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CHFP025

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*insert full name
of Company

COMPANIES FORM No. 395

YB/ES0/120109

Particulars of a mortgage or charge

395

A fee of £10 is payable to Companies House in respect
of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)



For official use

Company number

4172055

Name of company

* Bon Marche Group Limited

Date of creation of the charge

6th July 2001

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

Debenture (the "Debenture")

Amount secured by the mortgage or charge

All money and liabilities now or hereafter due, owing or incurred to the
Secured Parties (or any of them) by the Company or any of the following:

Bon Marche Holdings Limited

Bon Marche Limited

Hilton Fashions Limited

Inhoco 336 Limited

in whatsoever manner in any currency or currencies whether present or
future, actual or contingent, whether incurred solely or jointly with
any other person and whether as principal or surety together with all
interest accruing thereon and all costs, charges and expenses incurred
in connection therewith;

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

The Governor and Company of the Bank of Scotland (the "Security
Trustee")

Structured Finance, Lisbon House, 116 Wellington Street
Leeds West Yorkshire

Postcode LS1 4LT

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

Addleshaw Booth & Co
Sovereign House, PO Box 8,
Sovereign Street, Leeds,
LS1 1HQ

JTP/1056-238

Time critical reference

19/7/01 - 110

For official Use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

1) Fixed Charges

The Company charged in favour of the Security Trustee (for the benefit of itself and the other Secured Parties) with full title guarantee the following assets, both present and future, from time to time owned by the Company or in which that Company is from time to time interested:-

(a) by way of first legal mortgage all freehold and leasehold property (if any) wherever situated together with all buildings and fixtures (including trade fixtures) at any time thereon;

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Particulars as to commission allowance or discount (note 3)

Nil

Signed Addlethaw Booth & Co

Date 17/02/2001

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

A fee of £10 is
payable to
Companies House
in respect of each
register entry for a
mortgage or
charge.
(See Note 5)

† delete as
appropriate

Notes

- 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.
- 5 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF4 3UZ

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Particulars of a mortgage or charge (continued)

Continuation sheet No 2
to Form No 395 and 410 (Scot)

CHFP025

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Company Number

4172055

Name of Company

Bon Marche Group Limited

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Please complete legibly, preferably in black type, or bold block lettering

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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(b) by way of first fixed charge all other interests (not being charged by clauses (a) or (b) above) in any freehold or leasehold property, the buildings and fixtures (including trade fixtures) at any time thereon, all proceeds of sale derived therefrom and the benefit of all covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land;

(c) by way of first fixed charge all plant, machinery, vehicles, computers, office and other equipment and the benefit of all contracts, licences and warranties relating to the same;

(d) by way of first fixed charge all the Subsidiary Shares (including those listed in Schedule 3 to the Debenture) together with all Distribution Rights from time to time accruing thereto;

(e) by way of first fixed charge all Investments together with all Distribution Rights from time to time accruing thereto;

(f) by way of first fixed charge all rights and interests of that Company in and claims under all policies of insurance and all proceeds thereof either now or in the future held by, or written in favour of, that Company or in which that Company is otherwise interested;

(g) by way of first fixed charge all book and other debts, revenues and monetary claims of that Company and all rights and claims of that Company against third parties and against any security in respect of such debts, revenues or claims;

(h) by way of first fixed charge all monies from time to time standing to the credit of any and all accounts with any bank, financial institution, or other person;

(i) by way of first fixed charge all Intellectual Property;

(j) by way of first fixed charge the benefit of all licences, consents, agreements and authorisations held or utilised by the Company in connection with its business or the use of any of its assets; and

(k) by way of first fixed charge all the goodwill and uncalled capital of that Company.

2) Floating charge

Further, the Company charged with full title guarantee in favour of the Security Trustee (for the benefit of itself and the other Secured Parties) by way of first floating charge all its assets and undertaking whatsoever and wheresoever both present and future not effectively charged by way of first fixed charge pursuant to the provisions of the foregoing clause 1

3) Automatic conversion of floating charge

If the Company creates (or purports to create) any Security Interest on or over any of the Charged Property not expressed to be subject to a fixed charge under this Deed (a "Floating Charge Asset") without the prior consent in writing of the Security Trustee and if the same is not permitted under the terms of the Facility Agreement or if any third party levies or attempts to levy any distress, attachment, execution or other legal process against any such Floating Charge Asset, the floating charge created by the debenture will automatically (without notice) be converted into a fixed charge over the relevant Floating Charge Asset immediately such event occurs.

