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in black type, or
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*insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number

121

399575

Name of company

* AUSTIN REED LIMITED (the "Company")

Date of creation of the charge

6th February, 1998

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

Charge

Amount secured by the mortgage or charge

Please see Continuation Sheet 1

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

National Westminster Bank Plc (the "Bank") of 1 Princes Street, London
EC2R 8PH

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

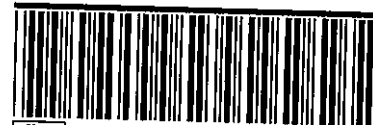
Allen & Overy
One New Change
London
EC4M 9QQ

B1:124264

Time critical reference

For official use
Mortgage Section

Post room



KLO *KTYK1400* 2210
COMPANIES HOUSE 25/02/98

Short particulars of all the property mortgaged or charged

Please see Continuation Sheet 3.

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in black type, or
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Particulars as to commission allowance or discount (note 3)

NIL

Signed

Alfred Overby

Date

24th February 1998

On behalf of ~~[company]~~ [mortgagee/chargee] [†]

[†] delete as
appropriate

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.

Continuation sheet 1

Company : Austin Reed Limited

**Company Number:
399575**

Amount secured by the Mortgage or Charge.

All present and future obligations and liabilities whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever of each Obligor to the Bank and the Ancillary Bank under each Finance Document except for any obligation which, if it were so included, would result in the Charge contravening Section 151 of the Companies Act 1985

"Additional Guarantor" means a member of the Group which becomes a Guarantor in accordance with clause 26.3 (Additional Guarantors) of the Credit Agreement.

"Ancillary Bank" means the Bank in its capacity as provider of the Ancillary Facility.

"Ancillary Facility" means a £10,130,000 multiple line facility, including documentary credits, acceptance credits, forward exchange, bonds and guarantees and negotiations etc. made available by the Ancillary Bank to the Borrower.

"Bill" means a Sterling bill of exchange substantially in the form of schedule 5 to the Credit Agreement.

"Charge" means the charge accompanying this form 395.

"Charge Accession Agreement" means a deed substantially in the form of schedule 4 to the Charge, with such amendments as the Bank may approve or reasonably require.

"Credit Agreement" means the £35,350,000 credit agreement dated 6th January, 1998 between the Borrower, the Original Guarantors and the Bank.

"Finance Document" means:

- (a) the Credit Agreement;
- (b) each Security Document;
- (c) a Bill;
- (d) the Ancillary Facility; and
- (e) any other document designated as such by the Bank and the Borrower.

"Group" means the Borrower and its Subsidiaries.

"Guarantor" means (subject to any release under clause 26.4 (Release of Guarantors) of the Credit Agreement), an Original Guarantor or an Additional Guarantor.

"Material Subsidiary" means:

- (a) any Subsidiary of the Borrower:

Continuation sheet 2

Company : Austin Reed Limited

Company Number:
399575

- (i) whose profits (before taxation and before exceptional items and any taxation relating thereto) are 1 per cent. or more of the consolidated net profits of the Group (before taxation and before exceptional items and any taxation relating thereto); or
 - (ii) whose gross assets are 1 per cent. or more of the consolidated gross assets of the Group; or
 - (iii) whose Net Assets are 1 per cent. or more of the consolidated Net Assets of the Group,
all as shown (in the case of any Subsidiary) in its most recent annual accounts and (in the case of the Group) in the most recent annual consolidated accounts of the Group and for this purpose "Net Assets" in relation to any Subsidiary means its total assets (excluding goodwill) less its total liabilities and in relation to the Group means the total assets (excluding goodwill) of the Group less its total liabilities; and
- (b) any other Subsidiary or Subsidiaries of the Borrower to whom all or substantially all of the assets or business of a Material Subsidiary are transferred.

"**Obligor**" means the Borrower, the Company or another Guarantor and, for the purposes of clause 19 (Events of Default) and clause 18.8(b) (Negative pledge) of the Credit Agreement, includes any Material Subsidiary prior to its becoming a Guarantor in accordance with clause 26.3 (Additional Guarantors) of the Credit Agreement.

"**Original Guarantor**" means each of:-

- (a) the Company;
- (b) Austin Reed Credit Services Limited (Registered No. 1529898);
- (c) Chester Barrie Limited (Registered No. 1348114);
- (d) Stephens Brothers Limited (Registered No. 587224); and
- (e) Wright & Peel Limited (Registered No. 246667).

"**Security Document**" means the Charge, a Charge Accession Agreement and any other document designated as such by the Borrower and the Bank.

"**Subsidiary**" means:

- (a) a subsidiary within the meaning of Section 736 of the Companies Act 1985; and
- (b) unless the context otherwise requires, a subsidiary undertaking within the meaning of Section 258 of the Companies Act 1985.

A reference to a person includes its successors and assigns.

A reference to a document is a reference to that document as amended, novated and supplemented.

Continuation sheet 3

Company : Austin Reed Limited

**Company Number:
399575**

Short Particulars

1. By way of a first legal mortgage:

- (a) All that freehold property known as 16-21 Sackville Street, Westminster as the same is registered at H M Land Registry with absolute title under title number NGL339750.
- (b) All that freehold property known as 35 Bridge Street Row East, Chester as the same is registered at H M Land Registry with absolute title under title number CH85137.
- (c) All that freehold property known as 218 High Street, Guildford as the same is registered at H M Land Registry with absolute title under title number SY339826.
- (d) All that freehold property known as 34 and 36 Wheeler Gate, Nottingham as the same is registered at H M Land Registry with absolute title under title number NT216848.
- (e) All that freehold property known as 9 Parliament Street, York being all those premises conveyed by a conveyance dated 2nd February, 1973 made between M R Fox & Sons (1) and Austin Reed Limited (2).
- (f) All that freehold property known as 62/64 The Promenade, Cheltenham as the same is registered at H M Land Registry with absolute title under title number GR45069.
- (g) All that freehold property being land on the south side of Station Road, Thirsk conveyed by a conveyance dated 14th November, 1968 made between Peter Bell (1) Robert Hugh Turton and Ernest Smith (2) and Austin Reed Group Limited (3).
- (h) All that leasehold property known as 103-113 (odd) Regent Street and 12 and 13 Vigo Street, Westminster as the same is registered at H M Land Registry with absolute title under title number NGL393359.

2. By way of first fixed charge:

- (a) all Group Shares held by the Company and/or any nominee on its behalf and all Related Rights accruing to the Group Shares;
- (b) all benefits in respect of the Insurances in relation to any Mortgaged Property and all claims and returns of premiums in respect of them; and
- (c) the benefit of all authorisations (statutory or otherwise) held in connection with the use of any Security Asset specified in any other sub-paragraph in paragraph 1 above, this paragraph 2 or paragraph 3 below and the right to recover and receive all compensation which may be payable to it in respect of them.

Continuation sheet 4

Company : Austin Reed Limited

Company Number:
399575

3. By way of assignment:

- (a) all the Company's rights, title and interest (if any) in and to all amounts of rent (and guarantees in respect of rent) payable to or for the account of the Company in relation to the Mortgaged Property; and
- (b) to the extent that any such right, title and interest described in sub-paragraph 3(a) above is not assignable or capable of assignment, the assignment thereof purported to be effected by sub-paragraph 3(a) above shall operate as an assignment of any and all rent received by the Company as continuing security for the payment, discharge and performance of all the Secured Liabilities.

"Group Shares" means all stocks, shares, debentures, bonds, warrants, coupons or other securities and investments now or in the future beneficially owned by the Company from time to time.

"Insurances" means all contracts and policies of insurance in respect of any Security Asset taken out by or on behalf of the Company or (to the extent of its interest) in which the Company has an interest.

"Mortgaged Property" means any of the Company's freehold or leasehold property the subject of the security created by the Charge.

"Related Rights" means any dividend or interest paid or payable in relation to any Share and any rights, moneys or property accruing or offered at any time in relation to any Shares by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

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

"Security Assets" means all assets, rights and property of the Company or any of them the subject of any security created by the Charge.

"Shares" means the Group Shares and (where the Company has a beneficial interest in the relevant assets) any other stocks, shares, debentures, bonds or other securities and investments.

Note: The Company shall not:

- (a) (except as permitted under the Credit Agreement) create or permit to subsist any Security Interest on any Security Assets other than any Security Interest created by the Charge.
- (b) sell, transfer, grant, lease or otherwise dispose of any Security Asset.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 00399575

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A CHARGE DATED THE 6th FEBRUARY 1998 AND CREATED BY AUSTIN REED LIMITED FOR SECURING ALL PRESENT AND FUTURE OBLIGATIONS AND LIABILITIES DUE OR TO BECOME DUE FROM EACH OBLIGOR (AS THEREIN DEFINED) TO NATIONAL WESTMINSTER BANK PLC ON ANY ACCOUNT WHATSOEVER UNDER EACH FINANCE DOCUMENT (AS THEREIN DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 25th FEBRUARY 1998.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 27th FEBRUARY 1998.

M. Cornelius
M. CORNELIUS

for the Registrar of Companies



C O M P A N I E S H O U S E

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