

26/050002

In accordance with
Sections 859A and
859J of the Companies
Act 2006.

MR01

Particulars of a charge

A fee is payable with this form.
Please see 'How to pay' on the
last page.

You can use the WebFiling service to file this form online.
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument.

☒ **What this form is NOT for**
You may not use this form to
register a charge where there is r
instrument. Use form MR08.

For further information, please
refer to our guidance at:
www.companieshouse.gov.uk

This form must be delivered to the Registrar for registration within
21 days beginning with the day after the date of creation of the charge.
If delivered outside of the 21 days it will be rejected unless it is accompani
court order extending the time for delivery.



You must enclose a certified copy of the instrument with this form. This will be
scanned and placed on the public record.

WEDNESDAY



1 Company details

Company number S C 1 1 8 7 9 4

Company name in full EWM PROPERTY COMPANY LIMITED (the "Company")

For official use
2
→ Filling in this form
Please complete in typescript or in
bold black capitals.
All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date d 1 d 0 m 0 m 4 y 2 y 0 y 1 y 4

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge.

Name THE EDINBURGH WOOLLEN MILL (GROUP) LIMITED (the "Lender")

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below.

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge.

MR01

Particulars of a charge

4

Description

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security.

Continuation page

Please use a continuation page if you need to enter more details.

Description

The Company charges to the Lender by way of floating charge the whole of its Assets but excluding the Excluded Property.

"Assets" means the whole property (including uncalled capital) which is or may be from time to time comprised in the property and undertaking of the Company;

"Excluded Property" means all that freehold land and buildings on the North side of Sanquhar Street and land lying to the South West of Windsor Road, Cardiff CF24 2AA registered at the Land Registry under Title Number CYM133157 as the same has been charged by way of legal mortgage by the Company to JR Smart (Builders) Limited by virtue of a charge document dated 27 August 2013;

5

Fixed charge or fixed security

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box.

☐ Yes

☒ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box.

☒ Yes Continue

☐ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box.

☒ Yes

☐ No

MR01

Particulars of a charge

8

Trustee statement ^①

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge.

☐

^① This statement may be filed after the registration of the charge (use form MR06).

9

Signature

Please sign the form here.

Signature

Signature

X  FOR ANDERSON MATTHEW U.P. X

This form must be signed by a person with an interest in the charge.

MR01

Particulars of a charge



Presenter information

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name EGA/DJG/BRA0122.13

Company name Anderson Strathern LLP

Address 1 Rutland Court

Post town Edinburgh

County/Region

Postcode E H 3 8 E Y

Country Scotland

DX DX ED3 Edinburgh 1

Telephone 0131 625 7222



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have included a certified copy of the instrument with this form.
- ☐ You have entered the date on which the charge was created.
- ☐ You have shown the names of persons entitled to the charge.
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8.
- ☐ You have given a description in Section 4, if appropriate.
- ☐ You have signed the form.
- ☐ You have enclosed the correct fee.
- ☐ Please do not send the original instrument; it must be a certified copy.



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House.'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below:

For companies registered in England and Wales:
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

For companies registered in Northern Ireland:
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 118794

Charge code: SC11 8794 0002

The Registrar of Companies for Scotland hereby certifies that a charge dated 10th April 2014 and created by EWM PROPERTY COMPANY LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd April 2014.

Given at Companies House, Edinburgh on 29th April 2014



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

Certified a true copy


Anderson Strathern LLP
1 Rutland Court
Edinburgh EH3 8EY

FLOATING CHARGE

EWM PROPERTY COMPANY LIMITED

and

THE EDINBURGH WOOLLEN MILL (GROUP) LIMITED



ANDERSON STRATHERN LLP
1 Rutland Court
Edinburgh
EH3 8EY

www.andersonstrathern.co.uk

Ref: DJG/BRA0122.0013

TABLE OF CONTENTS

1.	Definitions and Interpretation	1
2.	Obligation to Pay	3
3.	Floating Charge	3
4.	Representations and Warranties	3
5.	Negative Undertakings.....	4
6.	Undertakings relating to the Assets	4
7.	Enforcement of Security	6
8.	Powers of Receiver and Lender	7
9.	Delegation of Powers by Lender or Receiver	7
10.	Exclusion of Liability.....	7
11.	Reimbursement and Indemnity	8
12.	Application of Sums Realised	8
13.	Protection of Persons Dealing with Lender or Receiver	8
14.	Notice of Subsequent Charge	9
15.	Further Assurance.....	9
16.	Power of Attorney by Company	9
17.	Discharge of Security.....	10
18.	Redemption.....	10
19.	Assignment and Transfer	10
20.	Notices.....	10
21.	Miscellaneous	11
22.	Law.....	11
23.	Jurisdiction	11
24.	Consent to Registration.....	12

FLOATING CHARGE

BY

- (1) **EWM PROPERTY COMPANY LIMITED**, a company incorporated in Scotland (Registered Number SC118794) and having its registered office at Waverley Mills, Langholm, Dumfriesshire DG13 0EB ("**Company**");
- in favour of
- (2) **THE EDINBURGH WOOLLEN MILL (GROUP) LIMITED**, a company incorporated in Scotland (Registered Number SC307281) and having its registered office at Waverley Mills, Langholm, Dumfriesshire DG13 0EB ("**Lender**").

WHEREAS:-

- (A) The Company owes various obligations to the Lender, including but not limited to those set out in the Loan Agreement, and the Lender wishes to secure these and any future obligations against all of the Assets of the Company from time to time; and
- (B) The Company has therefore agreed to enter into this Charge in favour of the Lender on the following terms and conditions.

NOW IT IS HEREBY AGREED as follows:-

1. Definitions and Interpretation

- 1.1 In the interpretation of this Charge, which includes the recitals, unless the context otherwise requires, the following words and expressions have the following meanings:-

"**Assets**" means the whole of the property (including uncalled capital) which is or may be from time to time comprised in the property and undertaking of the Company;

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for business in London and Edinburgh;

"**Default Rate**" means the rate of interest payable in accordance with the terms of any agreements or letters setting out the terms of or constituting the Secured Liabilities in relation to any amount which is not paid on the due date therefor;

"**Encumbrance**" means any standard security, assignation in security, bond and floating charge, mortgage, pledge, lien, charge, assignment for the purpose of providing security, hypothecation, right in security, security interest or trust arrangement for the purpose of providing security, and any other security agreement or other arrangement having the effect of providing security (including, without limitation, the deposit of monies or property with a person with the primary intention of affording such person a right of set-off or lien);

"**Event of Default**" means:

- (a) the Company having failed to pay any or all of the Secured Liabilities following a demand for payment from the Lender;
- (b) any step being taken (including, without limitation, the making of an application or the giving of any notice) by the Company or by any other person to appoint an administrator in respect of the Company;
- (c) any step being taken (including, without limitation, the making of an application or the giving of any notice) by the Company or by any other person to wind-up or dissolve the Company or to appoint a liquidator (whether provisional, interim or otherwise), trustee, receiver, administrative receiver or similar officer of the Company or any part of its undertaking or assets;

- (d) a request being made by the Company for the appointment of a Receiver or administrator;
- (e) the Company breaching any of the provisions of this Charge; or
- (f) any event of default occurring which is listed or defined as such, or any other event occurring which entitles the Lender to enforce its rights under and in terms of the Loan Agreement;

"Excluded Property" means All that freehold land and buildings on the North side of Sanquahar Street and land lying to the South West of Windsor Road, Cardiff CF24 2AA registered at the Land Registry under Title Number CYM133157 as the same has been charged by way of legal mortgage by the Company to JR Smart (Builders) Limited by virtue of a charge document dated 27 August 2013 (**"Excluded Charge"**)

"Loan Agreement" means the agreement dated on or around the date of this Charge by the Lender to the Company in relation to a variable loan facility provided by the Lender to the Company;

"Receiver" means a receiver or administrative receiver appointed pursuant to this Charge in respect of the Company or over all or any of its Assets;

"Secured Liabilities" means all or any monies, obligations and liabilities which shall from time to time (and whether on or at any time after demand) be due, owing or incurred in whatsoever manner to the Lender by the Company, whether actually or contingently, solely or jointly and whether as principal or surety (or guarantor or cautioner), including any money and liabilities of the Company due to a third party which have been assigned or novated to or otherwise vested in the Lender and including interest, discount, commission and other lawful charges or expenses which the Lender may in the course of its business charge or incur in respect of any of those matters or for keeping the Company's account, and so that interest shall be computed and compounded according to the Lender's usual rates and practice (or as otherwise agreed in writing) after as well as before any demand made or judgment or decree obtained under or in relation to this Charge.

- 1.2 The expressions "Company" and "Lender" shall include, where the context admits, the successors, assignees and transferees of the Company and the Lender.
- 1.3 In this Charge, unless the context otherwise requires:-
 - 1.3.1 any reference to clauses are to be construed as references to the clauses of this Charge;
 - 1.3.2 clause headings are for convenience of reference only and are not to affect the interpretation of this Charge;
 - 1.3.3 any reference in this Charge to a document of any kind whatsoever (including this Charge) is to that document as amended or varied or supplemented or novated or substituted from time to time;
 - 1.3.4 words importing the plural shall include the singular and vice versa;
 - 1.3.5 unless any provision in this Charge or the context otherwise requires, any reference herein to any statute or any section of any statute shall be deemed to include a reference to any statutory modification or re-enactment thereof for the time being in force;
 - 1.3.6 references to a person are to be construed to include references to a corporation, firm, company, partnership, joint venture, unincorporated body of persons, individual or any state or any agency of a state, whether or not a separate legal entity;
 - 1.3.7 references to a Receiver shall include a reference to joint receivers and any reference to the appointment of a person as receiver shall include a reference to the appointment of two or more persons as joint receivers; and

- 1.3.8 any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative.
- 1.3.9 references to "liabilities" includes present and future, actual and contingent liabilities;
- 1.3.10 references to "assets" includes present and future property, revenues and rights of every description; and
- 1.3.11 any undertaking given by or obligation imposed on the Company in this Charge will continue in force until the Lender is satisfied that it has no further obligation to provide financial accommodation to the Company and all the Secured Liabilities have been irrevocably paid in full.

2. Obligation to Pay

- 2.1 The Company undertakes to the Lender to pay or discharge the Secured Liabilities when due and payable in accordance with the terms thereof or, if no time for payment is specified, immediately on demand by the Lender.
- 2.2 If the Company shall fail to pay any amount under this Charge when it is due and payable then such amount shall bear interest (after as well as before decree and payable on demand) at the Default Rate from time to time from the due date until the date such amount is paid in full to the Lender.

3. Floating Charge

- 3.1 As continuing security for the payment of the Secured Liabilities the Company charges to the Lender by way of floating charge the whole of its Assets but excluding the Excluded Property.
- 3.2 Paragraph 14(2)(a) of schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 4.1 which is a "qualifying floating charge" for the purpose of paragraph 14(1) of schedule B1 to the Insolvency Act 1986.

4. Representations and Warranties

- 4.1 The Company represents and warrants to the Lender that:-
 - 4.1.1 it is the legal and beneficial owner of the Assets;
 - 4.1.2 no Encumbrance expressed to be created pursuant to this Charge is liable to be avoided or otherwise set aside on the liquidation or administration of the Company or otherwise;
 - 4.1.3 it is not insolvent or in liquidation or administration or subject to any other insolvency procedure and no receiver, administrative receiver, administrator, manager, trustee, or analogous officer has been appointed in respect of all or any part of its property, undertaking or assets;
 - 4.1.4 (save for this Charge) there are no Encumbrances affecting any of its property, assets or undertaking (whether present or future) and it has not given any guarantee, indemnity or other assurance against loss in relation to the liability of any other person;
 - 4.1.5 other than as disclosed to the Lender it is not in default under any agreement to which it is a party or by which it may be bound which would, in each case, have a material adverse effect on its ability to perform its obligations under this Charge;
 - 4.1.6 it has the necessary power to enter into and perform its obligations under this Charge;
 - 4.1.7 this Charge constitutes its legal, valid, binding and enforceable obligations and constitutes a first ranking security interest over the Assets in accordance with its terms; and

4.1.8 all necessary authorisations and consents to enable or entitle it to enter into this Charge have been obtained and will remain in full force and effect during the subsistence of the security constituted by this Charge.

4.2 The representations and warranties in Clause 4.1 shall be deemed to be repeated by the Company on and as of each day from the date of this Charge until all the Secured Liabilities have been repaid and discharged in full as if made with reference to the facts and circumstances existing on each such day.

5. Negative Undertakings

5.1 The Company shall not except with the prior written consent of the Lender (unless permitted under the terms of the Loan Agreement):-

5.1.1 sell, transfer, lease or otherwise dispose or purport or agree to sell, transfer, lease or otherwise dispose of any interest in or lend or grant any licence or other right over any Assets save for full consideration in money or money's worth and in the ordinary course of the Company's business;

5.1.2 create, agree to create or allow to arise or remain outstanding any Encumbrance over any Assets or any part thereof or interest therein (other than the Excluded Charge);

5.1.3 fix any fittings, plant, equipment, machinery, tools, vehicles, furniture and other tangible movable property to any land which is not owned by the Company;

5.1.4 redeem or purchase its own shares or provide financial assistance for such purposes or pay an abnormal sum by way of dividend;

5.1.5 deal with book or other debts or securities forming part of the Assets otherwise than in the ordinary course of getting in and realising the same, which shall not include or extend to selling or assigning or in any other way factoring or discounting any of them;

5.1.6 become cautioner, guarantor or surety for any person, firm or company;

5.1.7 undertake any obligation to any third party which results in the Company's rights to recover or take payment of any monies due or which may become due to the Company from any one of their debtors being postponed or subordinated to the claims of such third party; or

5.1.8 do or cause or, in so far as the Company has rights in that regard, permit to be done anything which may reasonably be expected to in any way depreciate or jeopardise the value or marketability of any of the Assets.

6. Undertakings relating to the Assets

6.1 The Company shall:-

6.1.1 at all times comply with the terms of this Charge and of all agreements relating to the Secured Liabilities;

6.1.2 promptly notify the Lender of its acquisition of any heritable, freehold or leasehold property and if required to do so by the Lender, deposit with the Lender during the continuance of the security created by this Charge all deeds and documents of title relating to that property;

6.1.3 pay any amount to be paid to the Company in respect of any uncalled capital to the Lender who may at any time apply the whole or any part of it in or towards satisfaction of the Secured Liabilities; and

6.2 notify the Lender immediately in the event of any creditor executing diligence against the Company, whether effectual or not, or presenting a petition for an administration or winding up order to be made in relation to the Company or any distress or execution is levied or enforced against the Company or any arrestment order is made and served in respect of any of the Assets.

6.3 The Company shall:-

- (1) keep the Assets which are of a repairable nature in good and substantial repair and condition, fair wear and tear excepted (or shall procure the same); and
- (2) not, without the prior written consent of the Lender, make or permit to be made, any structural alterations or additions to or carry out any development on or make any planning or similar application relating to any of the Real Property.

If the Company fails to comply with the covenants in this clause the Lender will be entitled to repair and maintain the Assets and carry out works of reinstatement at the cost of the Company and will for this purpose have the rights of entry set out in this clause.

6.4 The Company shall keep all Assets which are of an insurable nature insured against all risks (including terrorism cover) which a prudent person carrying on a business similar to that of the Company would reasonably insure against and against such other risks as the Lender may from time to time specify with the Lender noted as co-insured on such policies (provided such policies are available in the market on reasonable terms in the opinion of the Lender (acting reasonably)):-

6.4.1 in the case of Assets other than buildings to their full replacement value; and

6.4.2 in the case of buildings on a full reinstatement basis and against all professional fees, value added tax, demolition and site clearance charges and loss of rental and other income derived from such buildings for at least three years.

6.5 All such insurances shall be in amount and form and with an insurance office acceptable to the Lender and the Company shall promptly on request produce the policy and the last receipt for such insurances to the Lender and shall apply all monies received by virtue of such insurances either in making good the loss or damage in respect of which the monies were received or at the option of the Lender in or towards payment of the Secured Liabilities. If the Company fails to comply with this clause the Lender will be entitled to effect any relevant insurance at the cost of the Company.

6.6 The Company shall ensure that every insurance policy contains a clause (in terms satisfactory to the Lender) under which such insurance will not be prejudiced, vitiated or avoidable as against a mortgagee in the event of any misrepresentation, act or neglect or failure to disclose on the part of the insured party or parties and will not be invalidated as against a mortgagee for failure to pay any premium owing without the insurer giving to the Lender ten working days prior written notice.

6.7 Promptly after any of the insurances referred to above are placed on risk, the Company shall give notice of the charge of such insurances under this Charge to its insurer and shall use reasonable endeavours to procure that such insurer executes and delivers to the Lender an acknowledgement of such notice. Both such notice and acknowledgement must be in form and substance satisfactory to the Lender.

6.8 The Company shall not permit any person:-

6.8.1 to be registered as proprietor of any property interest nor create or permit to arise any overriding interest affecting any such property; or

6.8.2 to become entitled to any proprietary right or interest which might adversely affect the value of such property.

- 6.9 The Company shall promptly notify the Lender of any proposal, contract, conveyance, option, transfer or other disposition involving the acquisition by the Company of any interest in heritable or leasehold property or any disposal by the Company of an interest in any property.
- 6.10 The Company shall not without the prior written consent of the Lender or save as permitted under the terms of the Loan Agreement:-
- 6.10.1 part with possession or occupation of, confer any licence or right to occupy nor confer any interest in any Real Property;
- 6.10.2 grant any permission to assign, sublet or part with possession or occupation of any Real Property;
- 6.10.3 agree or permit any amendment to or waiver of the terms of any Lease (including any Lease under which the Company is tenant); or
- 6.10.4 exercise any power to terminate any Lease.
- 6.11 The Company shall permit the Lender, its agents and contractors at reasonable times and upon reasonable notice (or at any time without notice after the occurrence of an Event of Default or in case of emergency) to enter into or upon any property without becoming liable as mortgagee in possession:-
- 6.11.1 to view the state and condition of or to value it;
- 6.11.2 to comply with or object to any direction or notice or other matter served upon the Company; and
- 6.11.3 to carry out at the expense of the Company any repairs or maintenance or to take any action which the Lender considers necessary or desirable in connection with such property to procure compliance with any obligation set out in this Charge.
- 7. Enforcement of Security**
- 7.1 At the request of the Company or, subject to clause 7.6 below, at any time after the occurrence of an Event of Default (and whilst the same is continuing) the Lender may appoint by writing a Receiver and/or manager of all or any Assets upon such terms as to remuneration and otherwise as the Lender thinks fit.
- 7.2 Any Receiver will be the agent of the Company for all purposes and the Company will be responsible for such Receiver's acts and defaults and for his remuneration, costs, fees, taxes and expenses to the exclusion of liability on the part of the Lender.
- 7.3 Where two or more persons are appointed as Receivers under or pursuant to this Charge any act authorised to be done by the Receivers may be done by all of them acting jointly or by any one or more of them acting severally.
- 7.4 The Lender shall not be entitled to appoint a Receiver as a result only of the Company obtaining a moratorium or anything done with a view to obtaining a moratorium under section 1A of and schedule A1 to the Insolvency Act 1986.
- 7.5 The Lender may at any time by writing remove any Receiver (subject to the obtaining of any required order of the court in the case of an administrative receiver) whether or not the Lender appoints any other person as Receiver in his place.
- 7.6 At any time after the occurrence of an Event of Default (and whilst the same is continuing), the Lender may appoint an administrator of the Company in accordance with schedule B1 to the Insolvency Act 1986.

8. Powers of Receiver and Lender

8.1 A Receiver shall have and be entitled to exercise all the powers conferred upon an administrative receiver by the Insolvency Act 1986.

8.2 By way of addition to and without limiting any other powers referred to in this clause a Receiver shall have power (both before and after the commencement of any liquidation of the Company) to do every act and thing and exercise every power:-

- (1) which the Company would have been entitled to do or exercise if no Receiver had been appointed; and
- (2) which such Receiver in his absolute discretion considers necessary or desirable for maintaining or enhancing the value of any Assets or for or in connection with the enforcement of the Encumbrances created by this Charge or the realisation of any Assets,

and may use the name of the Company in connection with any exercise of such powers.

8.3 After the occurrence of an Event of Default all the powers conferred on a Receiver by this Charge and the Insolvency Act 1986 may be exercised by the Lender whether or not the Lender enters into possession as heritable creditor.

8.4 At any time after the security given by this Charge has become enforceable, the Lender may redeem any prior Encumbrance against the Assets or procure a transfer of such Encumbrance to itself and may agree the accounts of the person entitled to that Encumbrance and any accounts so agreed will be binding on the Company. Any money paid by the Lender in connection with a redemption or transfer of a prior encumbrance will form part of the Secured Liabilities.

9. Delegation of Powers by Lender or Receiver

9.1 The Lender or any Receiver may from time to time delegate by power of attorney or in any other manner to any person the powers, authorities and discretions which are for the time being exercisable by the Lender or a Receiver under this Charge in relation to any Assets and any such delegation may be made upon such terms as the Lender or such Receiver may think fit. Neither the Lender nor any Receiver will be in any way liable or responsible to the Company for any loss or damage arising from any act or omission on the part of any such delegate.

9.2 If the Lender, any Receiver or any delegate of the Lender or any Receiver enters into possession of any Assets any of them may from time to time go out of possession.

10. Exclusion of Liability

10.1 The Lender will not in any circumstances by reason of it taking possession of any Assets or for any other reason whatever, and whether as mortgagee in possession or on any other basis whatever, be liable to account to the Company for anything except the Lender's own actual receipts or be liable to the Company for any loss or damage arising from any realisation of any Assets or from any act, default or omission of the Lender in relation to any Assets or from any exercise or non-exercise by the Lender of any power, authority or discretion conferred upon it in relation to any Assets by or pursuant to this Charge unless such loss or damage is caused by the Lender's own fraud.

10.2 Upon the sale of any Assets on enforcement of the Encumbrances created by this Charge, the Company will not have any right or claim against the Lender in respect of any loss arising out of such sale however such loss may have been caused and whether or not a better price could or might have been obtained on the sale of such Assets by either deferring or advancing the date of such sale or for any other reason.

10.3 The Lender is not under any obligation to take action to collect any money or enforce any rights comprised in the Assets.

10.4 The provisions of this clause will apply in relation to the liability of any Receiver and any delegate of the Lender or any Receiver in all respects as though every reference in this clause to the Lender were reference to such Receiver or (as the case may be) to such delegate.

11. **Reimbursement and Indemnity**

11.1 Any sums paid or expended by the Lender or any Receiver either:-

- (1) as a result of the Lender or any Receiver taking action which the Lender or any Receiver considers necessary or desirable in connection with any Assets or to procure compliance with any covenant or obligation on the part of the Company contained in any Security Document; or
- (2) which is in respect of any action or thing expressed in this Charge to be done at the cost of the Company,

and all costs, fees, taxes and expenses incurred by the Lender or any Receiver under or in connection with this Charge or its enforcement and/or the preservation of the Lender's rights under this Charge shall be reimbursed by the Company to the Lender on demand.

11.2 The Company shall indemnify the Lender (whether or not acting as heritable creditor in possession) and any Receiver against all liabilities, claims and expenses whether arising out of contract or in tort or in any other way (including any liability of the Lender or any Receiver under any Environmental Law) which may at any time be incurred by either of them (or by any person for whom they may be vicariously liable) in connection with this Charge or for anything done or omitted to be done in the exercise or purported exercise of their powers pursuant to this Charge.

11.3 All monies payable by the Company under this clause will form part of the Secured Liabilities and if unpaid will bear interest (both before and after judgment) at a rate equal to the default rate specified in the Facility Agreement and will form part of the Secured Liabilities.

12. **Application of Sums Realised**

12.1 Subject to claims having priority to the Encumbrances created by this Charge all monies received by the Lender or any Receiver will be applied in the following order:-

12.1.1 in payment of all costs, fees, taxes and expenses incurred by the Lender or any Receiver in or pursuant to the exercise of the powers set out in this Charge and all other outgoings properly payable by any Receiver;

12.1.2 in payment of remuneration to any Receiver;

12.1.3 in or toward payment of the Secured Liabilities as provided for in the Facility Agreement; and

12.1.4 the balance (if any) will be applied as required by law.

13. **Protection of Persons Dealing with Lender or Receiver**

13.1 No person dealing with the Lender or any Receiver will be concerned to enquire:-

13.1.1 whether any event has happened upon which any of the powers contained in this Charge may have arisen or be exercisable;

13.1.2 otherwise as to the propriety or regularity of any exercise of the powers conferred by this Charge or of any act purporting or intended to be in exercise of such powers; or

13.1.3 whether any Secured Liabilities remain owing.

14. Notice of Subsequent Charge

14.1 If the Lender receives notice of any subsequent Encumbrance or other interest affecting any Assets it may open a new account for the Company in its books and may transfer any outstanding balance owing by the Company to such new account.

14.2 If the Lender does not do so then, unless it gives express written notice to the contrary to the Company, all payments made by the Company to the Lender will as from the time of receipt of such notice by the Lender be treated as having been credited to a new account of the Company and not as having been applied in reduction of the Secured Liabilities.

15. Further Assurance

15.1 As and when required by the Lender or any Receiver the Company, at its own cost, shall (and shall procure that every party other than the Lender to any Security Document shall):-

15.1.1 execute such further fixed or floating charges, assignments or pledges in favour of the Lender as the Lender or any Receiver from time to time requires over any Assets to secure the Secured Liabilities such charges, assignments or pledges to be prepared at the cost of the Company and to contain a power of sale which arises immediately upon execution and such other clauses for the benefit of the Lender as the Lender may reasonably require;

15.1.2 execute and do all such assurances, deeds, documents, acts and things as the Lender or any Receiver may require for perfecting or protecting the charge created by this Charge and for facilitating or effecting any dealing by the Lender or any Receiver under any authorities or powers granted under any Security Document;

15.1.3 upon or with a view to assisting in any enforcement of any charge created by this Charge convey, transfer, assign or otherwise deal with any Assets in such manner as the Lender or any Receiver may require; and

15.1.4 execute such further fixed or floating charges or assignments in favour of the Lender as the Lender or any Receiver from time to time requires over the Excluded Property.

15.2 The Company shall deposit with the Lender all Charges and documents of title relating to the Assets.

16. Power of Attorney by Company

16.1 The Company irrevocably and by way of security appoints each of the Lender, any person authorised in writing by or on behalf of the Lender and any Receiver its attorney in each case (with full power to appoint substitutes and to delegate) severally in its name and on its behalf to execute any document or do any act or thing which the Company is entitled to execute or do in relation to the Assets including giving a receipt for any money and exercising any rights or remedies forming part of the Assets or which the Company is obliged to execute or do or which the Lender or the Receiver (or any substitute or delegate) may in their absolute discretion consider appropriate:-

16.1.1 in connection with the exercise of any of their rights or powers arising under or by virtue of this Charge or the Insolvency Act 1986; or

16.1.2 to perfect, vest in or assure to the Lender any security for the Secured Liabilities granted to the Lender or which the Lender may require to have granted to it under this Charge Document.

17. **Discharge of Security**

17.1 Any discharge of the Company made by the Lender in reliance on a payment or security given by another person will be of no effect if that payment or security is avoided, reduced or invalidated for any reason and the Lender will be entitled to recover from the Company on demand the amount of such payment or the value of any such security.

17.2 Following any discharge of the Company made by the Lender in reliance on a payment or security given by another person the Lender may retain the security constituted by this Charge until the expiry of the maximum period within which such payment or security can be avoided, reduced or invalidated for any reason provided that if such other person goes into liquidation or administration within that period the Lender may retain the security constituted by this Charge for as long as it thinks fit.

18. **Redemption**

After the repayment in full of the Secured Liabilities and provided that the Lender is satisfied that it is not under any obligation to provide financial accommodation to the Company the Lender will at the request and cost of the Company release the Assets from the Encumbrances created by this Charge.

19. **Assignment and Transfer**

19.1 The Lender may at any time, without the consent of the Company, assign or transfer the whole of the Lender's rights under this Charge to any person.

19.2 The Company shall not assign any of its rights or transfer any of its obligations under this Charge or enter into any transaction which would result in any of these rights or obligations passing to another person.

19.3 The Lender may disclose any information about the Company to any person connected to or associated with it, and to any person to whom it proposes to assign or transfer (or has assigned or transferred) any of its rights under this Charge.

20. **Notices**

20.1 Any communication to be made under this Charge shall be made in writing and, unless otherwise stated, may be made by letter.

20.2 The address (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with this Charge is the address set out below (or any substitute address or department or officer as a party may notify to the other parties by not less than five Business Days' notice):-

Name	Address	For the attention of:
Company	Registered Office at the relevant time	Company Secretary
Lender	Registered Office at the relevant time	Company Secretary

20.3 Any communication or document made or delivered by one person to another under or in connection with this Charge will only be effective, if by way of letter, when it has been left at the relevant address or 5 Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address, and, if a particular department or officer is specified as part of its address details provided under Clause 20.2, if addressed to that department or officer.

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

20.5 Promptly upon receipt of notification of an address or change of address pursuant to Clause 20.2 or changing its own address, the Lender shall notify the Company.

20.6 Any notice given under or in connection with this Charge must be in English.

21. **Miscellaneous**

21.1 Any certification or determination by the Lender of the amount of the Secured Liabilities is, in the absence of manifest error, conclusive evidence of such amount.

21.2 If, at any time, any provision of this Charge is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

21.3 No failure to exercise, nor any delay in exercising, on the part of the Lender, any right or remedy under this Charge shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Charge are cumulative and not exclusive of any rights or remedies provided by law.

21.4 This Charge may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Charge.

21.5 This Charge is a continuing security and extends to the balance from time to time of the Secured Liabilities irrespective of any intermediate payment of monies due to the Lender.

21.6 This Charge is in addition to and will not in any way be prejudiced or affected by the holding or release by the Lender or any other person of any other security at any time held by the Lender.

22. **Law**

This Charge is governed by Scots law.

23. **Jurisdiction**

23.1 The courts of Scotland have exclusive jurisdiction to settle any dispute arising out of or in connection with this Charge (including a dispute regarding the existence, validity or termination of this Charge) (a "**Dispute**").

23.2 The Lender and the Company agree that the courts of Scotland are the most appropriate and convenient courts to settle Disputes and accordingly neither of them will argue to the contrary.

23.3 This clause is for the benefit of the Lender only. As a result, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

24. **Consent to Registration**

The Company consents to the registration of this Charge and of the certificate referred to in Clause 21.1 above for preservation and execution:

IN WITNESS WHEREOF this Charge consisting of this and the 11 preceding pages are executed as follows:-

SUBSCRIBED for and on behalf of
EWM PROPERTY COMPANY LIMITED

at Langholm

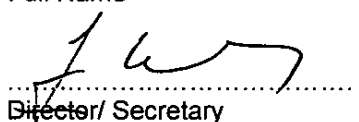
on 10 April 2014

by



Director

KRISTIAN BRIAN LEE
Full Name



Director/ Secretary

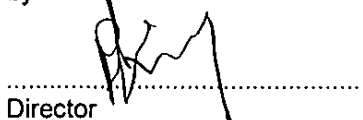
JUNE CARRUTHERS
Full Name

SUBSCRIBED for and on behalf of
THE EDINBURGH WOOLLEN MILL (GROUP) LIMITED

at Langholm

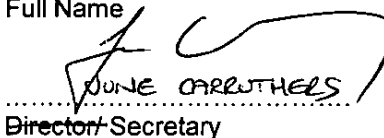
on 10 April 2014

by



Director

PHILIP EDWARD DAY
Full Name



Director/ Secretary

Full Name