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Particulars of a mortgage or charge (continued)

Continuation sheet No 2
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

4172055

Name of Company

Bon Marche Group Limited

Limited*

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Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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4) Further assurance

(a) The Company will at its own expense promptly execute such deeds, assurances, agreements, instruments and otherwise do such acts and things as the Security Trustee may reasonably require for perfecting and protecting the security created (or intended to be created) by the Debenture or facilitating the realisation thereof or otherwise for enforcing the same or exercising any of the Security Trustee's rights hereunder. In particular, but without limitation, the Company will:

(i) execute a valid legal mortgage (in such form as the Security Trustee shall reasonably require) of any freehold or leasehold property now or in the future belonging to the Company which is not hereby effectively charged by way of legal mortgage;

(ii) execute a legal assignment (in such form as the Security Trustee shall reasonably require) over all or any of the debts, rights, claims and contracts hereby charged;

(iii) execute a valid fixed charge (in such form as the Security Trustee shall reasonably require) over any asset the subject of the floating charge hereunder;

(iv) otherwise execute all transfers, conveyances, assignments and assurances whatsoever and give all notices, orders, instructions and directions whatsoever which the Security Trustee may think expedient.

(b) Any document required to be executed by the Company pursuant to this clause will be prepared at the cost of that Company.

5) Negative pledge and disposal restrictions

Except to the extent permitted by the Facility Agreement, during the continuance of the security created by the Debenture, the Company will not, without the prior consent in writing of the Security Trustee:

(a) create or agree or attempt to create or permit to subsist (in favour of any person other than the Security Trustee) any Security Interest over the whole or any part of the Charged Property; or

(b) (whether by a single transaction or a number of related or unrelated transactions and whether at the same time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of or cease to exercise direct control over all or any part of the Charged Property or any interest therein (other than assets the subject of the floating charge on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same or agree or attempt to do so; or

(c) dispose of the equity of redemption in respect of all or any part of the Charged Property.

6) Appointment of a Receiver

At any time after this security shall have become enforceable or if so requested by the Company, the Security Trustee may by writing under hand signed by any officer or manager of the Security Trustee appoint any person (or persons) to be a Receiver of all or any part of the Charged Property.

6) Definitions and interpretation

"Charged Property" means all the assets, property, goodwill and undertaking of the Company from time to time charged to the Security Trustee pursuant to the terms of the Debenture;

"Agent" has the same meaning as under the Facility Agreement;

"Arranger" has the same meaning as under the Facility Agreement;

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Particulars of a mortgage or charge (continued)

Continuation sheet No 3
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

4172055

Name of Company

Bon Marche Group Limited

Limited*

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Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

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Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

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"Distribution Rights" means all dividends, distributions and other income paid or payable on the relevant Investment or Subsidiary Share (as the case may be) together with all shares or other property derived from the relevant Investment or Subsidiary Share (as the case may be) together also with all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to the relevant Investment or Subsidiary Share (whether by way of conversion, redemption, bonus preference, option or otherwise);

"Facility Agreement" means the facility agreement dated on or about the date of the Debenture pursuant to which the Lenders agreed to make available term loan and revolving credit facilities to the Parent;

"Finance Documents" has the meaning given to it in the Facility Agreement;

"Intellectual Property" means know how, patents, trade marks, service marks, designs, business names, copyrights, confidential information, computer software and all other intellectual property rights and any interest (including by way of licence) in any of the foregoing (in each case whether registered or not and including all applications for the same);

"Investment" means any negotiable instrument, certificate of deposit, debenture, share or other investment (as defined in part I of schedule I to the Financial Services Act 1986 as at the date hereof including (without limitation and save where the context otherwise requires) all Subsidiary Shares owned by the Company);

"Lender" has the meaning given to it in the Facility Agreement;

"Parent" means Bon Marche Group Limited;

"Receiver" means any one or more administrative receivers, receivers and managers or (if the Security Trustee so specifies in the relevant appointment) receivers appointed by the Security Trustee pursuant to the Debenture in respect of the Company or over all or any of the Charged Property;

"Secured Obligations" means all money and liabilities now or hereafter due, owing or incurred to the Secured Parties (or any of them) by any Obligor under the Finance Documents (or any of them) and under the Debenture in whatsoever manner in any currency or currencies whether present or future, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety together with all interest accruing thereon and all costs, charges and expenses incurred in connection therewith;

"Secured Parties" means the Arranger, the Security Trustee, the Agent, the Lenders and The Governor and Company of the Bank of Scotland as providers of the Working Capital Facility Letter (as defined in the Facility Agreement) and "Secured Party" means any of them;

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

"Subsidiary" means:

(a) a subsidiary within the meaning of section 736 of the Companies Act 1985; and

(b) a subsidiary undertaking within the meaning of Section 258 of the Companies Act 1985; and

"Subsidiary Shares" means all shares owned by the Company in its Subsidiaries (including those listed in Schedule 2 of the Debenture) incorporated in England and Wales.

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04172055

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 6th JULY 2001 AND CREATED BY BON MARCHE GROUP LIMITED FOR SECURING ALL MONEY AND LIABILITIES NOW OR HEREAFTER DUE OWING OR INCURRED TO THE SECURED PARTIES (OR ANY OF THEM) BY THE COMPANY AND BON MARCHE HOLDINGS LIMITED, BON MARCHE LIMITED, HILTON FASHIONS LIMITED AND INHOCO 336 LIMITED IN WHATSOEVER MANNER WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 18th JULY 2001.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 30th JULY 2001.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —