



Registration of a Charge

Company name: **ARCADIA GROUP LIMITED**

Company number: **00237511**



X74K35FJ

Received for Electronic Filing: **24/04/2018**

Details of Charge

Date of creation: **23/04/2018**

Charge code: **0023 7511 0023**

Persons entitled: **BANK OF SCOTLAND PLC AS SECURITY AGENT AND TRUSTEE**

Brief description: **NONE.**

Contains fixed charge(s).

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: **ASHURST LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 237511

Charge code: 0023 7511 0023

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd April 2018 and created by ARCADIA GROUP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 24th April 2018 .

Given at Companies House, Cardiff on 26th April 2018

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

Security Assignment of Proceeds

Arcadia Group Limited

The Chorgor

Bank of Scotland plc

as Security Agent

23 April 2018

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THIS DEED is made on 23 April 2018

BETWEEN:

- (1) **ARCADIA GROUP LIMITED**, a limited liability company incorporated in England and Wales with registered number 00237511 (the "**Chargor**"); and
- (2) **BANK OF SCOTLAND PLC** as security agent and trustee for itself and the other Secured Parties (the "**Security Agent**", which expression shall include any person from time to time appointed as a successor, replacement or additional trustee in relation to the interests created by this deed).

WHEREAS:

- (A) By an instrument dated 5 December 2012 (the "**Vendor Loan Note**") between Top Shop/Top Man Limited and the Chargor, the Chargor has lent Top Shop/Top Man Limited the sum of £600,000,000.
- (B) By entering into this deed, the Chargor intends to create security over the sum of the first £55,000,000 of proceeds received following a demand issued by (or on behalf of) the Chargor under the Vendor Loan Note (the "**Proceeds**").

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this deed:

"Account" means the accounts listed in schedule 1 (Accounts (Blocked)) and any other bank account which is designated as an Account by the Chargor and the Security Agent, and any replacement account or any sub-division or sub-account of that account;

"Charged Property" means the assets charged or assigned to the Security Agent by this deed;

"Declared Default" means that an Event of Default has occurred and as a result the Agent has taken steps to exercise any of its rights under clause 27.19 (Acceleration) of the Facilities Agreement;

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Security Agent;

"Event of Default" means an Event of Default under the Facilities Agreement;

"Facilities Agreement" means the facilities agreement made between Taveta Investments (No. 2) Limited, Bank of Scotland plc as agent and security agent and others dated 18 April 2013, as amended and/or amended and restated from time to time;

"Finance Documents" means the Finance Documents as defined in the Facilities Agreement;

"Finance Parties" means the Finance Parties as defined in the Facilities Agreement;

"Permitted Security" means the fixed and floating charge dated 5 December 2012 entered into by Top Shop/Top Man Limited, Top Shop/Top Man Properties Limited and Arcadia Group (USA) Limited in favour of the Chargor;

"Receiver" means a receiver or receiver and manager in each case appointed under this deed;

"Secured Obligations" means all present and future liabilities and obligations (whether actual or contingent and whether incurred solely or jointly or in any other capacity whatsoever) of the Obligors to any Secured Party under any Finance Document, in each case together with:

- (a) all costs, charges and expenses incurred by any Secured Party in connection with the protection, preservation or enforcement of its rights under any Finance Document; and
- (b) all moneys, obligations and liabilities due, owing or incurred in respect of any variations or increases in the amount or composition of the facilities provided under any Finance Document or the obligations and liabilities imposed under such documents;

"Secured Parties" means the Finance Parties and any Receiver or Delegate;

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect; and

"VLN Demand" means the notice, signed by the Chargor but left undated, to be issued to demand payment of sums payable under the Vendor Loan Note.

