



Registration of a Charge

Company name: **The Hamleys Group Limited**

Company number: **02352435**



X4NA4GLN

Received for Electronic Filing: **29/12/2015**

Details of Charge

Date of creation: **16/12/2015**

Charge code: **0235 2435 0010**

Persons entitled: **BANK OF CHINA LIMITED, MACAU BRANCH**

Brief description: **N/A**

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 THE ELECTRONIC COPY INSTRUMENT
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **PAUL HIBBERT**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 2352435

Charge code: 0235 2435 0010

The Registrar of Companies for England and Wales hereby certifies that a charge dated 16th December 2015 and created by The Hamleys Group Limited was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 29th December 2015 .

Given at Companies House, Cardiff on 30th December 2015

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



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

SHARE PLEDGE AGREEMENT

DATED 16 DECEMBER 2015

BY AND BETWEEN

THE HAMLEYS GROUP LIMITED

AS PLEDGOR

AND

BANK OF CHINA LIMITED, MACAU BRANCH

AS SECURITY AGENT ON BEHALF OF ITSELF AND THE OTHER SECURED PARTIES

Certified to be a true copy of the original
Baker & McKenzie LLP
100 New Bridge Street
London EC4V 6JA

Baker & McKenzie LLP
29 December 2015

TABLE OF CONTENTS

| | |
|--|----|
| 1 DEFINITIONS AND INTERPRETATION | 5 |
| 1.1 Definitions | 5 |
| 1.2 Interpretation | 7 |
| 1.3 Intercreditor Agreement | 7 |
| 2 PLEDGE OF SECURED PROPERTY AND PERFECTION..... | 7 |
| 2.1 Grant of security interest | 7 |
| 2.2 Perfection of the Pledge | 7 |
| 3 FURTHER ASSURANCE | 8 |
| 3.1 General | 8 |
| 3.2 Necessary action | 8 |
| 4 REPRESENTATIONS AND WARRANTIES | 8 |
| 4.1 Representations and warranties | 8 |
| 4.2 Repetition | 9 |
| 5 NEGATIVE PLEDGE, DISPOSAL AND OTHER UNDERTAKINGS | 9 |
| 5.1 Negative Pledge | 9 |
| 5.2 No Disposal of Interests | 9 |
| 5.3 Information | 9 |
| 5.4 Other undertakings | 9 |
| 6 SHARES | 10 |
| 6.1 Shares: Before Enforcement | 10 |
| 6.2 Shares: After Enforcement | 10 |
| 7 ENFORCEMENT OF SECURITY | 11 |
| 7.1 Enforcement | 11 |
| 7.2 Waiver of statutory restrictions | 11 |
| 8 APPLICATION OF MONIES | 12 |
| 8.1 Order of Application | 12 |
| 8.2 Surplus Monies | 12 |
| 9 POWER OF ATTORNEY | 12 |
| 10 RELEASE OF SECURITY | 12 |
| 10.1 Term of the Agreement | 12 |
| 10.2 Release of security and conditional discharge | 12 |
| 10.3 Continuation of the Agreement | 12 |
| 11 WAIVER OF DEFENCES AND INDEPENDENT SECURITY | 13 |
| 11.1 Waiver of defences | 13 |
| 11.2 Independent security | 13 |
| 12 NOTICES | 13 |
| 13 NON-EXCLUSIVITY | 13 |
| 14 NO COMPETITION | 14 |
| 15 COSTS AND EXPENSES | 14 |
| 15.1 Transaction expenses | 14 |
| 15.2 Amendment costs | 14 |

| | |
|--|----|
| 15.3 Enforcement and preservation costs..... | 14 |
| 16 RIGHTS, WAIVERS AND REMEDIES..... | 14 |
| 16.1 Amendments and waivers..... | 14 |
| 16.2 Severability..... | 14 |
| 17 LIMITATION OF LIABILITY..... | 14 |
| 18 SET-OFF..... | 15 |
| 19 NO WAIVER..... | 15 |
| 20 COUNTERPARTS..... | 15 |
| 21 ASSIGNMENTS AND TRANSFERS..... | 15 |
| 22 GOVERNING LAW..... | 15 |
| 23 ENFORCEMENT..... | 15 |

SCHEDULES

| Schedule | Description |
|----------|------------------------------------|
| 1 | Form of Notice of Pledge of Shares |
| 2 | Form of Power of Attorney |

SHARE PLEDGE AGREEMENT

THIS SHARE PLEDGE AGREEMENT (the "**Agreement**") is made on 16 December 2015 by and between:

- (1) **THE HAMLEYS GROUP LIMITED**, a limited liability company incorporated and existing under the laws of England with company number 02352435 (the "**Pledgor**"); and
- (2) **BANK OF CHINA LIMITED, MACAU BRANCH**, on its own behalf and as security agent for the Secured Parties (as defined below) from time to time (the "**Offshore Security Agent**").

