

Rule 1.24

The Insolvency Act 1986
Report of Meetings
Approving Voluntary Arrangement
Pursuant to Section 4 of the
Insolvency Act 1986

S.4

To the Registrar of Companies

For Official Use

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Company number

00425057

Insert full name of
Company

Name of Company

Café Rouge Restaurants Limited

Insert full name and
address

Peter Saville and Alastair Beveridge

Zolfo Cooper
 10 Fleet Place
 London
 EC4M 7RB

Catherine Williamson

Zolfo Cooper
 The Zenith Building
 26 Spring Gardens
 Manchester
 M2 1AB

Insert date

the chairman of meetings held in pursuance of Section 4 of the Insolvency Act 1986 on
 20 June 2014 enclose a copy of my report of the said meetings


Signed



Date 24 June 2014

Presenter's name,
address and reference
(if any)

Jessica Geddes
 Zolfo Cooper
 The Zenith Building
 26 Spring Gardens
 Manchester
 M2 1AB

For Official Use	
Liquidation Section	Post Room
THURSDAY	 *A3AUNWP7* A22 26/06/2014 #26 COMPANIES HOUSE

In the High Court of Justice

Chancery Division

Companies Court

In the matter of:

Café Rouge Restaurants Limited ("the Company")

Company Voluntary Arrangement under Part I of the Insolvency Act 1986 (as amended)



No. 3976 of 2014

Chairman's Report

THIS REPORT is made by Peter Saville, licensed insolvency practitioner and partner at Zolfo Cooper LLP, 10 Fleet Place, EC4M 7RB (the "Chairman") pursuant to the provisions of section 4(6) of the Insolvency Act 1986 (the "Act") and Rule 1.24 of the Insolvency Rules 1986 (the "Rules") and is the Chairman's Report on the result of the meeting of creditors and the meeting of the Member of the Company contemplated by such section and Rule.

Any capitalized terms contained in this report not defined herein shall have the same meaning attributed to them in the proposal by the Company for a company voluntary arrangement under Part I of the Act issued on 4 June 2014 (the "CVA").

Meeting of Creditors

1. Pursuant to section 3 of the Act, the meeting of creditors took place at 12 p.m. on 20 June 2014 at The Grand Connaught Rooms, 61-65 Great Queen Street, London WC2B 5DA.
2. The Chairman briefly explained at the meeting of creditors that the legislation which dealt with voluntary arrangements was contained in Part I of the Act.
3. The Chairman advised those present at the meeting that as convenor of the meeting and pursuant to Rule 1.14 he was Chairman thereof. The Chairman asked whether there was any objection to the notice of meeting and the Proposal, as despatched to creditors and members on 4 June 2014 being taken as read and there was none.
4. The Chairman then asked whether any creditor (or any other person entitled to do so) present or represented at the meeting wished to propose any modification to the Proposal. None did so.
5. The Chairman informed the creditors that a letter clarifying certain matters in relation to the Proposal, in particular in relation to Turnover Rent, Category 1 Rent Reviews, the provisions on Rates Indemnity and on Category 3 Landlords giving notice, the Claims Date, Schedule 26 on Surrender of Leases and other additional matters, had

been prepared by Zolfo Cooper LLP and acknowledged by the Company. A summary of the letter dated 20 June 2014 was presented to the creditors present at the meeting. Creditors were referred to a copy of the letter for further details.

6. The following resolution (the “Creditors’ Resolution”) was then proposed:

“THAT the proposed company voluntary arrangement be approved”

7. A vote was then taken on the Creditors’ Resolution. Set out in Schedule 1 to this report is a list of the creditors (with their respective values) who were present or represented at the meeting, showing how they voted on the Creditors’ Resolution.
8. It was noted that the requisite majority to pass a resolution was a majority in excess of three-quarters in value of creditors present in person or by proxy and voting on the Creditors’ Resolution. The provisions of Rule 1.19(3) and (4) of the Rules were also noted. Having regard (inter alia) to the provisions of Rule 1.19 the Chairman declared the Creditors’ Resolution passed.
9. Accordingly, the Proposal was approved by the creditors without further modification apart from the matters clarified in letter prepared by Zolfo Cooper LLP of 20 June 2014 as set out in point 5 above.

Meeting of the Company

1. Pursuant to section 3 of the Act, the meeting of the Company took place at 1.45 p.m. on 20 June 2014 at The Grand Connaught Rooms, 61-65 Great Queen Street, London WC2B 5DA.
2. The Chairman briefly explained at the meeting of the Company that the legislation which dealt with company voluntary arrangements was contained in part 1 of the Act.
3. The Chairman advised those present at the meeting that as convenor of the meeting and pursuant to Rule 1.14 he was Chairman thereof. The Chairman asked whether there was any objection to the notice of meeting and the Proposal, as despatched to creditors and members on 4 June 2014 being taken as read and there was none.
4. The Chairman then asked whether any member (or any other person entitled to do so) present or represented at the meeting wished to propose any modification to the Proposal. None did so.
5. The Chairman informed the member that a letter clarifying certain matters in relation to the Proposal, in particular in relation to Turnover Rent, Category 1 Rent Reviews, the provisions on Rates Indemnity and on Category 3 Landlords giving notice, the Claims Date, Schedule 26 on Surrender of Leases and other additional matters, had been prepared by Zolfo Cooper LLP and acknowledged by the Company. A summary of the letter dated 20 June 2014 was presented to the Member present at the meeting. The Member was referred to a copy of the letter for further details.
6. The following resolution (the “Member’s Resolution”) was then proposed:

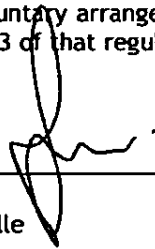
“THAT the proposed company voluntary arrangement be approved”

7. A vote was then taken on the Member's Resolution Set out in Schedule 2 to this report is a list of the members (with their respective values) who were present or represented at the meeting, showing how they voted on the Member's Resolution
8. It was noted that the Member's Resolution was to be regarded as passed if voted for by more than one-half in value (determined by reference to the number of votes conferred on each member by the Company's articles of association) of the members present in person or by proxy and voting on the Member's Resolution. Having regard (inter alia) to the provisions of rule 1.20 the Chairman declared the Member's Resolution passed.
9. Accordingly, the Proposal was approved by the Member without further modification apart from the matters clarified in letter prepared by Zolfo Cooper LLP of 20 June 2014 as set out in point 5 above

EC Regulation on Insolvency Proceedings

In the opinion of the supervisors, the EC Regulation on Insolvency Proceedings applies to the voluntary arrangement and these proceedings are main proceedings as defined by Article 3 of that regulation.

Signed



Peter Saville

Chairman of the Meeting

Dated 20 June 2014

Schedule 1

Appendix 1

In the matter of the Insolvency Act 1986

and in the matter of Café Rouge Restaurants Limited

Details of the voting for the resolution contained in the Chairman's report

Voting in respect of the Creditors Resolution

Summary of the creditors voting including connected persons	£	%
For the resolution	65,147,576	98.9%
Creditors listed in Appendix 2	91	
Against the resolution	715,780	1.1%
Creditors listed in Appendix 3	20	
Source: Zolfo Cooper		

Under Rule 1.19 (4) (c) excluding connected persons

	£	%
For the resolution	3,064,068	81.1%
Creditors listed in Appendix 2	90	
Against the resolution	715,780	18.9%
Creditors listed in Appendix 3	20	
Source: Zolfo Cooper		

In the matter of the Insolvency Act 1986

and in the matter of Café Rouge Restaurants Limited

Details of creditors present or represented and voting for the resolution contained in the Chairman's report

	£
Abbeygate Developments (Grafton Gate 2) Limited	9,007
Accor UK Economy Hotels Limited	58,688
Adam Charles Henry Cutler	26,841
Albert Ralph Hay	62,205
Alstom Pensions Trust Limited	49,354
Anne Veronica Dunnion	16,558
Aqua Group Pension & Assurance Scheme	21,431
Arbuthnot Latham SIPP	28,187
Ashington Property Investment	93,342
Aslotel Group Limited	15,892
Bristol Alliance Nominee 1 & 2 Limited	47,228
British Airways Pension Property Holdings Limited & British Airways Pension Property Holdings No 2) Limited	22,269
British Overseas Bank Nominees Limited & WGTC Nominees Limited as nominees for National Westminster Bank Plc. as depository of Schroder UK Property Fund	42,308
Bullring Limited Partnership	49,904
Cadogan Estates Limited	54,948
Canada Life Limited	28,460
Cannonwood Investments Limited	18,566
Chapman Properties	18,464
Chicken Villas Limited	27,089
Costa Limited	2,389
Crowvale Securities Limited	29,597
David Menzies Management Services Limited	30,425
Dr George Russell Brown	24,047
Due West Limited	12,239
Equity Partnerships (Osprey) Limited	23,490
First Step Homes Limited	29,689
Flodrive Holdings Limited	20,456
Friends Life Limited	47,981
G & L Ferdenzi	15,248
G P & W A Bushell	16,355
Gascoyne Holdings Limited	87,847
Geoffrey Ernest Denne	28,138
Glasgow City Council Admin. Strathclyde Pension Fund	59,523

Grosvenor Liverpool Fund	84,558
Gunwharf Quays Limited	39,234
Gurminder S Sooch, Pardeep S Sooch, Ramandeep S Bal and Balwant S Bal	31,458
Henderson UK Outlet Mall No2 LP	34,309
Highclare (MKHUB) Limited	36,108
Highcross Limited Partnership	46,434
Highdrive Pension Scheme	22,418
Jelmac Properties	23,606
John David Hadley	1,938
John Lewis Partnership Pensions Trust Limited	39,105
Kingsley Estates Limited	31,072
Klp	30,100
Kropifko Properties Limited	40,422
Land Securities Trinity Limited	1
Lawson Hobbs Limited	27,276
Legal & General Property Partners (Leisure) Limited and Legal & General Assurance (Pensions Management) Limited	39,389
Leon Oscar Properties Limited	29,894
LS Portfolio Investments	64,005
LS Voyager Limited	58,062
Mailbox (Birmingham) Limited	42,311
Maybill Limited	6,429
Meadowhall Nominee 1 Limited and Meadowhall Nominee 2 Limited	60,963
Mr C J R Hampton	28,783
Mr Z Choudrey	36,300
Network Rail Infrastructure Limited	64,733
Nigel K Warder	27,497
Norfind Properties Limited	31,832
Oakmoor Bond Street Limited & Deeley Bond Street Limited	16,684
Optimistic Acquisitions Limited	29,428
Oracle Shopping Centre Limited	65,253
Pan Albion LLP	34,696
Peacocks Centre	34,583
Queens Road W2 Limited	17,311
Railway Pension Nominees Limited	31,252
Ravenseft Properties Limited	66,218
RNG Properties Limited	21,651
Rreef Witney Limited	29,744
Schroder UK Property Fund	28,483
Scott & Scott (Bournemouth) Limited	1,973
Shaftesbury Covent Garden Limited	65,009
Sheffield City Council	540
Standard Life Assurance Limited	30,538
Stargrove Properties Limited	40,917
The Incorporated Trustees of The Dulwich Estate	25,567
The Royal Bank of Canada Trust Corporation Limited	80,866

The Wedge Property Company Limited	28,033
Tragus Holdings Limited	62,083,508
Tryst Enterprises Limited	32,528
University College Oxford	50,439
Virgo Properties Limited	26,617
Wakerose Limited	24,640
West Quay Shopping Centre Limited	40,786
West Sussex County Council	32,228
Whitehall Industrial Limited	20,281
Woking Borough Council	1
X Leisure Maidstone Limited	7,719
X Leisure Brighton 1 and 2 Limited	39,267
Yearfast Building Limited	44,428
	65,147,576

In the matter of the Insolvency Act 1986**and in the matter of Café Rouge Restaurants Limited**

Details of creditors present or represented and voting against the resolution contained in the Chairman's report

	£
Aberdeen Shopping Centre Limited	22,983
Amalgamated Berkshire Property Limited	32,701
Canary Wharf Retail Limited	55,102
Chaplefield Partnership	45,892
Coal Pension Properties Limited	49,650
CTCL (BUKP) Fund Nominee No 1 Limited and CTCL (BUKP) Fund Nominee No.2 Limited	28,520
Durham County Council	1
Gladewell Properties (UK) Limited	1
Graingrade Limited	122
Intu Lakeside Limited	33,477
Irwell Square Retail Limited	35,905
Nuttalls (Plymouth) Limited	27,379
Gloucester Quays LLP	7,403
Python Holdings Limited	1
The Metrocentre Partnership	52,258
The Trafford Centre Limited	65,023
MDDT Nominees SA and Wolfe Nominees Limited	126,867
Cribbs Mall Nominee (1) Limited and Cribbs Nominee (2) Limited	54,989
British Overseas Bank Nominee Limited and WGTC Nominee Limited	44,831
The Dyers Company Limited	32,674
	715,780

In the matter of the Insolvency Act 1986**and in the matter of Café Rouge Restaurants Limited**

Details of creditors present or represented and abstaining from voting on the resolution contained in the Chairman's report

	£
HM Revenue and Customs	8,893,612
St David's Limited Partnership	38,469
Met Quarter Unit Trust	51,328
	8,983,409

Schedule 2

In the matter of the Insolvency Act 1986

and in the matter of Café Rouge Restaurants Limited

Details of the voting for the resolution contained in the Chairman's report

Voting in respect of the Member's Resolution

Summary of the creditors voting including connected persons	£	%
For the above resolution	2,709,301	100.0%
Against the above resolution	-	0.0%
Source: Zolfo Cooper		

Details of Members present or represented and voting for the Member's resolution	
Shareholder	£
Tragus Holdings Limited	2,709,301

20 June 2014

Our ref. PMS/CK/CRRL
Your ref:

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London EC4M 7RB
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TO WHOM IT MAY CONCERN

When telephoning please ask for:
Clare Kennedy

Direct line:
+44 (0) 20 7332 5245

Dear Sirs

Café Rouge Restaurants Limited (proposed Company Voluntary Arrangement)

The purpose of this letter is to clarify the position in relation to certain matters arising in connection with the proposal by Café Rouge Restaurants Limited for a company voluntary arrangement under Part I of the Insolvency Act 1986 issued on 20 June 2014 (the "CVA") and to make the following modifications:

Any capitalized terms contained in this letter shall have the meaning attributed to them in the CVA unless the contrary is expressly stated herein.

Category 1 Premises

The following provisions in relation to Category 1 Landlords will be modified as follows:

Summary of the Proposal

Page v - Paragraph (d)

To delete the words "on an annual basis" as shown on the second line of paragraph (d).

Paragraph (d) will then read as follows:

"to provide in respect of the Category 1 Premises for the payment of any Turnover Rent applicable to the Category 1 Leases to continue to be paid pursuant to the current terms of the applicable Category 1 Leases attributable to the period in which such Turnover Rent is payable up to the Category 1 End Date. For the avoidance of doubt, all Turnover Rent due and payable up until the date prior to the Creditors' Meeting will continue to be paid in the normal course, pursuant to the terms of the Category 1 Lease".

Section 2 - Terms of Proposal

Page 14, Clause 4 (Moratorium)

Clause 4.3

To add the words "including terms of such Leases which terms have not been so varied" on the fourth line of Clause 4.3.

Clause 4.3 will then read as follows:

"Nothing in this Clause 4 (Moratorium) shall prejudice the enforcement by a Landlord or Compromised Contingent Property Creditor of its rights under the CVA (including, for the avoidance of doubt, under the terms of Leases or guarantees as modified or varied by the CVA including terms of such Leases which terms have not been so varied or which revert to their normal terms in accordance with the CVA) and nothing shall prevent any action being taken as a consequence of non-payment of any amount when due under the CVA (including under any such Lease)."

Page 15, Clause 7 (The effect of the CVA on Category 1 Landlords)

Clause 7.1

To add the words "service charge and insurance" on the second line, sixth line and eight line of Clause 7.1 to clarify that annual rent, service charge and insurance due under each Category 1 Lease shall be paid on a monthly rather than a quarterly basis for a period of two years commencing on the Next Payment Date up to the Category 1 End Date in accordance with paragraph (c) of the Summary of the Proposal on page v.

Clause 7 1 will then read as follows

"This Clause 7 1 applies to all Category 1 Leases where the terms of the relevant Category 1 Lease require the annual rent, service charge and insurance to be paid on a quarterly, half yearly or yearly basis During the period from the Next Payment Date in respect of that Category 1 Lease until the earlier of.

the expiry or determination of the relevant Category 1 Lease; and

the Rent Concession Period,

CRRL will not be obliged to pay Category 1 Lease Rent, service charge and insurance to the Category 1 Landlords at the times provided for in the Category 1 Leases Instead, CRRL shall be obliged to pay Category 1 Lease Rent, service charge and insurance in monthly instalments in advance on the 25th day of each calendar month for Category 1 Leases in England and Wales and Category 1 Leases in Scotland in accordance with this Clause 7 (The Effect of the CVA on Category 1 Landlords) and Clause 16 (Rent Concession Agreement) with each such payment being calculated on the basis of one twelfth of the annual Category 1 Lease Rent. In addition, CRRL will not be liable to pay any interest charges to any Category 1 Landlord in consequence of the payment of Contractual Rent and any other contractual sums on a monthly basis to the Category 1 Landlords under the terms of this Proposal Within three (3) business days following the Effective Date, for the period from the Effective Date up to but excluding the 25th day of the calendar month immediately following the Effective Date, CRRL will pay (to the extent not already paid) a due proportion of the Category 1 Lease Rent On the Monthly Rent Termination Date, CRRL shall pay Category 1 Lease Rent in advance to the Next Quarter Day such payment to be calculated on a daily basis and thereafter Category 1 Lease Rent will accrue and be payable in accordance with the terms of the relevant Category 1 Lease."

Page 15, Clause 7 (The effect of the CVA on Category 1 Landlords)

Clause 7.3

To delete the words "on an annual basis" as shown on the second line of Clause 7.3.

Clause 7.3 will then read as follows:

"For the avoidance of doubt, any Turnover Rent applicable in respect of the Category 1 Leases shall continue to be paid pursuant to the current terms of the applicable Category 1 Leases attributable to the period in which such Turnover Rent is payable up to the Category 1 End Date. Furthermore, all Turnover Rent due and payable up until the date prior to the Creditors' Meeting will continue to be paid in the normal course, pursuant to the terms of the Category 1 Lease".

Page 17, Clause 7 (The effect of the CVA on Category 1 Landlords)

Clause 7.10

To add the word "automatically" on the third line of Clause 7.10.

Clause 7.10 will then read as follows:

"Any requirement or condition that CRRL must automatically enter into an authorised guarantee agreement on an assignment or assignation at any time during the remainder of the term or automatically provide any other security whatsoever in connection with such assignment or assignation shall not apply and shall be disregarded until the Category 1 End Date "

Page 17, Clause 7 (The effect of the CVA on Category 1 Landlords)

To insert a new Clause 7.11 to clarify that rent reviews in respect of the Category 1 Leases will remain unaffected.

The new clause 7.11 will then read as follows:

"For the avoidance of doubt, to the extent that any Category 1 Lease contains rent review provisions, such rent review provisions will continue to apply and will remain unaffected by the CVA".

Category 2 Premises

The following provisions in relation to the Category 2 Landlords will be modified as follows:

Summary of the Proposal

Page vi - Paragraph (i)

To delete the words "on an annual basis" as shown on the third line of paragraph (i).

Paragraph (i) will then read as follows:

"to provide in respect of the Category 2 Premises for the payment of any Turnover Rent applicable to the Category 2 Leases to be reduced pursuant to the terms of (h) above and to continue to be paid pursuant to the current terms of the applicable Category 2 Leases attributable to the period in which such Turnover Rent is payable either up to the Category 2 End Date or up to the date of vacation of the relevant Category 2 Premises by CRRL, whichever is the earliest. For the avoidance of doubt, all Turnover Rent due and payable up until the date prior to the Creditors' Meeting will continue to be paid in the normal course, pursuant to the terms of the Category 2 Lease".

Page vii - Paragraph (m)

To replace the word "avoidable" on the fourth line of paragraph (m) with the words "a voidable", so that the first paragraph of paragraph (m) reads as follows:

"If CRRL elect to vacate the Category 2 Premises prior to the Category 2 End Date, CRRL shall provide an indemnity to the relevant Category 2 Landlord equivalent to the due apportionment of Rates payable on those Category 2 Premises (save for any period to which a voidable rate period applies) which would have been payable on a time apportioned basis rather than on a liability incurred by the Landlord basis until the earliest of".

Section 2 - Terms of the Proposal

Page 18, Clause 8.5 (The effect of the CVA on Category 2 Landlords)

Clause 8.5

To delete the words "on an annual basis" as shown on the third line of Clause 8.5.

Clause 8.5 will then read as follows:

"For the avoidance of doubt, the payment of any Turnover Rent applicable to the Category 2 Leases shall be reduced pursuant to the terms of Clause 8.3 above and shall continue to be paid pursuant to the current terms of the applicable Category 2 Leases for the period of occupation only attributable to the period in which such Turnover Rent is payable either up to the Category 2 End Date or up to the date of vacation of the relevant Category 2 Premises by CRRL, whichever is the earliest. Furthermore, all Turnover Rent due and payable up until the date prior to the Creditors' Meeting will continue to be paid in the normal course, pursuant to the terms of the Category 2 Lease".