1.2 Construction

- (a) In this deed, unless a contrary intention appears, a reference to:
 - (i) words and expressions defined in the Facilities Agreement have the same meanings when used in this deed unless otherwise defined in this deed;
 - (ii) the principles of construction contained in clause 1.2 (Construction) of the Facilities Agreement apply equally to the construction of this deed, except that references to the Facilities Agreement will be construed as references to this deed;
 - (iii) **"assets"** includes present and future properties, revenues and rights of every description;
 - (iv) the **"Chargor"**, any **"Secured Party"** or any other person shall be construed so as to include its successors in title, permitted assignees and transferees and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;
 - (v) a **"Finance Document"** or any other agreement or instrument is a reference to that agreement or instrument as amended, novated, supplemented, extended, restated or replaced, even if changes are made to the composition of the parties to this deed or such other document or to the nature or amount of any facilities made available under such other document;
 - (vi) **"including"** means including without limitation and **"includes"** and **"included"** shall be construed accordingly;

- (vii) **"losses"** includes losses, actions, damages, claims, proceedings, costs, demands, expenses (including fees) and liabilities and **"loss"** shall be construed accordingly;
 - (viii) a **"person"** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or any two or more of the foregoing;
 - (ix) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (x) A Default (including an Event of Default) is **"continuing"** for the purposes of the Finance Documents if it has not been remedied or waived;
 - (xi) a provision of law is a reference to that provision as amended or re-enacted; and
 - (xii) any clause or schedule is a reference to, respectively, a clause of and schedule to this deed and any reference to this deed includes its schedules.
- (b) Section, clause and schedule heading are for convenience only.
 - (c) The parties intend that this document shall take effect as a deed, notwithstanding the fact that a party may only execute it under hand.

1.3 Third Party Rights

- (a) Any Receiver or Delegate will have the right to enforce the provisions of this deed which are given in its favour however the consent of any Receiver or Delegate is not required for the rescission or variation of this deed.
- (b) Subject to paragraph (a), a person who is not a party to this deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this deed.

1.4 Proviso

The Security created by this deed shall not extend to or include any liability or sum which would otherwise cause any such Security to be unlawful or prohibited by any applicable law.

2. COVENANT TO PAY

The Chargor (as primary obligor and not merely as surety) covenants with the Security Agent (for the benefit of itself and the other Secured Parties) that it will on written demand pay or discharge the Secured Obligations when they fall due for payment.

3. CHARGING CLAUSE

3.1 Fixed Charge

The Chargor, as security for the payment and discharge of the Secured Obligations, charges in favour of the Security Agent with full title guarantee all of its right, title and interest from time to time in the following assets by way of first fixed charge:

- (a) the Accounts; and

- (b) to the extent not effectively assigned by clause 3.2 (Security Assignment), the Proceeds.

3.2 Security Assignment

The Chargor, as security for the payment and discharge of the Secured Obligations, assigns absolutely in favour of the Security Agent with full title guarantee all of its right, title and interest in the Proceeds, provided that on payment or discharge in full of the Secured Obligations the Security Agent will at the request and cost of the Chargor re-assign the relevant rights, title and interest in the Charged Property to the Chargor (or as it shall direct).

3.3 Fixed Security

Clause 3.1 (Fixed Charge) and clause 3.2 (Security Assignment) shall be construed as creating a separate and distinct fixed charge or security assignment over each relevant asset within any particular class of assets specified in this deed. Any failure to create effective fixed security (for whatever reason) over an asset shall not affect the fixed nature of the security on any other asset, whether within the same class of assets or not.

4. FURTHER ASSURANCE

- (a) The Chargor shall promptly (and at its own expense) do all such acts or execute all such documents (including assignments, transfers, 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, protect or enhance the Security created or intended to be created under or evidenced by this deed or for the exercise of any rights, powers and remedies of the Security Agent, any Receiver or the Secured Parties provided by or pursuant to this deed 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 created by this deed.
- (b) The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be reasonably required 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.
- (c) Notwithstanding any term of any Finance Document, no notice shall be given to Top Shop/Top Man Limited 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. For this avoidance of doubt, this clause shall not apply to the VLN Demand.

5. REPRESENTATIONS AND WARRANTIES

The Chargor represents and warrants to the Security Agent on the date of this deed and on each day that any Secured Obligation is outstanding that the Vendor Loan Note, subject to the Legal Reservations, constitutes valid and binding obligations of the parties thereto, is in full force and effect and has not been varied or modified in any way or cancelled.

6. UNDERTAKINGS - GENERAL

6.1 Duration of Undertakings

All of the undertakings given in this deed are given from the date of this deed and for so long as any security constituted by this deed remains in force.

6.2 Negative Pledge

The Chargor will not create or agree to create or permit to subsist any Security over all or any part of the Charged Property or the Vendor Loan Note, other than the Permitted Security.

6.3 Disposal Restrictions

The Chargor will not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, transfer or otherwise dispose of all or any part of the Charged Property.

6.4 Documents Relating to Charged Property

- (a) Without prejudice to any specific requirements in this deed for the delivery of documents, the Chargor will promptly deliver to the Security Agent all documents relating to the Charged Property which the Security Agent from time to time reasonably requires.
- (b) The Security Agent may retain any document delivered to it under this deed for so long as any security constituted by this deed remains in force and, if for any reason it returns any document to the Chargor (or its nominee) before that time, it may by notice to the Chargor require that the document be redelivered to it and the Chargor shall promptly comply (or procure compliance) with that notice.

7. BANK ACCOUNTS

7.1 Withdrawals

The Chargor may not withdraw all or any monies from time to time standing to the credit of the Account, except to apply such monies in prepayment of the Facility or with the prior consent of the Security Agent.

7.2 Perfection of Bank Account Security

- (a) Other than in the circumstances described in paragraph (b) below, the Chargor will, promptly following execution of this deed or (if later) designation of an account as an Account:
 - (i) give notice (substantially in the form set out in schedule 2 (Form of notice to Account Banks)) to each institution with which it holds an Account (each an "**Account Bank**"), of the charges created by this deed over those Accounts and provide evidence satisfactory to the Security Agent (acting reasonably) of the delivery of that notice; and
 - (ii) use reasonable endeavours to procure that each Account Bank promptly acknowledges that notice by countersigning a copy of it and delivering that copy to the Security Agent.
- (b) Where the Security Agent is an Account Bank in relation to any Account in existence at the time of creation of security over it by this deed, the execution of this deed by the Security Agent will be treated as acknowledgement by the Security Agent (in its capacity as Account Bank) of notice of the security created by this deed and its confirmation of the matters set out in schedule 2 (Form of notice to Account Banks).

8. VENDOR LOAN NOTE

8.1 Performance and Maintenance of the Vendor Loan Note

- (a) The Chargor will:
 - (i) duly perform all its obligations under the Vendor Loan Note; and
 - (ii) enforce the due observance and performance of all material covenants given for its benefit in relation to the Vendor Loan Note.
- (b) The Chargor shall not, without the prior written consent of the Security Agent, factor, discount, assign, postpone, subordinate, release or waive its rights in respect of the Proceeds or the Vendor Loan Note in favour of any person.

8.2 Proceeds of Vendor Loan Note

To the extent required by the Facilities Agreement, the Chargor will, as agent for the Security Agent, collect all amounts payable to it under the Vendor Loan Note and forthwith prepay the Facility or pay the Proceeds into an Account, and, pending that payment, hold those proceeds on trust for the Security Agent.

9. ATTORNEY

- (a) The Chargor, by way of security and to more fully secure the performance of its obligations under this deed, irrevocably and severally appoints the Security Agent, each Receiver and any person nominated for the purpose by the Security Agent or any Receiver (in writing and signed by an officer of the Security Agent or Receiver) as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, deliver and perfect any deed, agreement or other instrument and to do any act or thing:
 - (i) which the Chargor is obliged to do (but has not done) by the terms of any Finance Document; and/or
 - (ii) which is for the purpose of enabling the exercise of any rights or powers conferred on the Security Agent or any Receiver by any Finance Document or by law,and the Chargor covenants with the Security Agent and each Receiver to ratify and confirm all such acts or things made, done or executed by that attorney.
- (b) The power given under paragraph (a) may be exercised at any time after:
 - (i) the expiry of five days following the failure by the relevant Chargor to do that which it is required to do by the terms of any Finance Document; or
 - (ii) an Event of Default has occurred, which is continuing.

10. ENFORCEMENT

10.1 Exercise of Enforcement Powers

At any time after a Declared Default has occurred:

- (a) the security created by or pursuant to this deed is immediately enforceable;

- (b) the Security Agent may enforce all or any part of the security and take possession of and hold, sell or otherwise dispose and/or deal with all or any part of the Charged Property;
- (c) the Security Agent may date and send the VLN Demand to Top Shop/Top Man Limited on behalf of the Chargor; and
- (d) the Security Agent may exercise the power of sale and all other rights and powers conferred by this deed or by statute (as varied or extended by this deed) on the Security Agent or on a Receiver, irrespective of whether the Security Agent has taken possession or appointed a Receiver of the Charged Property.

10.2 Appointment of Receiver

- (a) Subject to paragraph (c) below, if:
 - (i) a Declared Default has occurred; or
 - (ii) so requested by the Chargor,
 the Security Agent may by writing under hand appoint any person (or persons) to be a Receiver of all or any part of the Charged Property.
- (b) Section 109(1) of the Law of Property Act 1925 shall not apply to this deed.
- (c) A Receiver may not be appointed solely by reason of the obtaining of a moratorium under section 1A of the Insolvency Act 1986 in relation to the Chargor, or anything done with a view to obtaining such a moratorium.

10.3 Appropriation

- (a) In this deed, "**financial collateral**" has the meaning given to that term in the Financial Collateral Arrangements (No. 2) Regulations 2003.
- (b) At any time after a Declared Default has occurred, the Security Agent may appropriate all or part of the financial collateral in or towards satisfaction of the Secured Obligations.
- (c) The Security Agent must attribute a value to the appropriated financial collateral in a commercially reasonable manner.
- (d) Where the Security Agent exercises its rights of appropriation and the value of the financial collateral appropriated differs from the amount of the Secured Obligations, as the case may be, either:
 - (i) the Security Agent must account to the Chargor for the amount by which the value of the appropriated financial collateral exceeds the Secured Obligations; or
 - (ii) the Chargor will remain liable to the Secured Parties for any amount whereby the value of the appropriated financial collateral is less than the Secured Obligations.

11. EXTENSION AND VARIATION OF STATUTORY POWERS

11.1 Statutory Powers

The powers conferred on mortgagees, receivers or administrative receivers by statute shall apply to the security created by this deed (to the extent possible), unless they are

expressly or impliedly excluded. If there is ambiguity or conflict between the powers conferred by statute and those contained in this deed, those contained in this deed shall prevail.

11.2 Section 101 LPA Powers

The power of sale and other powers conferred by section 101 of the Law of Property Act 1925 shall arise on the date of this deed and for that purpose the Secured Obligations are deemed to have fallen due on the date of this deed.

11.3 Restrictions Dis-applied

The restrictions on the consolidation of mortgages and on exercise of the power of sale imposed by sections 93 and 103 respectively of the Law of Property Act 1925 shall not apply to the security constituted by this deed.

12. STATUS, POWERS, REMOVAL AND REMUNERATION OF RECEIVER

12.1 Receiver as Agent

Each Receiver shall be the agent of the Chargor which shall be solely responsible for his or her acts or defaults, and for his or her remuneration and expenses, and be liable on any agreements or engagements made or entered into by him or her. The Security Agent will not be responsible for any misconduct, negligence or default of a Receiver.

12.2 Powers of Receiver

Each Receiver appointed under this deed shall have all the powers conferred from time to time on receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (each of which is deemed incorporated in this deed), so that the powers set out in schedule 1 to the Insolvency Act 1986 (to the extent relevant) shall extend to every Receiver, whether or not an administrative receiver. In addition, notwithstanding any liquidation of the Chargor, each Receiver shall have power to:

- (a) enter into or cancel any contracts on any terms or conditions;
- (b) redeem any prior Security on or relating to the Charged Property and settle and pass the accounts of the person entitled to that prior Security, so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver;
- (c) settle any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor or relating to any of the Charged Property;
- (d) do all other acts and things (including signing and executing all documents and deeds) as the Receiver considers to be incidental or conducive to any of the matters or powers in this clause 12.2, or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property, and use the name of the Chargor for all such purposes,

and in each case may use the name of the Chargor and exercise the relevant power in any manner which he may think fit.

12.3 Removal of Receiver

The Security Agent may by notice remove from time to time any Receiver appointed by it and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated, for whatever reason.

12.4 Remuneration of Receiver

The Security Agent may from time to time fix the remuneration of any Receiver appointed by it. Sections 109(6) and (8) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this deed.

12.5 Several Receivers

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this deed (unless the document appointing such Receiver states otherwise).

13. PROTECTION OF THIRD PARTIES

13.1 No Obligation to Enquire

No purchaser from, or other person dealing with, the Security Agent, any Receiver or Delegate shall be obliged or concerned to enquire whether:

- (a) the right of the Security Agent or any Receiver to exercise any of the powers conferred by this deed has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power; or
- (b) any of the Secured Obligations remain outstanding or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters.

13.2 Receipt Conclusive

The receipt of the Security Agent or any Receiver shall be an absolute and a conclusive discharge to a purchaser, and shall relieve him of any obligation to see to the application of any moneys or other consideration paid to or by the direction of the Security Agent or any Receiver.

14. PROTECTION OF SECURITY AGENT AND RECEIVER

14.1 Role of Security Agent

The provisions set out in clause 31 (The Security Agent) of the Facilities Agreement shall govern the rights, duties and obligations of the Security Agent under this deed.

14.2 Delegation

The Security Agent may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by it under this deed to any person or persons upon such terms and conditions (including the power to sub-delegate) as it may think fit. The Security Agent will not be liable or responsible to the Chargor or any other person for any losses arising from any act, default, omission or misconduct on the part of any Delegate.

14.3 No Liability

Neither the Security Agent nor any Receiver or Delegate shall be liable in respect of any of the Charged Property or for any loss or damage which arises out of the exercise or the

attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless caused by its or his or her gross negligence or wilful default.

14.4 Indemnity

- (a) The Chargor shall promptly indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability incurred by any of them as a result of:
 - (i) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
 - (ii) the taking, holding, protection or enforcement of the security constituted by this deed;
 - (iii) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Security Agent and each Receiver and Delegate by this deed or by law;
 - (iv) any default by the Chargor in the performance of any of the obligations expressed to be assumed by it in this deed;
 - (v) instructing lawyers, accountants, tax advisors, surveyors or other professional advisors or experts as permitted under the Finance Documents; or
 - (vi) acting as Security Agent, Receiver or Delegate (otherwise, in each case, than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct).
- (b) The Chargor expressly acknowledges and agrees that the continuation of its indemnity obligations under this clause 14.4 will not be prejudiced by any release of security or disposal of any Charged Property.
- (c) The Security Agent and every Receiver and Delegate may, in priority to any payment to the other Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 14.4.

15. APPLICATION OF ENFORCEMENT PROCEEDS

15.1 Order of Application

All proceeds of enforcement (whether cash or non-cash) received or recovered by the Security Agent or any Receiver pursuant to this deed shall (subject to the claims of any person having prior rights thereto) be applied in the following order notwithstanding any purported appropriation by the Chargor;

- (a) in discharging any sums owing to the Security Agent, any Receiver or any Delegate;
- (b) in payment of all costs and expenses incurred by any Secured Party in connection with any realisation or enforcement of the security created by this deed taken in accordance with the terms of this deed.

15.2 Suspense Account

- (a) Until the Secured Obligations are paid in full, each Secured Party may place and keep (to the extent possible and for such time as it shall determine) any recoveries or other proceeds of enforcement (whether cash or non-cash) received pursuant to

this deed or otherwise on account of the Chargor's liability in respect of the Secured Obligations in an interest bearing separate suspense account, without having any obligation to apply all or any part of the same in or towards discharge of the Secured Obligations.

- (b) If the security created by this deed is enforced at a time when no amount is due under the Finance Documents but at the time when amounts may or will become due, a Secured Party may pay any recoveries or other proceeds of enforcement into a suspense account.

16. PROTECTION OF SECURITY

16.1 Continuing Security

This security is to be a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Secured Obligations or any other matter or thing.

16.2 Other Security

- (a) This security is to be in addition to and shall neither be merged in nor in any way exclude or prejudice or be affected by any other security or other right which the Security Agent or any other Secured Party may now or after the date of this deed hold for any of the Secured Obligations.
- (b) This security may be enforced against the Chargor without first having recourse to any other rights of the Security Agent or any other Secured Party.

16.3 Cumulative Powers

- (a) The powers which this deed confers on the Security Agent, the other Secured Parties and any Receiver appointed under this deed are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate.
- (b) The Security Agent, the other Secured Parties or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever.
- (c) The respective powers of the Security Agent, the other Secured Parties and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

16.4 Amounts Avoided

If any amount paid by the Chargor in respect of the Secured Obligations is capable of being avoided or set aside on the liquidation or administration of the Chargor or otherwise, then for the purposes of this deed that amount shall not be considered to have been paid. No interest shall accrue on any such amount, unless and until such amount is so avoided or set aside.

16.5 Discharge Conditional

If any discharge, release or arrangement (whether in respect of the obligations of the Chargor or in respect of 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, administration or otherwise, without limitation, then the liability of the Chargor under this deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

16.6 Waiver of Defences

The obligations of the Chargor under this deed will not be affected by an act, omission, matter or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this deed (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 person;
- (b) the release of any person under the terms of any composition or arrangement;
- (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 person;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any 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.

16.7 Non-competition

Until all amounts which may be or become payable in respect of the Secured Obligations have been irrevocably paid in full and unless the Security Agent otherwise directs, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this deed or by reason of any amounts being payable, or liability arising under this deed:

- (a) to claim any right of indemnity or contribution in respect of any payment made or other satisfaction of the Chargor's liability under this deed;
- (b) to take the benefit (whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Finance Documents; and/or
- (c) to claim or prove as a creditor of any Obligor in competition with any Secured Party.

The Chargor shall hold any benefit, payment or distribution received by it contrary to this clause 16.7 (Non-competition) 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 15 (Application of Enforcement Proceeds).

16.8 Subsequent Security - Ruling-off Accounts

If the Security Agent or any other Secured Party receives notice of any subsequent Security or other interest affecting any of the Charged Property it may open a new account for the Chargor in its books. If it does not do so then (unless it gives express notice to the contrary to the Chargor), as from the time it receives that notice, all payments made by the Chargor to it shall (in the absence of any express appropriation to the contrary) be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations.

16.9 Redemption of Prior Charges

The Security Agent may, at any time when an Event of Default has occurred and is continuing, redeem any prior Security on or relating to any of the Charged Property or procure the transfer of that Security to itself, and may settle and pass the accounts of any person entitled to that prior Security. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor. The Chargor will on demand pay to the Security Agent all principal monies and interest and all losses incidental to any such redemption or transfer.

17. COSTS AND EXPENSES

17.1 Initial Expenses

The Chargor shall within 14 days of receipt of an invoice pay to each of the Security Agent and any Receiver the amount of all costs and expenses (including legal fees) on a full indemnity basis (and, in the case of the Security Agent, by any Delegate) reasonably incurred by any of them in connection with:

- (a) the negotiation, preparation and execution of this deed and any other documents referred to in, or incidental to, this deed; and
- (b) any amendment, waiver or consent relating to this deed (and documents, matters or things referred to in this deed).

17.2 Enforcement Expenses

The Chargor shall, within five Business Days of written demand, pay to each of the Security Agent, any Receiver and each other Secured Party on a full indemnity basis, the amount of all costs and expenses (including legal, valuation, accountancy and consultancy fees and disbursements and out of pocket expenses) incurred by it in connection with the enforcement of or the preservation of any rights under (and any documents referred to in) this deed and any proceedings instituted by or against the Security Agent and any Secured Party as a consequence of taking or holding the security created by this deed or enforcing these rights.

18. SET-OFF

- (a) Any Secured Party may set off any matured obligation due from the Chargor under the Finance Documents (to the extent beneficially owned by that Secured Party) against any matured obligation owed by that Secured Party to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.
- (b) If the relevant obligation or liability of the Chargor is unliquidated or unascertained, the Secured Party may set-off the amount which it estimates (in good faith) will be the final amount of that obligation or liability once it becomes liquidated or ascertained.

19. NOTICES

19.1 Communications in Writing

Any communication made under or in connection with this deed shall be made in writing and, unless otherwise stated, may be made by fax or letter.

19.2 Addresses

The address and fax number of each party to this deed for any communication or document to be made or delivered under or in connection with this deed is as shown immediately after its name on the execution pages of this deed or any substitute address or fax number as the party may notify to the Security Agent (or the Security Agent may notify to the parties, if a change is made by the Security Agent) by not less than five Business Days' notice.

19.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with this deed will only be effective:

- (i) if by way of fax, when received in legible form; or
- (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under clause 19.2 (Addresses), if addressed to that department or officer.

- (b) Any communication or document to be made or delivered to the Security Agent will be effective only when actually received by the Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Security Agent's signature below (or any substitute department or officer as the Security Agent shall specify for this purpose).

19.4 Electronic Communication

Any communication to be made in connection with this deed, between the parties to this deed may be made by electronic mail or other electronic means:

- (a) to the extent that the parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if those parties:
- (i) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
 - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
- (b) Any electronic communication made between the parties will be effective only when actually received in readable form and in the case of any electronic communication made by a party to the Security Agent only if it is addressed in such a manner as the Security Agent shall specify for this purpose.
- (c) Any electronic communication which becomes effective, in accordance with paragraph (b) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

20. CHANGES TO PARTIES

20.1 Assignment by the Security Agent

The Security Agent may at any time assign or otherwise transfer all or any part of its rights under this deed in accordance with the Finance Documents.

20.2 Changes to Parties

The Chargor authorises and agrees to changes to parties under clause 28 (Changes to the Lenders) and clause 29 (Changes to the Obligors) of the Facilities Agreement, and authorises the Security Agent to execute on its behalf any document required to effect the necessary transfer of rights or obligations contemplated by those provisions.

21. CURRENCY

21.1 Conversion

All monies received or held by the Security Agent or any Receiver under this deed may be converted into any other currency which the Security Agent considers necessary to discharge any obligations and liabilities comprised in the Secured Obligations in that other currency at a market rate of exchange then prevailing.

21.2 No Discharge

No payment to the Security Agent (whether under any judgment or court order or otherwise) shall discharge any obligation or liability in respect of which it was made unless and until the Security Agent has received payment in full in the currency in which the obligation or liability is payable or, if the currency of payment is not specified, was incurred. To the extent that the amount of any such payment shall on actual conversion into that currency fall short of that obligation or liability expressed in that currency, the Security Agent shall have a further separate cause of action in relation to the shortfall and shall be entitled to enforce the security constituted by this deed to recover that amount.

22. MISCELLANEOUS

22.1 Certificates Conclusive

A certificate or determination of the Security Agent as to any amount or rate under this deed is, in the absence of manifest error, conclusive evidence of the matter to which it relates.

22.2 Invalidity of any Provision

If any provision of this deed is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.

22.3 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.

22.4 Failure to Execute

Failure by one or more parties ("**Non-Signatories**") to execute this deed on the date hereof will not invalidate the provisions of this deed as between the other parties who do execute this deed. Such Non-Signatories may execute this deed on a subsequent date and will thereupon become bound by its provisions.

22.5 Covenant to Release

- (a) Subject to paragraph (b) below, once all the Secured Obligations have been unconditionally and irrevocably paid in full and none of the Security Agent nor any Secured Party has any further actual or contingent liability to advance further monies to, or incur liability on behalf of any Obligor under the Finance Documents, the Security Agent and each Secured Party shall, at the request and cost of the

Chargor, take any action which is necessary to release the Charged Property from the security constituted by this deed;

- (b) If the Security Agent considers in good faith that any amount received in payment or purported payment of the Secured Obligations is capable of being avoided or reduced by virtue of any insolvency, bankruptcy, liquidation or other similar laws, the liability of the Chargor under this deed and the Security constituted by this deed shall continue and such amount shall not be considered to have been irrevocably paid.

23. **GOVERNING LAW AND JURISDICTION**

- (a) This deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.
- (b) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute regarding the existence, validity or termination of this deed or any non-contractual obligation arising out of or in connection with this deed) (a "**Dispute**").
- (c) The parties to this deed 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.

IN WITNESS whereof this deed has been duly executed and delivered on the above date first above written.

SCHEDULE 1

Accounts (Blocked)

Chargor	Account Bank	Sort Code	Account Number
Arcadia Group Limited	Bank of Scotland plc		

SCHEDULE 2

Form of notice to Account Banks

To: [insert name and address of Account Bank] (the "Account Bank")

Dated: ●

Dear Sirs

Re: [Name of Chargor] (the "Customer")- Security over Bank Account[s]

We notify you that we have charged in favour of [insert name of Security Agent] (the "Security Agent") for the benefit of itself and certain other parties all our right, title and interest in and to the monies from time to time standing to the credit of the account[s] identified in the schedule to this notice (the "Charged Account[s]") and to all interest (if any) accruing on the Charged Account[s].

1. We irrevocably authorise and instruct you:
 - (a) to hold all monies from time to time standing to the credit of the Charged Account[s] to the order of the Security Agent and to pay all or any part of those monies to the Security Agent (or as it may direct) promptly following receipt of written instructions from the Security Agent to that effect; and
 - (b) to disclose to the Security Agent any information relating to the Charged Account[s] which the Security Agent may from time to time request you to provide.
2. We also advise you that the provisions of this Notice may only be revoked or varied with the prior written consent of the Security Agent.
3. Please sign and return the enclosed copy of this notice to the Security Agent by way of your confirmation that:
 - (a) you agree to act in accordance with the provisions of this notice;
 - (b) you have not received notice that the Customer has assigned or charged its rights to the monies standing to the credit of the Charged Account[s] or otherwise granted any security or other interest over those monies in favour of any third party;
 - (c) you will not exercise any right to combine accounts or any rights of set-off or lien or any similar rights in relation to the monies standing to the credit of the Charged Account[s]; and
 - (d) you have not claimed or exercised, nor do you have outstanding any right to claim or exercise against the Customer, any right of set-off, counter-claim or other right relating to the Charged Account[s].

The provisions of this notice are governed by English law.

Schedule

Account Number

●

Sort Code

●

Yours faithfully,

.....
Name:

for and on behalf of
[***Chargor***]

Counter-signed by

.....
Name:

for and on behalf of
[***Insert name of Security Agent***]

[***On acknowledgement copy***]

To: [***Insert name and address of Security Agent***]

We acknowledge receipt of the above notice and confirm the matters set out in paragraphs (a) to (d) above.

.....
Name:

for and on behalf of
[***Insert name of Account Bank***]

Dated: ●

SIGNATORIES

Chargor

Executed as a deed by
ARCADIA GROUP LIMITED:

)
)
)
)

Signature of director

Name of director

Richard Buckell

Signature of witness

Name of witness

SHANE WILMSHURST

Address of witness

Occupation of witness

Notice Details

Address:

Facsimile:

Attention:

Security Agent

Signed for and on behalf of **BANK OF
SCOTLAND PLC:**

)
)
)
)

Name:

Notice Details

Address: 10 Gresham Street, London EC2 7AE

Facsimile: 020 7158 8936

Attention: Paul Morales