BACKGROUND

- (A) In consideration of the Secured Parties entering into the Facilities Agreement (as defined below), the Pledgor has agreed to enter into this Agreement in order to pledge the Secured Property (as defined below) to the Secured Parties (represented by the Offshore Security Agent), as first priority security for the timely and complete repayment, discharge and performance of the Secured Obligations (as defined below), on the terms and conditions set forth herein.
- (B) Pursuant to clause 14 (*Security Agent*) of the Intercreditor Agreement (as defined in the Facilities Agreement), each of the Secured Parties has appointed the Offshore Security Agent to act as its security agent under and in connection with the Finance Documents and authorised the Offshore Security Agent to execute and enforce this Agreement for and on behalf of it.
- (C) All rights and benefits granted to the Offshore Security Agent and any agreement (including, without limitation, this Agreement) made with the Offshore Security Agent shall be for the benefit of all the Secured Parties.

IT IS AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms defined in the Facilities Agreement or, if not defined in the Facilities Agreement, in the Intercreditor Agreement shall, unless otherwise defined in this Agreement, have the same meanings when used in this Agreement and in addition:

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| "Ancillary Rights" | means all rights (including, without limitation, the Voting Rights, but other than the Distribution Rights) conferred by Finnish law upon the holders of shares, such as the right to receive any and all notices convening a general meeting of shareholders of a limited company and the right to attend, address and vote at such meetings (in Finnish: <i>hallinnoimisoikeudet</i>). |
| "Collateral Rights" | means all rights, powers and remedies of the Offshore Security Agent provided by or pursuant to this Agreement or by law. |
| "Company" | means Hamleys Finland Oy, a limited liability incorporated and existing under the laws of Finland with business identity code 2695180-8. |
| "Distribution Rights" | means the Dividends and any other rights, moneys or property accruing or offered at any time in relation to the Shares by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise (in Finnish: <i>varallisuusosakeudet</i>). |

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| "Dividends" | means any dividends, interest and other distributions (whether in cash or kind) paid or payable or declared after the date of this Agreement on or in respect of the Shares. |
| "Facilities Agreement" | means the GBP 80,000,000 facilities agreement dated 17 November 2015 and made between, amongst others, the C.Banner International Holdings Limited as the Borrower, the Original Guarantors (as defined therein), the Mandated Lead Arranger (as defined therein), the Arrangers (as defined therein) the Original Lenders (as defined therein), the Agent (as defined therein), the Onshore Security Agent (as defined therein) and the Offshore Security Agent (as amended, restated, novated, varied, extended and/or supplemented from time to time). |
| "Parties" | means the Pledgor and the Secured Parties (represented by the Offshore Security Agent), as the context may require. |
| "Pledge" | means the security interests created or purported to be created under this Agreement. |
| "Related Rights" | means the Ancillary Rights and the Distribution Rights. |
| "Secured Obligations" | means all the Liabilities and all other present and future liabilities and obligations at any time due, owing or incurred by any member of the Group and by each Debtor to any Secured Party under the Debt Documents both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity. |
| "Secured Parties" | means the Offshore Security Agent and each of the Senior Facility Creditors from time to time but, in the case of each Senior Facility Creditor, only if it is a Party or has acceded to the Intercreditor Agreement, in the appropriate capacity, pursuant to clause 15.6 (<i>Creditor Accession Undertaking</i>) of the Intercreditor Agreement. |
| "Secured Property" | means all current and future assets being subject to the Pledge including, without limitation, the Shares and the Related Rights pertaining thereto as well as any other yield and/or proceeds of, the exclusive right to demand and receive all moneys whatsoever payable to or for the Pledgor's benefit under or arising from, and all substitutes and/or surrogates whatsoever from time to time pertaining to, any part of them. |
| "Security Period" | means the period beginning on the date hereof and ending on the date on which the Offshore Security Agent is satisfied that: <ul style="list-style-type: none"> (i) none of the Secured Parties is under any obligation to make advances or provide other financial accommodation to any Obligor under any of the Finance Documents; and (ii) all of the Secured Obligations have been unconditionally and irrevocably paid and discharged in full. |
| "Share Certificates" | means any share certificates representing the Shares. |
| "Shares" | means all the issued shares in the Company on the date hereof (shares 1 – 2,500) as well as any future shares and |

instruments entitling the Pledgor to shares in the Company at any time subscribed for or acquired or otherwise owned by the Pledgor in addition to or in exchange for or substitution or replacement of all or any of the shares owned by the Pledgor in the Company on the date hereof, together with all shares, rights, securities or other property received in lieu or pursuant to such share or other instrument owned by the Pledgor.

"Voting Rights"

means the voting rights (in Finnish: *äänioikeudet*) pertaining to the Shares.

1.2 Interpretation

1.2.1 In this Agreement:

- (a) the rules of interpretation contained in clauses 1.2 (*Construction*) and 1.3 (*Currency symbols and definitions*) of the Facilities Agreement, and to the extent not set out in the Facilities Agreement, clause 1.2 (*Construction*) of the Intercreditor Agreement shall apply to the construction of this Agreement in so far as they are relevant; and
- (b) unless a contrary indication appears, any reference to any "**Pledgor**", the "**Offshore Security Agent**" or any other person shall be construed so as to include its successors, permitted assigns and permitted transferees.

1.2.2 Clause and Schedule headings are for ease of reference only.

1.2.3 An Event of Default is "**continuing**" if it has not been remedied or waived.

1.2.4 The Pledge and the rights of the Offshore Security Agent under this Agreement shall be enforceable notwithstanding any change in the constitution of the Offshore Security Agent or its absorption into, or amalgamation with, any other person or the acquisition of all or any part of its undertaking by any other person.

1.3 Intercreditor Agreement

1.3.1 The provisions of the Intercreditor Agreement shall govern the rights, duties and obligations of the Offshore Security Agent under this Agreement.

1.3.2 This Agreement is subject to the Intercreditor Agreement and in the event of a conflict between the provisions of this Agreement and the Intercreditor Agreement, the Intercreditor Agreement shall prevail.

1.3.3 This Agreement is a Transaction Security Document (as defined in the Intercreditor Agreement).

2 PLEDGE OF SECURED PROPERTY AND PERFECTION

2.1 Grant of security interest

The Pledgor, as continuing first priority security for the timely and complete discharge of the Secured Obligations, hereby pledges to the Secured Parties (represented by the Offshore Security Agent), on the terms and conditions set forth herein, all its rights and interests in and to the Secured Property.

2.2 Perfection of the Pledge

2.2.1 For the purpose of perfecting the Pledge over the Shares as a first priority security, the Pledgor shall upon execution of this Agreement:

- (a) deliver to the Company a duly executed notice of pledge in the form of **Schedule 1** (with a copy to the Offshore Security Agent);

- (b) deliver to the Offshore Security Agent a confirmation, duly executed by the Company, of receipt by the Company of the notice of pledge referred to in paragraph (a) above; and
- (c) deliver to the Offshore Security Agent a copy of the share and shareholder register (verified by a member of the board of directors of the Company with his/her signature) evidencing that the Pledge is duly registered in the share and shareholder register of the Company.

2.2.2 Any new shares or instruments entitling the Pledgor to shares issued by the Company to the Pledgor or acquired or otherwise owned by the Pledgor after the date hereof shall automatically be deemed to be pledged to the Secured Parties (represented by the Offshore Security Agent) by this Agreement and constitute Shares for the purposes of this Agreement. The Pledgor shall procure that if the Company issues any share certificates in respect of such Shares, such share certificates will be immediately delivered to the possession of the Offshore Security Agent duly endorsed in blank, and otherwise pursuant to this Clause 2.2 take all the actions required for the due perfection of the Pledge over such Shares agreed hereunder. The Pledgor shall on each occasion on which any further shares or other securities entitling to shares are to be issued by the Company, instruct the Company to register the Pledge created in respect of such further shares or other securities in all relevant registers of the Company. The Pledgor shall advise the Offshore Security Agent promptly and in reasonable detail if it becomes aware of any proposal for the issuance of any further shares or other securities by the Company.

3 FURTHER ASSURANCE

3.1 General

The Pledgor shall promptly, at its own expense, take whatever action the Offshore Security Agent may reasonably require for:

- (a) creating, perfecting or protecting any Security intended to be created by or pursuant to this Agreement;
- (b) facilitating the realisation of any Secured Property; or
- (c) facilitating the exercise of any right, power or discretion exercisable by the Offshore Security Agent in respect of any Secured Property,

which, in any such case, the Offshore Security Agent (acting reasonably) may think expedient.

3.2 Necessary action

The Pledgor shall take all such action as is available to it as may be necessary for the purpose of the creation, perfection, protection or maintenance of the Pledge.

4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and warranties

The Pledgor represents and warrants to the Offshore Security Agent and each of the Secured Parties on the date of this Agreement that:

- (a) the particulars of the Shares set out in Clause 1.1 (*Definitions*) of this Agreement are accurate and Shares 1 – 2,500 constitute the entire issued share capital of the Company at the date hereof and all the Shares have been validly issued and are fully paid up;
- (b) the Pledgor is the sole owner of the Shares and the Pledgor has good title thereto;
- (c) no Security exists over all or any part of the Shares (except for the Pledge created pursuant to this Agreement);

- (d) the Pledgor has not granted in favour of any other person (other than the Offshore Security Agent) any interest in or any option or other rights in respect of any of the Shares;
- (e) the Company has not issued any Share Certificates or other certificates representing the Shares; and
- (f) the Shares are fully paid up and are not subject to any claim, lien or option, or pre-emption, redemption or other rights or transfer consent requirements and there is no restriction in any of the articles of association of the Company or in any shareholders agreement or other agreement to which the Pledgor is a party which would affect the ability of the Offshore Security Agent to enforce the Pledge.

4.2 Repetition

The representations and warranties set out in this Clause 4 (other than Clause 4.1(a) or (d)) are deemed to be repeated by the Pledgor on each date on which a Repeating Representation is made under the Finance Documents in each case, as if made with reference to the facts and circumstances existing on each such day.

5 NEGATIVE PLEDGE, DISPOSAL AND OTHER UNDERTAKINGS

5.1 Negative Pledge

The Pledgor undertakes that it shall not, at any time during the subsistence of this Agreement, create or permit to subsist any Security over all or any part of the Secured Property, except for the Pledge created pursuant to this Agreement.

5.2 No Disposal of Interests

The Pledgor undertakes that it shall not at any time during the subsistence of this Agreement:

- (a) execute any sale, transfer, lease or assignment of, or other right to use or benefit from, all or any part of the Secured Property;
- (b) create any interest in, or over, or otherwise relating to, all or any part of the Secured Property; or
- (c) allow any person to become entitled to assert any proprietary interest in, or right over, the Secured Property, which, in each case, would materially and adversely affect the ability of the Offshore Security Agent to exercise any of the Collateral Rights,

except, in each case, in favour of the Offshore Security Agent pursuant to this Agreement or with the prior written consent of the Offshore Security Agent (acting on the instructions of the Majority Senior Lenders).

5.3 Information

The Pledgor shall from time to time on request of the Offshore Security Agent, furnish the Offshore Security Agent with such information as the Offshore Security Agent may reasonably require about the Secured Property and its compliance with the terms of this Agreement and following the occurrence of an Event of Default which is continuing the Pledgor shall permit the Offshore Security Agent, its representatives, professional advisers and contractors, free access at all reasonable times and on reasonable notice to inspect and take copies and extracts from the books, accounts and records of the Pledgor.

5.4 Other undertakings

The Pledgor undertakes and agrees with the Offshore Security Agent throughout the continuance of this Agreement and so long as the Secured Obligations or any part thereof remains owing that it will, unless the Offshore Security Agent otherwise agrees in writing or as otherwise expressly permitted pursuant to the Facilities Agreement:

- (a) not grant in favour of any other person any interest in or any option or other rights in respect of any of the Shares which, in each case, would materially and adversely affect the ability of the Offshore Security Agent to exercise any of the Collateral Rights;
- (b) at all times remain the sole owner of the Shares;
- (c) ensure that all of the Secured Property are and at all times remain free from any restriction on transfer or any other restriction under any agreement or its constitutional documents which is likely to adversely affect the ability of the Offshore Security Agent to exercise its rights and entitlements hereunder and the Pledgor shall if requested procure that the directors of the Company shall not refuse to register a duly effected transfer of any Shares presented to the board of directors of the Company for registration pursuant to the power of sale under this Agreement;
- (d) duly register or procure that the directors of the Company shall duly register all transfers of the Shares from time to time lodged with them by or on behalf of the Offshore Security Agent pursuant to the power of sale under this Agreement and issue, and deliver to the Offshore Security Agent, a new certificate or certificates for the Shares in the name of the Offshore Security Agent as soon as possible following receipt of such transfers;
- (e) at any time after the Pledge created by or pursuant to this Agreement has become (and remains) enforceable do or permit to be done every act or thing which the Offshore Security Agent may from time to time require for the purpose of enforcing the rights of the Offshore Security Agent hereunder;
- (f) not redeem the Shares or apply for redemption of the Shares;
- (g) not convert any of the Shares from certificated to un-certificated form and shall not at any time renounce or de-materialise any stocks, shares or other property distributed or offered by way of redemption, bonus, rights, preference or otherwise on, or in respect of, the Secured Property; or
- (h) not do or cause or permit to be done anything which would in any way jeopardise or otherwise prejudice the Offshore Security Agent's security hereunder.

6 SHARES

6.1 Shares: Before Enforcement

Unless an Event of Default has occurred and is continuing:

- (a) the Company shall be entitled to pay and the Pledgor shall be entitled to receive and retain all Dividends (subject to the terms of the Finance Documents) and such Dividends shall upon such payment be deemed to have been released from the Pledge; and
- (b) the Pledgor shall be entitled to exercise or cause to be exercised the Ancillary Rights and, without prejudice to the Pledge, the powers and rights conferred on or exercisable by the bearer or holder thereof attaching to the Shares,

provided that:

- (a) the Pledgor does so for a purpose not inconsistent with any Finance Document; and
- (b) the exercise or failure to exercise its Ancillary Rights would not have a Material Adverse Effect.

6.2 Shares: After Enforcement

Upon the occurrence of an Event of Default and as long as the same is continuing:

- (a) all Dividends shall be paid to the Offshore Security Agent in accordance with its instructions and the Offshore Security Agent shall apply all dividends, interest and other monies arising from the Shares in accordance with Clause 8 (*Application of Monies*) of this Agreement;
- (b) the Pledgor shall advise the Offshore Security Agent in writing at least 10 Business Days prior to any general meeting of any Company of its intention to attend and vote and of how it intends to vote in the matters to be decided by the meeting and the Offshore Security Agent shall be entitled, by sending a notice to the Pledgor in writing a minimum of five (5) Business Days prior to the general meeting, to order the Pledgor to vote in the way advised by the Offshore Security Agent in such notice or otherwise in writing; and
- (c) the Offshore Security Agent may at its discretion (in the name of the Pledgor or otherwise whether before or after any demand for payment hereunder and without any consent or authority on the part of the Pledgor) exercise or cause to be exercised in respect of the Shares any Ancillary Rights and any and all powers and other rights conferred on or exercisable by the bearer or holder thereof as if it were the absolute owner thereof. For this purpose the Pledgor shall on the date hereof unconditionally and irrevocably execute and deliver to the Offshore Security Agent a separate power of attorney in the form of **Schedule 2**, providing the Offshore Security Agent (acting on behalf of the Secured Parties) the right to use the Ancillary Rights and/or other shareholder rights pertaining to the Shares including, without limitation, the right to convene, participate in and vote at shareholders' meetings of the Company.

7 ENFORCEMENT OF SECURITY

7.1 Enforcement

- 7.1.1 Upon the occurrence of an Event of Default which is continuing, the Offshore Security Agent (on behalf of the Secured Parties) may to the fullest extent permitted by Finnish law enforce all of the rights created under this Agreement, or any part thereof, as well as any other rights that a pledgee may have under Finnish law and for this purpose enforce the Pledge and sell, transfer, pledge or otherwise dispose of the Secured Property (or any part thereof) for such consideration and on such terms as the Offshore Security Agent deems acceptable.
- 7.1.2 The Pledgor waives any right it may have of first requiring the Secured Parties to proceed against or enforce any other rights or security or claim payment from any person before enforcing the rights under this Agreement.
- 7.1.3 The rights and remedies herein provided shall not be exclusive of any rights or remedies provided by law, which the Secured Parties may always exercise notwithstanding any provisions herein.
- 7.1.4 If reasonably practicable, the Offshore Security Agent shall give a notice to the Pledgor prior to the exercise of any right under this Clause 7.1. However, if the value of the Secured Property (in the reasonable opinion of the Offshore Security Agent) is rapidly deteriorating, no notice is required to be given (in each case in the absolute discretion of the Offshore Security Agent).

7.2 Waiver of statutory restrictions

- 7.2.1 The Pledgor hereby, to the fullest extent permitted by Finnish law, waives its rights under the Finnish Act on Guarantees and Third Party Pledges (361/1999, as amended) (in Finnish: *laki takauksesta ja vierasvelkapanttauksesta*), and to the extent that the said act is expressed to be non-mandatory, it does not apply to this Agreement and the rights of pledge created hereunder.
- 7.2.2 The Pledgor hereby waives its rights under Chapter 10, Section 2 of the Finnish Commercial Code (1734, as amended) (in Finnish: *kauppakaari*) and accordingly, when enforcing the

Pledge hereunder, the Offshore Security Agent shall be entitled to disregard the provisions set forth in such Section of the act.

8 APPLICATION OF MONIES

8.1 Order of Application

Unless otherwise determined by the Offshore Security Agent, any moneys received by the Offshore Security Agent in connection with the enforcement of the Pledge in accordance with Clause 7.1 (*Enforcement*) of this Agreement must be applied by the Offshore Security Agent in accordance with the terms of clause 13 (*Application of proceeds*) of the Intercreditor Agreement.

8.2 Surplus Monies

If at any time after the end of the Security Period the Offshore Security Agent holds any surplus monies payable to the Pledgor, those monies shall not carry interest and may be placed to the credit of an account in the name of the Pledgor with a bank. The Secured Parties shall thereupon be under no further liability in respect of such monies.

9 POWER OF ATTORNEY

The Pledgor hereby unconditionally appoints the Offshore Security Agent (acting on behalf of the Secured Parties) to act as its attorney and take any actions and measures in its name and sign any documents on its behalf and do all such things the Offshore Security Agent (acting reasonably) deems necessary in order to create, perfect, maintain, preserve, protect or enforce the Pledge and in order to exercise the rights created hereunder, provided that the power of the Offshore Security Agent under this Clause 9 shall only be exercisable in relation to any act or step (a) if a Pledgor is required to take a certain act or step under the Finance Documents and has failed to take such relevant act or step within five (5) Business Days after having received from the Offshore Security Agent a written request to take such relevant act or step or (b) whilst an Event of Default is continuing. The authorisation set forth in this Clause 9 is irrevocable and shall be valid throughout the Security Period.

10 RELEASE OF SECURITY

10.1 Term of the Agreement

This Agreement and all obligations of the Pledgor hereunder shall continue in full force and effect until the expiry of the Security Period.

10.2 Release of security and conditional discharge

10.2.1 Upon the date on which all of the Secured Obligations have been unconditionally and irrevocably discharged in full, the Offshore Security Agent shall, at the cost of the Pledgor, do all such things as is reasonably required in order to release the Pledge and transfer any right or interest of the Secured Parties in the Secured Property to the Pledgor.

10.2.2 If the Offshore Security Agent considers that any payment or discharge of the Secured Obligations is capable of being avoided in insolvency, liquidation, administration or otherwise under applicable law, the Secured Obligations will not be considered to have been irrevocably and unconditionally paid or discharged in full and the liability of the Pledgor under this Agreement, and the Security constituted by it, will continue.

10.3 Continuation of the Agreement

Subject to Clause 10.1 (*Term of the Agreement*) and Clause 10.2 (*Release of security and conditional discharge*) of this Agreement, this Agreement shall remain in full force and effect notwithstanding the termination of the Finance Documents or any amendments or variations from time to time of the Finance Documents and all references herein to the Finance Documents or any of them shall be construed as references to any such Finance Documents as amended from time to time.

11 WAIVER OF DEFENCES AND INDEPENDENT SECURITY

11.1 Waiver of defences

- 11.1.1 The obligations of the Pledgor under this Agreement shall not be affected by any act, omission or circumstance which but for this provision might operate to release or otherwise exonerate the Pledgor from its obligations under this Agreement or prejudice or diminish those obligations in whole or in part, including (whether or not known to it or any of the Secured Parties):
- (a) any time or waiver granted to, or composition or re-organisation with, the Pledgor or any other person;
 - (b) failure by any Party to exercise, or delay on its part in exercising, any of its rights, powers and remedies provided by this Agreement or by law;
 - (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, the Pledgor, or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - (d) any incapacity or lack of powers, authority or legal personality of or dissolution or change in the members or in the status of the Pledgor or any other person;
 - (e) any variation (however fundamental), renewal or replacement of the Finance Documents or any other present or future document or security, so that references to that Finance Document in this Clause 11 shall include each variation (including any increase of loan amounts) or replacement thereafter from time to time;
 - (f) any unenforceability, illegality, frustration or invalidity of any obligation of any person under the Finance Documents or any other documents or security, to the intent that the Pledgor's obligations under this Agreement shall remain in full force and be construed, as if there were no unenforceability, illegality or invalidity; and
 - (g) any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of the Pledgor under the Finance Documents resulting from any re-organisation, composition, insolvency, bankruptcy, liquidation or dissolution proceedings or from any law, regulation or order so that each such obligation shall for the purposes of the Pledgor's obligations under this Agreement be construed as if there were no such circumstance.

11.2 Independent security

The Pledge is in addition to any guarantee or other security, present or future, held by the Secured Parties (represented by the Offshore Security Agent) in respect of the Secured Obligations and shall not merge with or prejudice such other guarantee or security or any contractual or legal right of the Secured Parties (represented by the Offshore Security Agent).

12 NOTICES

All notices, demands or other communication, to or upon the respective Parties shall be given in accordance with the Facilities Agreement at the address or fax number identified therein or otherwise disclosed to the other Party in accordance therewith.

13 NON-EXCLUSIVITY

The rights of the Offshore Security Agent and the other Secured Parties provided by this Agreement are cumulative and are not, nor are they to be construed as, exclusive of any rights provided by any applicable law or the Finance Documents.

14 NO COMPETITION

Any right which the Pledgor may have by way of subrogation, contribution or indemnity in relation to the Secured Obligations, or otherwise to claim or prove as a creditor of any other pledgor or any other person or its estate in competition with the Secured Parties, shall be exercised by the Pledgor only if and to the extent that the Offshore Security Agent so requires and in such manner and upon such terms as the Offshore Security Agent may specify and the Pledgor shall hold any moneys, rights or security held or received by it as a result of the exercise of any such rights as custodian for the Secured Parties (represented by the Offshore Security Agent) for application in accordance with the terms of this Agreement as if such moneys, rights or security were held or received by the Secured Parties under this Agreement.

15 COSTS AND EXPENSES

15.1 Transaction expenses

The Pledgor shall, forthwith on demand, pay the Offshore Security Agent on a full indemnity basis the amount of all costs and expenses (including legal fees and together with any applicable VAT) reasonably incurred by it in connection with the negotiation, preparation and execution of this Agreement and the perfection of the Pledge created or expressed to be created under this Agreement.

15.2 Amendment costs

If the Pledgor requests an amendment, waiver or consent it shall, forthwith on demand, reimburse the Offshore Security Agent on a full indemnity basis for the amount of all costs and expenses (including legal fees and together with any applicable VAT) reasonably incurred by them in responding to, evaluating, negotiating or complying with that request or requirement.

15.3 Enforcement and preservation costs

The Pledgor shall, forthwith on demand, pay to the Offshore Security Agent on a full indemnity basis the amount of all costs and expenses (including legal fees and together with any applicable VAT) reasonably incurred by them in connection with the enforcement of or the exercise or preservation of any rights under this Agreement and any proceedings instituted by or against them as a consequence of taking or holding the Pledge created or expressed to be created under this Agreement or of enforcing those rights.

16 RIGHTS, WAIVERS AND REMEDIES

16.1 Amendments and waivers

Any amendment or waiver of any provision of this Agreement and any waiver of any default under this Agreement shall only be effective if made in writing and signed by the Offshore Security Agent.

16.2 Severability

If any provision of this Agreement shall be prohibited, illegal, invalid or unenforceable under applicable law, it shall be ineffective only to such extent and in the relevant jurisdiction, without invalidating or otherwise detrimentally affecting the remainder of this Agreement.

17 LIMITATION OF LIABILITY

The Secured Parties shall not be liable for any losses arising in connection with the exercise or purported exercise in good faith of any of the Secured Parties' rights, power and discretion under this Agreement except for any losses arising due to gross negligence or wilful misconduct of the Secured Party.

18 SET-OFF

- 18.1.1 Except as otherwise provided in the other Finance Documents, each Secured Party may set off any matured obligation owed by the Pledgor under any Finance Documents against any matured obligation owed by the Secured Parties to the Pledgor, regardless of the place of payment, the lending office or the currency of either obligation.
- 18.1.2 The Pledgor waives any right it may have to set off obligations owed by it against obligations owed by any Secured Party to the Pledgor.

19 NO WAIVER

No failure by any Secured Party to exercise or delay on its part in exercising, any of its rights, powers or remedies provided by this Agreement or by law shall operate as a waiver thereof, nor shall any single or partial exercise of any of such rights preclude any further or other exercise of the right concerned or the exercise of any other such right.

20 COUNTERPARTS

This Agreement has been executed in two (2) counterparts, one for each Party, and taken together they shall be deemed to constitute one and the same instrument.

21 ASSIGNMENTS AND TRANSFERS

- 21.1 The Pledgor shall not be entitled to assign or transfer all or any of its rights or obligations under this Agreement.
- 21.2 The Offshore Security Agent may at any time assign or otherwise transfer all or any part of its rights under this Agreement in accordance with the Finance Documents.
- 21.3 This Agreement shall benefit the Secured Parties and each of their respective successors, assignees or transferees.

22 GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with Finnish law.

23 ENFORCEMENT

- 23.1 The courts of Finland (with the Helsinki District Court (in Finnish: *Helsingin käräjäoikeus*) as the court of first instance) have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a "Dispute").
- 23.2 This Clause 23 is for the benefit of the Offshore Security Agent only. As a result, the Offshore Security Agent shall not be prevented from taking proceeds relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Offshore Security Agent may take concurrent proceedings in a number of jurisdictions.

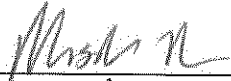
IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the day and year first above written.

[Remainder of page intentionally left blank]


SIGNATURES

THE HAMLEYS GROUP LIMITED
as the Pledgor

By:
Name:
Title:


ALASDAIR DUNN
DIRECTOR

By:
Name:
Title:


GUDJON REYNISSON
DIRECTOR

BANK OF CHINA LIMITED, MACAU BRANCH
as the Offshore Security Agent on its own behalf and on behalf of the other Secured Parties

By:
Name:
Title:

By:
Name:
Title:

SIGNATURES

THE HAMLEYS GROUP LIMITED
as the Pledgor

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

BANK OF CHINA LIMITED, MACAU BRANCH

as the Offshore Security Agent on its own behalf and on behalf of the other Secured Parties

By: _____

Name: _____

Title: _____

Wong Iao Kun

Mr. Wong Iao Kun

Deputy Director

Credit Administration Department

By: _____

Name: _____

Title: _____

SCHEDULE 1

FORM OF NOTICE OF PLEDGE OF SHARES

To: Hamleys Finland Oy
Attention: Board of Directors

[Place], [Date]

NOTICE OF PLEDGE

Dear Sirs/Madams,

Terms not defined herein shall have the meanings given to them in the Security Agreement (as defined below).

This is to notify you that pursuant to a security agreement dated 16 December 2015 between The Hamleys Group Limited as pledgor (the "**Pledgor**") and Bank of China Limited, Macau Branch as security agent (acting on behalf of itself and the other Secured Parties) (the "**Offshore Security Agent**") (the "**Security Agreement**"), the Pledgor has pledged to the Secured Parties (represented by the Offshore Security Agent) all of the Shares and the Related Rights pertaining thereto.

Under the Security Agreement, the Pledgor has undertaken to procure, and you are hereby instructed to undertake, that on each occasion on which you issue any shares or right or other instruments entitling to shares:

- (a) deliver any share certificates or other relevant documents (such as interim or option certificates) representing such new shares or other securities (if any are issued), directly to the Offshore Security Agent duly endorsed in blank, immediately upon the issuance thereof;
- (b) take all the actions required for the due perfection of the pledge over such new shares or other securities in accordance with the Security Agreement;
- (c) note the pledge created under the Security Agreement in respect of such new shares or other securities in all relevant registers of your company; and
- (d) advise the Offshore Security Agent promptly and in reasonable detail if you become aware of any proposal for the issuance of any further shares or other securities by your company.

You are hereby instructed that, following a written notice from the Offshore Security Agent stating that an Event of Default has occurred and is continuing, you must pay any Dividends directly to the Offshore Security Agent in accordance with its instructions.

You are hereby further instructed that, following a written notice from the Offshore Security Agent stating that an Event of Default has occurred and is continuing, you must advise the Offshore Security Agent in writing at least 10 Business Days prior to any general meeting of the shareholders of the date and place of the general meeting and the matters to be decided by the meeting. These instructions are irrevocable and may not be varied except with the prior written consent of the Offshore Security Agent.

We kindly ask you to confirm to us and to the Offshore Security Agent (i) that you have been notified of the Pledge as set forth above and, (ii) that you accept the terms hereof, (iii) that you have not been notified of any pledge or other security interest over the Shares which has not been released on or prior to the date hereof (iv) that you shall record the Pledge in your share register, and (v) that you shall refrain from issuing any duplicate share certificates, by signing the letter below and by returning one copy of this notification letter to each of the Pledgor and the Offshore Security Agent at the following addresses:

(a) to the Pledgor at:

The Hamleys Group Limited
Address: c/o C.banner International Holdings Limited, 31F, International Trade Center, 18th Zhongshan East Road, Nanjing, China
Fax No.: (86 25 84791996)
Attention: Huo Li / William Wang

(b) to the Offshore Security Agent at:

Bank of China Limited, Macau Branch
Address: 13 Floor, Bank of China Building, Avenida Doutor Mario Soares, Macau
Fax: (853) 8792 1659
Attention: Nan Tian / Fang Li

Yours faithfully,

THE HAMLEYS GROUP LIMITED

By:
Name:
Title:

By:
Name:
Title:

CONFIRMATION – NOTICE OF PLEDGE

We hereby confirm (i) that we are aware of the Pledge as defined above, (ii) that we undertake to abide and agree to be bound by the provisions contained in the above notice of pledge, (iii) that we have not been notified of any pledge or other security interest over the Shares which has not been released on or prior to the date hereof, (iv) that we shall record the pledge created hereunder in our share register, and (v) that we shall refrain from issuing any duplicate share certificates.

Date: _____

Place: _____

HAMLEYS FINLAND OY

By:
Name:
Title:

By:
Name:
Title:

SCHEDULE 2

FORM OF POWER OF ATTORNEY

POWER OF ATTORNEY

This power of attorney is issued pursuant to a security agreement dated at the date hereof between The Hamleys Group Limited as pledgor (the "**Pledgor**") and Bank of China Limited, Macau Branch as security agent acting on behalf of itself and the other Secured Parties (the "**Offshore Security Agent**") (the "**Security Agreement**").

The Pledgor hereby empowers any person duly appointed by the Offshore Security Agent to use the Ancillary Rights (as defined in the Security Agreement) and/or other shareholder rights pertaining to the Shares (as defined in the Security Agreement) including, without limitation to the right to convene, participate and vote at shareholders' meetings of Hamleys Finland Oy (the "**Company**") as the Pledgor's representative for all the shares in Company owned by the Pledgor, following an occurrence of an Event of Default (as defined in the Security Agreement) which is continuing.

This power of attorney is irrevocable.

This power of attorney shall in all respects be governed by and construed in accordance with the laws of Finland.

This power of attorney becomes effective on the date it is signed by the Pledgor.

Date: _____

Place: _____

THE HAMLEYS GROUP LIMITED

By:
Name:
Title:

By:
Name:
Title:
