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COMPANIES FORM No. 410(Scot)

Particulars of a charge created by a company registered in Scotland

410

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

Pursuant to section 410 of the Companies Act 1985

COMPANIES HOUSE

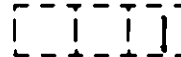
EDINBURGH

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

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

For official use

Company number



SC307307

Name of company

• OSSIAN FINANCE LIMITED (the "Company")

Date of creation of the charge (note 1)

14 September 2006

Description of the instrument (if any) creating or evidencing the charge (note 1)

FLOATING CHARGE (the "Security")

Amount secured by the charge

All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of any Group Company to the Security Agent and/or the other Secured Parties (or any of them) under or pursuant to any Finance Document (including all monies covenanted to be paid under the Security) provided that no obligation or liability shall be included in the definition of "Secured Obligations" to the extent that, if it were so included, the Security (or any part of it) would constitute unlawful financial assistance within the meaning of sections 151 and 152 of the Companies Act 1985 (the "Secured Obligations")

Please see Paper Apart, Part 1 for definitions.

Names and addresses of the persons entitled to the charge

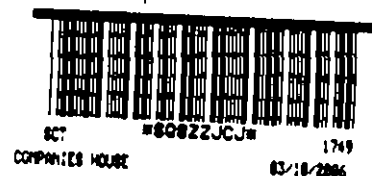
Barclays Bank PLC, incorporated under the Companies Act and having its Registered Office at 1 Churchill Place, London E14 5HP (the "Security Agent").

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

08700 111 111
MU/MU/300168/402

For official use (06/2005)
Charges Section

Post room



Short particulars of all the property charged.

Please do not
write in
this margin

The whole property and undertaking of the Company from time to time (the "Charged Property")

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

Statement, in the case of a floating charge, as to any restrictions on power to grant further securities and any ranking provision (note 2)

Please see Paper Apart, Parts 1 and 3.

Particulars as to commission, allowance or discount paid (see section 413(3))

N/A

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

Signed DLA Piper Scotland LLP

Date 3.10.06

On behalf of ~~XXXXXXXX~~ [chargee] †

Notes

1. A description of the instrument e.g. "Standard Security" "Floating Charge" etc, should be given. For the date of creation of a charge see section 410(5) of the Act (Examples - date of signing of an Instrument of Charge; date of recording/registration of a Standard Security; date of intimation of an Assignment.)

2. In the case of a floating charge a statement should be given of (1) the restrictions, if any, on the power of the company to grant further securities ranking in priority to, or pari passu with the floating charge; and/or (2) the provisions, if any, regulating the order in which the floating charge shall rank with any other subsisting or future floating charges or fixed securities over the property which is the subject of the floating charge or any part of it.

3. A certified copy of the instrument, if any, creating or evidencing the charge, 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 the creation of the charge. In the case of a charge created out of the United Kingdom comprising property situated outside the U.K., within 21 days after the date on which the copy of the instrument creating it could, in due course of post, and if despatched with due diligence, have been received in the U.K. Certified copies of any other documents relevant to the charge should also be delivered.

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 House, 37 Castle Terrace, Edinburgh EH1 2EB
DX 235 Edinburgh or LP - 4 Edinburgh 2

† delete as
appropriate

THIS IS THE PAPER APART TO THE FOREGOING COMPANIES FORM 410 IN RESPECT OF A FLOATING CHARGE BY OSSIAN FINANCE LIMITED IN FAVOUR OF BARCLAYS BANK PLC

1. DEFINITIONS

"Accession Letter" means a document substantially in the form set out in Schedule 7 of the Senior Facilities Agreement (*Form of Accession Letter*);

"Additional Guarantor" means a company which becomes a Guarantor in accordance with clause 26 of the Senior Facilities Agreement (*Changes to The Guarantors*);

"Affiliate" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;

"Agent" means Barclays Bank plc;

"Arranger" means Barclays Bank plc;

"Borrower" means Ossian Finance Limited;

"Company Intra-Group Loan Agreement" means the loan agreement in the agreed form between Ossian Finance Limited and certain other members of the Group pursuant to which those members of the Group have or will make available a facility to Ossian Finance Limited up to a maximum aggregate principal amount equal to the aggregate principal amount of (plus interest on) the Facilities, the Investor DDBs and the Vendor Loan Notes;

"Compliance Certificate" means a certificate substantially in the form set out in schedule 9 of the Senior Facilities Agreement (*Form of Compliance Certificate*);

"Constitutional Documents" means the memorandum and articles of association of Ossian Finance Limited in the agreed form;

"Equity Disclosure Letter" means a disclosure letter in the agreed form dated on or about the date of the Security relating to the Investment Documents;

"Facility" means Facility A or Facility B;

"Facility A" means the term loan facility made available under the Senior Facilities Agreement as described in clause 2.1(a)(i) of the Senior Facilities Agreement;

"Facility B" means the term loan facility made available under the Senior Facilities Agreement as described in clause 2.1(a)(ii) the Senior Facilities Agreement;

"Fee Letter" means:

- (a) any letter or letters dated on or about the date of the Security between the Arranger and Ossian Finance Limited (or the Agent and Ossian Finance Limited or the Security Agent and Ossian Finance Limited) setting out any of the fees referred to in clause 13 of the Senior Facilities Agreement (*Fees*); and
- (b) any other agreement setting out fees payable to a Finance Party referred to in any other provision of any other Finance Document;

"Finance Document" means the Senior Facilities Agreement, the Overdraft Letter, any Accession Letter, the Company Intra-Group Loan Agreement, any Compliance Certificate, any Fee Letter, any Hedging Agreement, the Intercreditor Agreement, any Resignation Letter, any Selection Notice, any Transaction Security Document, any Utilisation Request and any other document designated as a "Finance Document" by the Agent and Ossian Finance Limited;

"Finance Party" means the Agent, the Arranger, the Security Agent, a Lender, the Overdraft Lender or a Hedge Counterparty;

"Group" means, at any time, Ossian Retail Group Limited and its Subsidiaries at such time and **"Group Company"** means any member of the Group;

"Guarantor" means an Original Guarantor or an Additional Guarantor, unless it has ceased to be a Guarantor in accordance with clause 26 of the Senior Facilities Agreement (*Changes to The Guarantors*);

"Hedge Counterparty" means a Lender or an Affiliate of a Lender or another recognised bank, building society or financial institution which has become a party to the Intercreditor Agreement as a Hedge Counterparty;

"Hedging Agreement" means any master agreement, confirmation, schedule or other agreement entered into or to be entered into by Ossian Finance Limited and a Hedge Counterparty for the purpose of hedging interest rate liabilities in relation to all or part of the Facilities;

"Holding Company" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary;

"Intercreditor Agreement" means the security trust and intercreditor agreement dated the same date as the Security and made between Ossian Finance Limited, the other Obligors, the Agent, the Security Agent, the Overdraft Lender, the Hedge Counterparty, the Investor DDB Holders and the Vendor;

"Investment Document" means the Shareholders' Agreement, the Constitutional Documents, the Equity Disclosure Letter, the Investor DDB Instrument and the Investor DDBs;

"Investor DDB Holders" means the registered holders of any Investor DDBs from time to time;

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

"Investor DDBs" means the secured deep discount bonds issued by Ossian Finance Limited at an aggregate issue price of £9,575,767 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;

"Investors" means 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 assigns or transferees;

"Lender" means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with clause 25 of the Senior Facilities Agreement (*Changes to the Lender*),

which in each case has not ceased to be a Party in accordance with the terms of the Senior Facilities Agreement;

"Obligor" means Ossian Finance Limited, the Parent or a Guarantor;

"Original Guarantor" means Ossian Finance Limited and Ossian Retail Group Limited;

"Original Lender" means Barclays Bank plc;

"Overdraft Lender" means Barclays Bank plc;

"Overdraft Letter" means the overdraft and ancillary facilities letter, the guarantees and indemnities facilities letter and the foreign exchange and spot rate facilities letter each dated on or about the date of the Security between Internationale Limited and Barclays Bank plc;

"Parent" means Ossian Retail Group Limited;

"Party" means a party to the Senior Facilities Agreement;

"Resignation Letter" means a letter substantially in the form set out in schedule 8 of the Senior Facilities Agreement (*Form of Resignation Letter*);

"Security Agent" means Barclays Bank plc;

"Secured Obligations" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of any Group Company to the Security Agent and/or the other Secured Parties (or any of them) under or pursuant to any Finance Document or Investment Document (including all monies covenanted to be paid under the Security) provided that no obligation or liability shall be included in the definition of **"Secured Obligations"** to the extent that, if it were so included, the Security (or any part of it) would constitute unlawful financial assistance within the meaning of sections 151 and 152 of the Companies Act 1985;

"Secured Parties" means the Agent, the Arranger, the Security Agent, the Lenders, the Overdraft Lender, the Hedge Counterparties and the Investors;

"Selection Notice" means a notice substantially in the form set out in part 2 of schedule 3 of the Senior Facilities Agreement (*Requests*) given in accordance with clause 11 of the Senior Facilities Agreement (*Interest Periods*) in relation to a Facility;

"Senior Facilities Agreement" means the senior sterling term facilities agreement dated on or about the date of the Security and made between (1) Ossian Retail Group Limited as Parent, (2) Ossian Finance Limited as Borrower, (3) the Original Guarantors, (4) Barclays Bank plc as Arranger, (5) Barclays Bank plc as Original Lender, (6) Barclays Bank plc as Agent, and (7) the Security Agent, pursuant to which the Original Lender agreed to make certain facilities available to the Borrower;

"Shareholders' Agreement" means the investment agreement dated on or around the date of the Security made between *inter alios*, Penta Fund 1 LP, Penta Maldini 1 LP, Penta Maldini 2 LP and Ossian Retail Group Limited;

"Subsidiary" of a company or corporation means any company or corporation:

- (a) which is controlled, directly or indirectly by the first-mentioned company or corporation; or
- (b) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first-mentioned company or corporation; or
- (c) which is a subsidiary of another subsidiary of the first mentioned company or corporation;

and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body;

"Transaction Security Documents" means each of the documents specified in the Senior Facilities Agreement in:

- (a) paragraph 3 of part 1 of schedule 2 (*Conditions precedent*);
- (b) paragraph 2 of part 2 of schedule 2 (*Conditions precedent*);
- (c) paragraph 18 of part 3 of schedule 2 (*Conditions precedent*);
- (d) clause 23.36(ii) (*Conditions Precedent*);
- (e) clause 26.4 (*Further Security*); and
- (f) any other document constituting or creating Security and granted in favour of the Security Agent.

together with any other document entered into by any Obligor creating or expressed to create any Security in favour of any Finance Party in relation to the obligations of any Obligor under any Finance Document;

"Utilisation Request" means a notice substantially in the relevant form set out in part 1 of schedule 3 of the Senior Facilities Agreement (*Requests*);

"Vendor" means Kenneth Cairnduff, 19 Kingsborough Gardens, Glasgow G12 9NH; 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

"Vendor Loan Notes" means the £2,995,000 unsecured subordinated loan notes due 2011 of Ossian Finance Limited.

2. STATEMENT IN THE CASE OF A FLOATING CHARGE AS TO ANY RESTRICTIONS, POWER TO GRANT FURTHER SECURITIES AND ANY RANKING PROVISION

Save as otherwise provided in the Intercreditor Agreement or unless otherwise agreed in writing by the Security Agent and subject to Section 464(2) of the Companies Act 1985:

- (a) the Company shall not create any fixed security or other floating charge over any part of the Charged Property ranking in priority to or equally with the Security after its execution of the Security except any fixed security in favour of the Security Agent; and
- (b) the Security shall rank in priority to any fixed security or other floating charge created by the Company after its execution of the Security except any fixed security in favour of the Security Agent.

FILE COPY



**CERTIFICATE OF THE REGISTRATION
OF A CHARGE**

Company number 307307

I hereby certify that a charge created by

OSSIAN FINANCE LIMITED

on 14 SEPTEMBER 2006

for securing ALL SUMS DUE, OR TO BECOME DUE

in favour of BARCLAYS BANK PLC

was delivered pursuant to section 410 of the Companies Act, 1985,
on 3 OCTOBER 2006 given at Companies House, Edinburgh
5 OCTOBER 2006



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

