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COMPANIES FORM No. 466(Scot)

Particulars of an instrument of alteration to a floating charge created by a company registered in Scotland

466

CHFP025

Please do not write in this margin

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

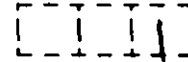
COMPANIES HOUSE
FEE PAID
EDINBURGH

Pursuant to section 410 and 466 of the Companies Act 1985

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

For official use

Company number



SC307307

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

Name of company

* OSSIAN FINANCE LIMITED (the "Chargor")

* insert full name of Company

Date of creation of the charge (note 1)

14 Sept 2006 (the "Charge")

Description of the instrument creating or evidencing the charge or of any ancillary document which has been altered (note 1)

FLOATING CHARGE
~~Security Trust and Intercreditor Deed (the "Intercreditor Deed")~~

Names of the persons entitled to charge

Barclays Bank PLC as Security Agent for the Secured Parties and its successor(s) as such Security Agent (the "Security Agent")

Short particulars of all the property charged

The whole property and undertaking of the Chargor from time to time.

Presentor's name address and reference (if any):
DLA Piper Scotland LLP
Rutland Square
EDINBURGH
EH1 2AA

DX: ED271 Edinburgh
300168/402/11298288.1

For official use (06/2005)
Charges Section

Post room



Names, and addresses of the persons who have executed the instrument of alteration (note 2)

See Paper Apart 1

*Please do not
write in
this margin*

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

Date(s) of execution of the instrument of alteration

14 September 2006

A statement of the provisions, if any, imposed by the instrument of alteration prohibiting or restricting the creation by the company of any fixed security or any other floating charge having, priority over, or ranking pari passu with the floating charge

See Paper Apart 2

Short particulars of any property released from the floating charge

N/A

The amount, if any, by which the amount secured by the floating charge has been increased

N/A

*Please do not
write in
this margin*

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

A statement of the provisions, if any, imposed by the instrument of alteration varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges

See Paper Apart 3

Continuation of the statement of the provisions, if any, imposed by the instrument of alteration varying or otherwise regulating the order of the ranking of the floating charge in relation to fixed securities or to other floating charges

*Please do not
write in
this margin*

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

Signed DA Piper Scotland LLP Date 3.10.06
On behalf of ~~(company)~~ (chargee) †

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

Notes

1. A description of the instrument e.g. "Instrument of Charge" "Debenture" etc, as the case may be, should be given. For the date of creation of a charge see section 410(5) of the Companies Act.
2. In accordance with section 466(1) the instrument of alteration should be executed by the company, the holder of the charge and the holder of any other charge (including a fixed security) which would be adversely affected by the alteration.
3. A certified copy of the instrument of alteration, together with this form with the prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of execution of that instrument.
4. A certified copy must be signed by or on behalf of the person giving the certification and where this is a body corporate it must be signed by an officer of that body.
5. A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders are to be made payable to **Companies House**.
6. The address of the Registrar of Companies is: Companies Registration Office, 37 Castle Terrace, Edinburgh, EH1 2EB DX 235 Edinburgh or LP - 4 Edinburgh 2

† delete as
appropriate

These are the Papers Apart to the foregoing Companies Form 466 by Ossian Finance Limited (Company Number SC307307)

PAPER APART 1

1. **OSSIAN FINANCE LIMITED** (registered number SC307307), a company incorporated in Scotland whose registered office is at The Ca'd'oro, 45 Gordon Street, Glasgow G1 3PE (the "**Company**");
2. **OSSIAN RETAIL GROUP LIMITED** (registered number SC304408), a company incorporated in Scotland whose registered office is at The Ca'd'oro, 45 Gordon Street, Glasgow G1 2PE (the "**Parent**");
3. **OSSIAN FINANCE LIMITED** and **OSSIAN RETAIL GROUP LIMITED** (the "**Original Guarantors**");
4. **PENTA FUND 1 LP**, acting through its manager Penta Capital Partners Limited, **PENTA MALDINI 1 LP**, acting through its manager Penta Capital Partners Limited, **PENTA MALDINI 2 LP**, acting through its manager Graphite Capital Management LLP and each of their or any subsequent successors or assignees or transferees (the "**Investors**");
5. **NORMAN SINCLAIR STEWART**, 180 Eastwoodmains Road, Clarkston, Glasgow G76 7HA, **GRAHAM JOHN YOUNGER CLEMENTS**, 3 Kirkview Crescent, Newton Mearns, Glasgow G77 5DB, **GERARD GAVAN**, 1 Deaconsbank Place, Stewarton Road, Glasgow G46 7US and **WILLIAM DAVID MARTIN MILTON**, Flat 3/2, 68 Lauderdale Gardens, Glasgow G12 9QW and each of their or any subsequent successors or assignees or transferees (the "**Management**");
6. **KENNETH CAIRNDUFF**, 19 Kingsborough Gardens, Glasgow G12 9NH and his successors and assignees or transferees (the "**Vendor Loan Note Holder**");
7. **BARCLAYS BANK PLC**, 11-12 Melville Crescent, Edinburgh in its capacity as overdraft lender (the "**Overdraft Lender**");
8. **BARCLAYS BANK PLC**, 11-12 Melville Crescent, Edinburgh in its capacity as hedge counterparty (the "**Hedge Counterparty**");
9. **BARCLAYS BANK PLC**, 11-12 Melville Crescent, Edinburgh in its capacity as agent for the Senior Finance Parties (the "**Senior Agent**"); and

PAPER APART 2

Notwithstanding any provision of the Subordinated Finance Documents, no Obligor shall:

- (a) pay, prepay or repay, or pay any interest in respect of, or purchase or acquire, any of the Subordinated Debt, in cash or in kind, except as permitted by clause 7 (*Payments*); or
- (b) permit any other Obligor to purchase or acquire any of the Subordinated Debt; or
- (c) discharge any of the Subordinated Debt by set-off, except if and to the extent that any such set-off arises by operation of law or it is permitted to be paid pursuant to the provisions of clause 7 (*Payments*); or
- (d) create or permit to subsist any Security over any of its assets as security for, or any guarantee in respect of, any of the Subordinated Debt, other than pursuant to the Intercreditor Deed or the Security Documents; or
- (e) amend, vary, waive or release any term of the Subordinated Documents other than as permitted in accordance with clause 15 (*Amendments, Waivers, Consents*); or
- (f) take or omit any action whereby the subordinations contemplated by the Intercreditor Deed may be impaired.

PAPER APART 3

Security Documents

- (a) All existing and future security conferred by the Security Documents on the Secured Parties will secure all of the Senior Debt in priority to the Investor Debt regardless of:
 - (i) the date upon which the Senior Debt arises;
 - (ii) whether any Senior Finance Party is obliged to advance monies included within the definition of Senior Debt; and
 - (iii) any fluctuations in the amount of Senior Debt or any intermediate discharge of the Senior Debt in whole or in part.
- (b) The security constituted by the Security Documents shall secure the Senior Term Debt, the Overdraft and the Hedging Debt on a *pari passu* basis.

These are the definitions applicable to the foregoing Companies Form 466 by Ossian Finance Limited (Company number SC307307)

"Constitutional Documents" means the "Constitutional Documents" as defined in the Facilities Agreement;

"Finance Document" means a Senior Finance Document, an Investor Document, a Management Document, the Vendor Loan Note Instrument and each document constituting Intra-Group Debt;

"Hedging Agreement" means the "Hedging Agreement" as defined in the Facilities Agreement;

"Hedging Debt" means the aggregate amount from time to time outstanding of all monies, obligations and liabilities whether actual or contingent due owing or incurred by any Obligor to the Hedge Counterparty under the Hedging Agreement;

"Intra-Group Debt" means the aggregate amount from time to time outstanding of all monies, obligations and liabilities whether actual or contingent due, owing or incurred by any Obligor to any other Obligor;

"Investor DDB Instrument" means the instrument in the agreed form creating the Investor DDBs;

"Investor DDBs" means the secured deep discount bonds issued by the Company at an aggregate issue price of £10,026,267 pursuant to the Investor DDB Instrument together with such further Investor DDBs as may be issued in accordance with the terms of the Shareholders' Agreement;

"Investor Debt" means the aggregate amount from time to time outstanding of all monies, obligations and liabilities whether actual or contingent due, owing or incurred by any Obligor to the Investors (or any of them) under the Investor Documents together with:

- (a) any refinancing, novation, refunding, deferral or extension of any of those liabilities;
- (b) any further advances made by any Investor to an Obligor under any Investor Documents or any agreement expressed to be supplemental to any Investor Document plus all interest, fees and costs in connection therewith; and
- (c) any claim for damages or restitution in the event of rescission of any of those liabilities or otherwise in connection with any Investor Document;

"Investor Discharge Date" means the date on which the Investors certify that the Investor Debt is irrevocably repaid or discharged in full;

"Investor Documents" means the Shareholders' Agreement, the Constitutional Documents, the Investor DDBs and the Investor DDB Instrument;