Page 19, Clause 8.9 (The effect of the CVA on Category 2 Landlords)

Clause 8.9

To replace the word "avoidable" on the fourth line of Clause 8.9 with the words "a voidable", so that the first paragraph of Clause 8.9 reads as follows:

"If CRRL elects to vacate the Category 2 Premises during the Rent Concession Period pursuant to the terms of Clause 8.8, CRRL shall provide an indemnity to the relevant Category 2 Landlord equivalent to the due apportionment of Rates payable on those Category 2 Premises (save for any period to which a voidable rate period applies) which would have been payable on a time apportioned basis rather than on a liability incurred by the Landlord basis until the earliest of".

Category 3 Premises

The following provisions in relation to Turnover Rent in relation to Category 3 Leases will be modified as follows:

Summary of the Proposal

Page viii - Paragraph (t)

To delete the words "on an annual basis" as shown on the fourth line of paragraph (t).

Paragraph (t) will then read as follows:

"to provide in respect of the Category 3 Premises for the payment of any Turnover Rent applicable to the Category 3 Leases to be reduced pursuant to the terms of (s) above such that the amount of Turnover Rent payable would only be attributable to the Rent Concession Period and shall continue to be paid pursuant to the current terms of the applicable Category 3 Leases attributable to the period in which such Turnover Rent is payable either up to the Category 3 End Date or up to the

date of vacation of the relevant Category 3 Premises by CRRL, whichever is the earliest. For the avoidance of doubt, all Turnover Rent due and payable up until the date prior to the Creditors' Meeting will continue to be paid in the normal course, pursuant to the terms of the Category 3 Lease".

Section 2 - Terms of the Proposal

Page 24, Clause 10.4 (The effect of the CVA on Category 3 Landlords)

Clause 10.4

To delete the words "on an annual basis" as shown on the fourth line of Clause 10.4.

Clause 10.4 will then read as follows:

"For the avoidance of doubt, the payment of any Turnover Rent applicable to the Category 3 Leases shall be reduced pursuant to the terms of Clauses 10.3(a) and 10.3(b) above such that the amount of Turnover Rent payable would only be attributable to the Rent Concession Period and the period of occupation and shall continue to be paid pursuant to the current terms of the applicable Category 3 Leases attributable to the period in which such Turnover Rent is payable either up to the Category 3 End Date or up to the date of vacation of the relevant Category 3 Premises by CRRL, whichever is the earliest. Furthermore, all Turnover Rent due and payable up until the date prior to the Creditors' Meeting will continue to be paid in the normal course, pursuant to the terms of the Category 3 Lease".

The following provisions in relation to the Category 3 Landlords will be modified to make it clear that the Category 3 Landlords are able to serve a Notice to Vacate during the Rent Concession Period. Accordingly, the following provisions will be amended.

Summary of the Proposal

Page ix - Paragraph (v)

To replace the word "earlier" with "later" in the third line of paragraph (v) so that paragraph (v) reads as follows:

"to enable Category 3 Landlords to require CRRL to vacate and end the lease of the relevant Category 3 Premises before the Category 3 End Date, upon giving CRRL no less than 45 days' notice, such notice to be given no later than 45 days prior to the expiry of the Rent Concession Period".

Section 2 - Terms of the Proposal

Page 25, Clause 10 (The effect of the CVA on Category 3 Landlords)

Clause 10.8

To replace the word "earlier" with "later" in the sixth line of Clause 10.8 so that Clause 10.8 reads as follows:

"If a Category 3 Landlord requires CRRL to vacate a Category 3 Premises before the expiry of the Rent Concession Period, the Category 3 Landlord shall be entitled to deliver to CRRL a Notice to Vacate in the form set out at Schedule 25 (Notice to Vacate) together with any additional notice(s) as may be required by law to constitute a valid surrender, forfeiture or irritancy as the case may be giving not less than 45 days' notice to that effect and such notice shall be given no later than 45 days prior to the expiry of the Rent Concession Period. A Notice to Vacate may not be delivered to

CRRL before the Next Payment Date and no Notice to Vacate may require CRRL to vacate a Category 3 Premises later than the expiry of the Rent Concession Period (a "Notice Period"). Once given, a Notice to Vacate may not be withdrawn, save by agreement with CRRL"

Section 2 - Terms of the Proposal

Page 26, Clause 10 (The effect of the CVA on Category 3 Landlords)

Clause 10.12 (b)

To replace the word "earlier" with "later" in the third line of Clause 10.12 (b) so that Clause 10.12 (b) reads as follows:

"The Landlords of Category 3 Leases may require CRRL to vacate and end the lease of the relevant property before the Category 3 End Date, by giving 45 days' notice to CRRL, and such notice shall be given no later than 45 days prior to the expiry of the Rent Concession Period".

The following provisions in relation to the Category 3 Landlords will be modified to make it clear that if CRRL elects to vacate a Category 3 Premises after the expiry of the Rent Concession Period, that CRRL shall provide an indemnity to the Category 3 Landlord equivalent to the due apportionment of Rates payable on those Category 3 Premises in accordance with the provisions contained in Clause 10.15. Accordingly, the following provisions will be modified:

Summary of the Proposal

Page ix - Paragraph (x)

To add the word "either" on the third line of paragraph (x); to add the words "or after the Category 3 End Date pursuant to (aa) below" on the fourth line of paragraph (x) and to replace the word "avoidable" on the sixth line of paragraph (x) with the words "a voidable", so that the first paragraph of paragraph (x) reads as follows:

"notwithstanding the deemed surrender of the relevant lease at the expiry of the Rent Concession Period or a Notice to Quit being delivered by CRRL to a Category 3 Landlord where CRRL elects to cease occupation of a Category 3 Premises either prior to the Category 3 End Date or after the Category 3 End Date pursuant to (aa) below, CRRL to provide an indemnity to the relevant Category 3 Landlord equivalent to the due apportionment of Rates payable on those Category 3 Premises (save for any period to which a voidable rate period applies) which would have been payable on a time apportioned basis rather than on a liability incurred by the Landlord basis until the earliest of".

Page x - Paragraph (aa)

Delete paragraph (aa) (i) in its entirety, and replace with the following wording "CRRL shall give no less than 45 days' notice to the Category 3 Landlord to cease occupation of such Category 3 Premises" so that paragraph (aa) reads as follows:

"having elected to remain in occupation, CRRL may subsequently elect to vacate any such Category 3 Premises at any time after the Category 3 End Date, provided that:

CRRL shall give no less than 45 days' notice to the Category 3 Landlord to cease occupation of such Category 3 Premises; and

the relevant Category 3 Landlord may require CRRL to vacate and end the lease of the relevant Category 3 Premises after the Category 3 End Date, upon giving CRRL no less than 45 days' notice."

Section 2 - Terms of the Proposal

Pages 27-28, Clause 10 (The effect of the CVA on Category 3 Landlords)

Clause 10.14(c)

To replace the words “provided that CRRL shall continue to pay Rates in respect of those Category 3 Premises until the earlier of the surrender, forfeiture, irritancy, assignation, assignment, expiration, contractual expiry (or determination by exercise of a break clause or passage of time) or other valid termination of the relevant Lease (including but not limited to pursuant to Clause 10.14(d) below)” as shown on the second to sixth line of Clause 10.14(c), with “by giving not less than 45 days’ notice to the Category 3 Landlord to cease occupation of such Category 3 Premises”.

Clause 10.14(c) will then read as follows:

“CRRL may elect to vacate any such Category 3 Premises at any time after the expiry of the Rent Concession Period, by giving not less than 45 days’ notice to the Category 3 Landlord to cease occupation of such Category 3 Premises”.

Page 28, Clause 10 (The effect of the CVA on Category 3 Landlords)

Clause 10.15

To add the word “either” and to add the words “or following an election to vacate pursuant to the terms of Clause 10.14(c)” on the fourth line of Clause 10.15; and to replace the word “avoidable” on the seventh line of Clause 10.15 with the words “a voidable”, so that the first paragraph of Clause 10.15 reads as follows:

“Notwithstanding the deemed surrender of the relevant lease at the expiry of the Rent Concession Period pursuant to the terms of Clause 10.13, or a Notice to Quit being delivered by CRRL to a Category 3 Landlord where CRRL elects to cease occupation of a Category 3 Premises, either prior to the expiry of the Rent Concession Period pursuant to the terms of Clause 10.10 or following an election to vacate pursuant to the terms of Clause 10.14(c), CRRL shall provide an indemnity to the Category 3 Landlord equivalent to the due apportionment of Rates payable on those Category 3 Premises (save for any period to which a voidable rates period applies) which would have been payable under such lease on a time apportioned basis rather than on a liability incurred by the Landlord basis until the earliest of”.

Additional Modifications

Schedule 26 - Surrender for Category 3, Category 4 and Category 5 Leases - (page 104)

Part 1 - Form of Surrender Deed for English Leases

Clause 10.13 (d) (ii), Clause 11.7 (d) (ii) and Clause 12.7 (d) (ii) envisage that the form of deed of surrender to be entered into with each landlord may be amended from the standard form contained in Part 1 of Schedule 26 (Surrender Category 3, Category 4 and Category 5 Leases). It is clarified and confirmed that the form of deed of surrender to enter into with each relevant landlord will be amended such that:

the definitions of “Costs” and “Regulations” in Clause 1 of the Standard Form contained in Schedule 26 be deleted in their entirety, and

Clause 5 in relation to TUPE of the Standard Form in Part 1 of Schedule 26 be deleted in its entirety.

Similarly, it is clarified and confirmed that the form of TR1 in Part 3 of Schedule 26 (Form of TR1) to be entered into with each relevant landlord will be amended such that:

the definitions of "Costs" and "Regulations" in section 11 of Part 3 of Schedule 26 be deleted in their entirety; and

paragraphs 3.1 and 3.2 (in relation to TUPE) in section 11 of Part 3 of Schedule 26 be deleted in their entirety.

Summary of the Proposal - Compromised Lease Payment

Page xiv - Paragraph (uu) (iii)

To insert the words "six weeks of" on the first line so that paragraph (uu) (iii) reads as follows:

"the Guarantee-Holding Compromised Landlords of six weeks of the Contractual Rent due under each of the Compromised Leases excluding payment of service charge and insurance, to be payable to the Category 4 Landlords, such payment to be made within thirty (30) days of the expiry of the Challenge Period, provided that there has been no Challenge Application made to the Court in respect of the CVA, on or before 20 July 2014".

Page xiv - Paragraph (uu) (v)

To insert the words "six weeks of" on the first line so that paragraph (uu) (v) reads as follows:

"the Guarantee-Holding Compromised Landlords of six weeks of the Forecasted Contractual Rent under each of the Compromised Agreements for Lease, excluding payment of service charge and insurance, to be payable to the Category 8 Landlords upon termination by CRRL of the relevant Category 8 Agreements for Lease, such payment to be made within thirty (30) days of the expiry of the Challenge Period, provided that there has been no Challenge Application made to the Court in respect of the CVA, on or before 20 July 2014".

Section 2 - Terms of the Proposal

Page 36, Clause 16 (Rent Concession Agreement)

Clause 16.1(a)

To delete the words "Invoices shall be submitted by Landlords to CRRL in relation to all such payments at the same intervals and for the same periods as they were submitted by Landlords prior to this Proposal, albeit the payment terms are varied by this Proposal" as shown on the last four lines of Clause 16.1(a).

Clause 16.1(a) will then read as follows.

"During the Rent Concession Period:

the relevant Landlord will submit duly prepared VAT invoices in respect of each payment due under Clause 7 (The Effect of the CVA on Category 1 Landlords), Clause 8 (The Effect of the CVA on Category 2 Landlords), Clause 10 (The Effect of the CVA on Category 3 Landlords), Clause 11 (The Effect of the CVA on Category 4 Landlords), Clause 12 (The Effect of the CVA on Category 5 Landlords) and Clause 15 (The Effect of the CVA on Category 8 Landlords) (as applicable) not later than three Business Days prior to the date upon which such payment becomes due, and"

Claims Date

The following modifications will be made in relation to the Claims Date such that the Claims Date is 20 July 2014.

Schedule 1 Definitions and Interpretation, Part 1 Definitions - Page 54

To replace the words "'Claims Date' means 20 June 2014" with the words "'Claims Date' means 20 July 2014" such that any reference to Claims Date throughout the CVA document shall refer to 20 July 2014;

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To replace the words "The Claims Date is 20 June 2014" on the fifth line of the second last paragraph, with the words "The Claims Date is 20 July 2014".

Queries

If you have any queries on the above points, please email us at CRRLCVA@zolfocooper.eu in all cases marked for the attention of Jessica Geddes and Suzie Friedrich, or telephone us on 0161 838 4501.

Yours faithfully



Peter Saville

Partner, Zolfo Cooper

I concur that the above clarification represents the Company's understanding of its obligations under the CVA and that the modifications contemplated above shall be made on the Effective Date.



Director

For and on behalf of Café Rouge Restaurants Limited