwise, without limitation, then the liability of each Chargor and Obligor and the Security Interests will continue or be reinstated as if the discharge, release or arrangement had not occurred.

16.3 Waiver of defences

Neither the obligations of each Chargor under this Deed nor the Security Interests will be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under any Finance Document or any of the Security Interests (without limitation and whether or not known to it or any Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Chargor, Obligor or other person;
- (b) the release of any other Chargor, Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Chargor, Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Chargor, Obligor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

16.4 Chargor intent

Without prejudice to the generality of Clause 16.3 (*Waiver of defences*), each Chargor expressly confirms that it intends that the Security Interests shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

16.5 Immediate recourse

Each Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Chargor under this Deed. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

16.6 Appropriations

Until all amounts which may be or become payable by the Obligors or the Chargors under or in connection with the Finance Documents have been irrevocably paid in full and all facilities which might give rise to Secured Liabilities have terminated, each Secured Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Secured Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Chargor shall be entitled to the benefit of the same; and

- (b) hold in an interest-bearing suspense account any moneys received from any Chargor or on account of any Chargor's liability under this Deed.

16.7 Deferral of Chargors' rights

Until all amounts which may be or become payable by the Obligors or the Chargors under or in connection with the Finance Documents have been irrevocably paid in full and all facilities which might give rise to Secured Liabilities have terminated and unless the Security Agent otherwise directs, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under the Finance Documents:

- (a) to be indemnified by a Chargor or an Obligor;
- (b) to claim any contribution from any other Chargor or guarantor of any Obligor's obligations under the Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Secured Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor or any Chargor to make any payment, or perform any obligation, in respect of which the Obligor or the Chargor had given a guarantee, undertaking or indemnity;
- (e) to exercise any right of set-off against any Obligor or any Chargor; and/or
- (f) to claim or prove as a creditor of any Obligor or any Chargor in competition with any Secured Party.

If a Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Obligors or the Chargors under or in connection with the Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with Clause 13 (*Order of application*).

16.8 Additional security

The Security Interests are in addition to and are not in any way prejudiced by any other guarantee or security now or subsequently held by any Secured Party.

16.9 Tacking

Each Finance Party shall comply with its obligations under the Finance Documents (including any obligation to make further advances).

17. DISCHARGE OF SECURITY

17.1 Final redemption

- (a) Subject to Clause 17.2 (*Retention of security*), if the Security Agent (acting on the instructions of the Majority Senior Creditors, each acting reasonably) is satisfied that all amounts which may be or become payable by the Obligors or the Chargors under or in connection with the Finance

Documents have been irrevocably paid in full and that all facilities which might give rise to Secured Liabilities have terminated, the Security Agent shall, at the request and cost of the relevant Chargor (and without any further instruction or direction from any other Finance Party), release, reassign or discharge (as appropriate) the Security Assets from the Security Interests.

- (b) Subject to Clause 17.2 (*Retention of security*), the Security Agent shall, at the request and cost of the relevant Chargor (and without any further instruction or direction from any other Finance Party), release, reassign or discharge (as appropriate) from the Security Interests any Security Asset which is subject to a disposal or transfer by a Chargor permitted under the Facility Agreement.

17.2 Retention of security

If the Security Agent (acting on the instructions of the Majority Senior Creditors, each acting reasonably) considers that any amount paid or credited to any Secured Party under any Finance Document has been or is reasonably likely to be avoided or otherwise set aside, that amount shall not be considered to have been paid for the purposes of determining whether all the Secured Liabilities have been irrevocably paid.

18. PAYMENTS

18.1 Undertaking to pay

Each Chargor shall pay each of the Secured Liabilities when due in accordance with its terms.

18.2 Demands

Any demand for payment made by any Secured Party shall be valid and effective even if it contains no statement of the relevant Secured Liabilities.

18.3 Payments

All payments by any Chargor under this Deed shall be made to such account, with such financial institution and in such other manner as the Security Agent may direct.

18.4 Continuation of accounts

- (a) At any time after a Secured Party has received or is deemed to have received notice of any subsequent Security affecting all or any part of the Security Assets of any Chargor, that Secured Party may open a new account in the name of that Chargor (whether or not it permits any existing account to continue).
- (b) If that Secured Party does not open such a new account, it shall be treated as if it had done so when the relevant notice was received or deemed to have been received and as from that time all payments made by or on behalf of that Chargor to that Secured Party shall be credited or be treated as having been credited to the relevant new account and not as having been applied in reduction of the Secured Liabilities as at the time the relevant notice was received or deemed to have been received.

18.5 Contingencies

If all or any part of the Security Interests are enforced at a time when no amount is due under the Finance Documents but any such amount will become due, the Security Agent or the Receiver may pay the proceeds of any recoveries effected by it into a suspense account.

19. REMEDIES, WAIVERS AND DETERMINATIONS

19.1 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, Receiver or Delegate, any right or remedy under any Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No waiver or election to affirm any of the Finance Documents on the part of any Finance Party, Receiver or Delegate shall be effective unless in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in the Finance Documents are cumulative and not exclusive of any rights or remedies provided by law, including the right to appoint an Administrator under the Insolvency Act.

19.2 Certificates and Determinations

Any certification or determination by the Security Agent or any Receiver of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

20. SEPARATE AND INDEPENDENT OBLIGATIONS

- (a) Subject to paragraph (b) below, the Security created by each Chargor by or in connection with any Finance Document is separate from and independent of the Security created or intended to be created by any other Chargor by or in connection with any Finance Document.
- (b) Any reference in this Deed to a "Chargor" in relation to any Security Asset is, if that Chargor holds any right, title or interest in that Security Asset jointly with any other Chargor, a reference to those Chargors jointly.

21. COUNTERPARTS

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

22. GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

23. ENFORCEMENT

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "Dispute").
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 23 is for the benefit of the Security Agent only. As a result, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with

jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

This Deed has been delivered on the date stated at the beginning of this Deed.

SCHEDULE 1
THE CHARGORS

Name of Chargor	Registration number (or equivalent, if any)
Harrods Holdings Limited	01848143
Harrods Corporate Management Limited	08022049
Harrods Property Limited	05985365
Harrods Limited	00030209

SCHEDULE 2
RIGHTS OF RECEIVERS

Any Receiver appointed pursuant to Clause 11 (*Appointment of Receivers and Administrators*) shall have the right, either in its own name or in the name of the relevant Chargor or otherwise and in such manner and upon such terms and conditions as the Receiver thinks fit, and either alone or jointly with any other person:

(a) **Enter into possession**

to take possession of, get in and collect all or any part of the Security Assets;

(b) **Carry on business**

to manage and carry on any business of that Chargor;

(c) **Contracts**

to enter into any contract or arrangement and to perform, repudiate, rescind or vary any contract or arrangement to which that Chargor is a party;

(d) **Deal with Security Assets**

to sell, transfer, assign, exchange, hire out, lend, licence or otherwise dispose of or realise all or any part of the Security Assets (including any Fixtures, which may be sold separately from the related Real Property and/or the property held pursuant to the Propco Lease) to any person either by public offer or auction, tender or private contract and for a consideration of any kind (which may be payable or delivered in one amount or by instalments or deferred);

(e) **Hive down**

to form a new company and to subscribe for or acquire (for cash or otherwise) any investment in or of the new company and to sell, transfer, assign, exchange and otherwise dispose of or realise any such investments or any rights attaching thereto;

(f) **Borrow money**

to borrow or raise money either unsecured or on the security of all or any part of the Security Assets (either in priority to the Security Interests or otherwise);

(g) **Lend money**

to lend money or advance credit to any person;

(h) **Covenants and guarantees**

to enter into bonds, covenants, guarantees, indemnities and other commitments;

(i) **Dealings with tenants**

to grant leases, tenancies, licences and rights of user, grant renewals and accept surrenders of leases, tenancies, licences or rights of user, and otherwise to reach agreements and make arrangements with, and to make allowances to, any lessees, tenants or other persons;

(j) **Rights of ownership**

to manage and use all or any part of the Security Assets and to exercise and do all such rights and things as the Receiver would be capable of exercising or doing if it were the absolute beneficial owner of all or any part of the Security Assets;

(k) Protection of Security Assets

to insure all or any part of the Security Assets, to carry out decorations, repairs, alterations, improvements and additions to all or any part of the Security Assets (including the development or redevelopment of any Real Property and/or the property held pursuant to the Propco Lease), to commence and/or complete any building operation, to apply for and maintain any planning permission, building regulation approval or any other authorisation and to purchase or otherwise acquire or do anything in connection with all or any part of the Security Assets;

(l) Legal actions

to bring, prosecute, enforce, defend and abandon actions, suits and proceedings relating to all or any part of the Security Assets or any business of that Chargor;

(m) Claims

to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person or relating to all or any part of the Security Assets or any business of that Chargor;

(n) Redemption of Security

to redeem any Security (whether or not having priority to the Security Interests) over all or any part of the Security Assets and to settle the accounts of any person with an interest in all or any part of the Security Assets;

(o) Employees

to appoint, hire and employ officers, employees, contractors, agents, advisors and others and to discharge any such persons and any such persons appointed, hired or employed by that Chargor;

(p) Delegation

to delegate in any manner to any person any rights exercisable by the Receiver under any Finance Document, and any such delegation may be made upon such terms and conditions (including power to sub-delegate) as it thinks fit, and to pass confidential information to any such delegate;

(q) Insolvency Act

to exercise all powers set out in Schedule 1, Schedule B1 or (in the case of a Scottish Receiver) Schedule 2 to the Insolvency Act as now in force (whether or not in force at the date of exercise and whether or not the Receiver is an administrative receiver) and any powers added to Schedule 1 or Schedule 2, as the case may be, after the date of this Deed;

(r) Receipts

to give a valid receipt for any moneys and do anything which may be necessary or desirable for realising all or any part of Security Assets; and

(s) **Other powers**

to do anything else it may think fit for the realisation of all or any part of the Security Assets or incidental to the exercise of any of the rights conferred on the Receiver under or by virtue of any Finance Document to which the relevant Chargor is party, the Law of Property Act or the Insolvency Act.


SCHEDULE 3
REAL PROPERTY

Name of Chargor

Harrods Property Limited

Property	Title No.
Harrods Store at 87-135 Brompton Road, London, SW1X 7XL	BGL5852 (Freehold)
Lower Basement, basement & ground floors of Trevor House, 96-104 Brompton Road, London, SW3 1ER	NGL802630 and NGL830120 (Leasehold)
Former Knightsbridge Crown Court, One Hans Crescent, Knightsbridge, London SW1X 0LG	BGL12893 (Freehold)

SCHEDULE 4
FIXED CHARGE INTELLECTUAL PROPERTY

Country	Mark	Reg. No.	Reg. Date	Status	Owner	Renewal	Class
UK	HARRODS	2245927	19-Sep-00	Registered	Harrods Corporate Management Limited	19-Sep-20	35
UK	HARRODS (script) 	2245928	19-Sep-00	Registered	Harrods Corporate Management Limited	19-Sep-20	35

SCHEDULE 5
FORM OF NOTICE OF SECURITY OVER INSURANCES

From: [] (the "Security Agent") and [] (the "Chargor")

To: [The Insurers]

Address:

Dated:

Dear Sirs

[Chargors] – Security Agreement
dated [] (the "Security Agreement")

1. We refer to the Security Agreement.
2. We give notice that pursuant to the Security Agreement the Chargor charged all its right, title and interest from time to time in and to the insurances, details of which are set out in the attached schedule (the "**Insurances**"), including all moneys or proceeds paid or payable deriving from the Insurances and all rights or claims in relation to the Insurances.
3. Subject to any applicable legislation and despite the charge referred to above, all sums in respect of any claim under any third party Insurance by an insured party shall be paid:
 - (a) directly to the person whose claim(s) constitute(s) the risk or liability insured against, provided that such person has executed a discharge of all claims against each insured party in respect of the risk or liability in relation to which the claim was made; or
 - (b) (despite any policy term to the contrary) to the extent that insurers accept liability to indemnify the insured party in respect of the claims or liabilities which the insured party has settled directly with the claimant, to the relevant insured party.
4. We instruct you to:
 - (a) notify the Security Agent if any renewal, premium or other sum payable by the Chargor in respect of the Insurances is not paid when due; and

notify the Security Agent if the Chargor reduces the cover under the Insurances or if any risk insured against under the Insurances is restricted or cancelled.
5. This authority and instruction is irrevocable without the prior written consent of the Security Agent.
6. This notice of charge and any non-contractual obligations arising out of or in connection with it are governed by English law. The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this notice of charge (including a dispute relating to

the existence, validity or termination of this notice of charge or any non-contractual obligation arising out of or in connection with this notice of charge).

7. Please acknowledge receipt of this notice of charge and confirm that:

- (a) you have not received any other notice of any charge of any Insurance or of any other interest of any third party in any Insurance;
- (b) you will not claim or exercise any set-off or counterclaim in respect of any Insurance; and
- (c) you will comply with the other provisions of this notice of charge,

by signing the acknowledgement on the attached copy of this notice of charge and returning that copy to the Security Agent at [_____], marked for the attention of [_____].

[Security Agent]

[Chargor]

By:

By:

[On duplicate]

We acknowledge receipt of the notice of charge of which this is a copy and confirm each of the matters referred to in paragraphs (a) – (d) of paragraph 8 of the notice of charge.

[The Insurers]

By:

Dated:

THE SCHEDULE

Insurances charged

[insert relevant details]

SIGNATURES

SIGNED as a DEED by HARRODS HOLDINGS

LIMITED acting by

a Director and

JOHN EDGAR

~~the Secretary~~

a Director

MICHAEL WARD

.....
Director

.....
Director/Secretary

SIGNED as a DEED by HARRODS CORPORATE

MANAGEMENT LIMITED acting by

a Director and

JOHN EDGAR

~~the Secretary~~

a Director

MICHAEL WARD

.....
Director

.....
Director/Secretary

SIGNED as a DEED by HARRODS PROPERTY

LIMITED acting by

a Director and

JOHN EDGAR

~~the Secretary~~

a Director

MICHAEL WARD

.....
Director

.....
Director/Secretary

SIGNED as a DEED by HARRODS LIMITED

acting by

a Director and

JOHN EDGAR

~~the Secretary~~

a Director

MICHAEL WARD

.....
Director

.....
Director/Secretary

SIGNED by *Isanna R Jevine* for
and on behalf of BARCLAYS BANK PLC

A large, solid black rectangular redaction box covering the signature of the authorised signatory.

Authorised Signatory