"Management Debt" means the aggregate amount from time to time outstanding of all monies, obligations and liabilities whether actual or contingent due, owing or incurred by any Obligor to the Management (or any of them) under the Management Documents, which for the purpose of clause 13 only shall include sums which would be due on a return of capital in respect of the non-voting ordinary shares of the Parent, from time to time;

"Management Discharge Date" means the date on which the Management Debt is irrevocably repaid or discharged in full;

"Management Documents" means the Shareholders' Agreement and the Constitutional Documents;

"Obligors" means the Company, the Parent and each Original Guarantor;

"Overdraft" means the aggregate amount from time to time outstanding of all monies, obligations and liabilities whether actual or contingent due, owing or incurred by any Obligor pursuant to the Overdraft Letter;

"Secured Parties" means each of the Senior Finance Parties and the Investors;

"Security Documents" means the "Security Documents" as defined in the Facilities Agreement;

"Security Interest" means any standard security mortgage, charge, assignment by way of security, pledge, lien, hypothecation or any other type of encumbrance or security interest or any other type of arrangement having or intended to have a similar effect;

"Senior Debt" means all present and future liabilities (actual or contingent) payable or owing by the Obligors to the Senior Finance Parties under or in connection with any Senior Finance Documents together with:

- (a) any refinancing, novation, refunding, deferral or extension of any of those liabilities;
- (b) any further advances made by any Senior Finance Party to an Obligor under any Senior Finance Document or any agreement expressed to be supplemental to any Senior Finance Document plus all interest, fees and costs in connection therewith;
- (c) any claim for damages or restitution in the event of rescission of any of those liabilities or otherwise in connection with any Senior Finance Document;
- (d) any claim against any Obligor flowing from any recovery by an Obligor of a payment or discharge in respect of those liabilities on grounds of preference or otherwise; and
- (e) any amounts (such as post-insolvency interest) which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings,

including, for the avoidance of doubt, the Senior Term Debt, the Overdraft and the Hedging Debt;

"Senior Discharge Date" means the date on which the Security Agent certifies that the Senior Debt has been irrevocably repaid or discharged in full;

"Senior Finance Documents" means the "Finance Documents" as defined in the Facilities Agreement;

"Senior Finance Parties" means all the "Finance Parties" as defined in the Facilities Agreement;

"Senior Term Debt" means the aggregate amount of the "Loan" as defined in the Facilities Agreement;

"Shareholders' Agreement" means the Shareholder' Agreements as defined in the Facilities Agreement;

"Subordinated Creditor" means until the Senior Discharge Date each of the Investors, the Management, the Vendor Loan Note Holder and the Original Guarantors and after the Senior Discharge Date until the Investor Discharge Date the Management, the Vendor Loan Note Holder and the Original Guarantors;

"Subordinated Debt" means until the Senior Discharge Date the Investor Debt, the Management Debt, the Vendor Debt and the Intra-Group Debt and after the Senior Discharge Date until the Investor Discharge Date the Management Debt, the Vendor Debt and the Intra-Group Debt;

"Subordinated Finance Document" means until the Senior Discharge Date each of the Investor Documents, the Management Documents, the Vendor Loan Note Instrument and each document constituting the Intra-Group Debt and after the Senior Discharge Date and until the Investor Discharge Date each of the Management Documents, the Vendor Loan Note Instrument and each document constituting Intra-Group Debt;

"Vendor Debt" means the aggregate amount from time to time outstanding of all monies, obligations and liabilities whether actual or contingent due, owing or incurred by any Obligor to the Vendor Loan Note Holder under the Vendor Loan Note Instrument;

"Vendor Discharge Date" means the date on which the Vendor Debt is irrevocably repaid or discharged in full;

"Vendor Loan Notes" means the £2,995,000 unsecured subordinated loan notes due 2011 of the Company; and

"Vendor Loan Note Instrument" means the instrument in the agreed form pursuant to which the Vendor Loan Notes are, or are to be, constituted.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF AN ALTERATION TO A FLOATING CHARGE

Company number 307307

I hereby certify that particulars of an instrument of alteration dated
14 SEPTEMBER 2006

were delivered pursuant to section 410 of the Companies Act, 1985,
on 3 OCTOBER 2006.

The instrument relates to a charge created on 14 SEPTEMBER 2006

by OSSIAN FINANCE LIMITED

in favour of BARCLAYS BANK PLC

for securing ALL SUMS DUE, OR TO BECOME DUE

Given at Companies House, Edinburgh
5 OCTOBER 2006



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



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES