

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 no
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 accompanied by 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

FRIDAY



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A12

26/04/2013

#166

COMPANIES HOUSE

1 Company details

Company number 0 0 2 3 7 5 1 1
Company name in full Arcadia Group Limited (the "Chargor")

2 6 For official use

→ **Filing 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 1 9 0 4 2 0 1 3

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 Bank of Scotland plc
(in its capacity as Security Agent) (the "Security Agent")

Name Ground Floor
10 Gresham Street

Name London
EC2V 7AE

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

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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 Chargor, with full title guarantee, charged to the Security Agent by way of legal mortgage, all Land in England and Wales vested in it at the date of the Legal Mortgage and registered at the Land Registry or which will be subject to first registration at the Land Registry upon the execution and delivery of the Legal Mortgage, being

Address 3 Bank Buildings, Queen's Road
Title Number HT4570

and the numerous other properties listed in Schedule 2 to the Legal Mortgage

Terms defined in the Legal Mortgage registered by virtue of this Form MR01 shall have the same meanings when used in this form MR01

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

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Particulars of a charge

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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 *Hogenloos International Ltd.* 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 **F3SJB/EMK**

Company name **Hogan Lovells International LLP**

Address **Atlantic House**

Holborn Viaduct

Post town **London**

County/Region

Postcode **E C 1 A 2 F G**

Country **United Kingdom**

DX **57 London Chancery Lane**

Telephone **+44 (20) 7296 2000**

**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: 237511

Charge code: 0023 7511 0020

The Registrar of Companies for England and Wales hereby certifies that a charge dated 19th April 2013 and created by **ARCADIA GROUP LIMITED** was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 26th April 2013

A handwritten signature in black ink, appearing to be 'D'. It is located below the main text of the certificate.

Given at Companies House, Cardiff on 30th April 2013

DATED

19 April

EXECUTION VERSION

2013

ARCADIA GROUP LIMITED
(as Chargor)

- and -

BANK OF SCOTLAND PLC
(as Security Agent)

LEGAL MORTGAGE

Save for material redacted pursuant to s854G of the Companies Act 2006,
we hereby certify that this is a true copy of the composite original

Hogan Lovells International LLP

Hogan Lovells
International LLP
Atlantic House
Holborn Viaduct
London EC1A 2FG



Matter ref 19558/09909
Ref F3/LONGJESS/3034684

Hogan Lovells International LLP
Atlantic House, Holborn Viaduct, London EC1A 2FG

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THIS DEED is made on

19 April

2013

BETWEEN

- (1) **ARCADIA GROUP LIMITED**, a limited liability company incorporated under the laws of England and Wales with registered number 00237511 (the "**Chargor**"), and
- (2) **BANK OF SCOTLAND PLC** as Security Agent

WITNESSES AS FOLLOWS:

1 DEFINITIONS AND INTERPRETATION

- 1.1 Definitions:** Unless the context otherwise requires, words or expressions defined in the Facilities Agreement shall have the same meanings in this Deed and this construction shall survive the termination of the Facilities Agreement. In addition, in this Deed

"**Act**" means the Companies Act 2006

"**Assets**" means in relation to the Chargor, all its undertaking, property, assets, revenues and rights of every description, or any part of them

"**Beneficiary**" means the Agent, the Security Agent, the Arranger or a Lender

"**Declared Default**" means that an Event of Default has occurred and as a result the Agent has taken steps to exercise any of its rights under Clause 24.18 (*Acceleration*) of the Facilities Agreement

"**Default**" means a Default under and as defined in the Facilities Agreement

"**Event of Default**" means an Event of Default under and as defined in the Facilities Agreement

"**Facilities Agreement**" means the facilities agreement dated _____ between, amongst others, Taveta Investments (No. 2) Limited (as the Company), Taveta Investments Limited (as the Parent) the Companies listed as Original Guarantors, and Bank of Scotland plc (as Mandated Lead Arranger, Agent and Security Agent)

"**Finance Document**" means the Facilities Agreement, any Fee Letter, any Transaction Security Document, the Subordination Deed, any Duty of Care Agreement, any Resignation Letter and any other document designated as such by the Agent and the Company

"**Fixed Security Asset**" means an Asset comprised within an assignment created by Clause 3.1 (*Assignments*) or within a mortgage or fixed charge created by Clause 3.2 (*Fixed security*)

"**Insurance Policy**" means any contract or policy of insurance of the Chargor (including all cover notes) of whatever nature which are from time to time taken out by or on behalf of the Chargor which relate to any Fixed Security Asset or (to the extent of its interest) in which the Chargor has an interest at any time but excluding any liability insurance and any directors' and officers' insurance

"**Land**" means freehold and leasehold, and any other estate in, land and (outside England and Wales) immovable or heritable property and in each case all buildings and structures upon and all things affixed to Land (including trade and tenant's fixtures)

"Liability" means any liability, damage, loss, costs, claim or expense of any kind or nature, whether direct, indirect, special, consequential or otherwise

"Nominee" means any custodian and/or nominee for the Security Agent and also includes any additional or substitute custodian or nominee which the Security Agent may designate from time to time and any agent or sub-custodian acting for the Security Agent or any such custodian and/or nominee,

"Occupational Lease" means any lease or licence or other right of occupation or right to receive rent to which a Property may at any time be subject and includes any guarantee of a tenant's obligations under the same

"Party" means a party to this Deed

"Receivables" in relation to a Chargor, means all sums of money receivable by it at any time consisting of or payable under or derived from any Asset described in Clause 3 1 (*Assignments*) or Clause 3 2 (*Fixed security*) including, for the avoidance of doubt, Rental Income

"Receiver" means a receiver and manager appointed under Clause 12 (*Appointment of a Receiver*) including (where the context requires or permits) any substituted receiver and manager

"Secured Sums" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Chargor to all or any of the Beneficiaries under each or any of the Finance Documents, in each case together with

- (a) all costs, charges and expenses incurred by any Beneficiary in connection with the protection, preservation or enforcement of its rights under any Finance Document, and
- (b) all moneys, obligations and liabilities due, owing or incurred in respect of any variations or increases in the amount or composition of the facilities provided under any Finance Document or the obligations and liabilities imposed under such documents

"Security Agent" means Bank of Scotland plc acting as security agent and trustee for the Beneficiaries including any successor appointed by the Beneficiaries pursuant to the Finance Documents

1 2 Interpretation. Unless the context otherwise requires, the interpretative provisions set out in the paragraphs below shall apply in this Deed

- (a) References to any Party shall be construed so as to include that Party's respective successors in title, permitted assigns and permitted transferees
- (b) **"Including"** and **"in particular"** shall not be construed restrictively but shall mean respectively "including, without prejudice to the generality of the foregoing" and "in particular, but without prejudice to the generality of the foregoing"
- (c) A **"person"** includes any person, firm, company, corporation, government, state or agency of a state or any association, joint venture, trust or partnership (whether or not having separate legal personality) of two or more of the foregoing

- (d) **"Property"** includes any interest (legal or equitable) in real or personal property and any thing in action
 - (e) **"Variation"** includes any variation, amendment, accession, novation, restatement, modification, assignment, assignation, transfer, supplement, extension, deletion or replacement however effected and **"vary"** and **"varied"** shall be construed accordingly
 - (f) **"Writing"** includes facsimile transmission legibly received except in relation to any certificate, notice or other document which is expressly required by this Deed to be signed and **"written"** has a corresponding meaning
 - (g) Subject to Clause 26.4 (*Variations*), references to this Deed or to any other document (including any Finance Document) include references to this Deed or such other document as varied in any manner from time to time, even if changes are made to the composition of the parties to this Deed or such other document or to the nature or amount of any facilities made available under such other document
 - (h) The singular shall include the plural and vice versa and any gender shall include the other genders
 - (i) Clauses, paragraphs and Schedules shall be construed as references to Clauses and paragraphs of, and Schedules to, this Deed
 - (j) Any reference to any statute or statutory instrument or any section of it shall be deemed to include a reference to any statutory modification or re-enactment of it for the time being in force in relation to the particular circumstances
 - (k) Headings in this Deed are inserted for convenience and shall not affect its interpretation
 - (l) A Default (including an Event of Default) is **"continuing"** for the purposes of the Finance Documents if it has not been remedied or waived
- 1.3 **Conflict of terms** If any conflict arises between the covenants and undertakings in Clause 9 (*Land*) and the covenants and undertakings in Clause 23 (*Property Undertakings*) of the Facilities Agreement, the covenants and undertakings given in the Facilities Agreement shall prevail
- 2 **COVENANT TO PAY**
- 2.1 **Covenant to pay** The Chargor (as primary obligor and not merely as surety) covenants with the Security Agent that it will, on the Security Agent's written demand, pay or discharge the Secured Sums at the times and in the manner provided in the relevant Finance Documents
- 2.2 **Proviso** The covenants contained in this Clause and the security created by this Deed shall not extend to or include any liability or sum which would otherwise cause any such covenant or security to be unlawful or prohibited by any applicable law
- 2.3 **Demands**
- (a) The making of one demand shall not preclude the Security Agent from making any further demands

- (b) Any third party dealing with the Security Agent or any Receiver shall not be concerned to see or enquire as to the validity of any demand under this Deed

3 CREATION OF SECURITY

3 1 Assignments The Chargor, with full title guarantee, as security for the payment or discharge of all Secured Sums, assigns absolutely (subject to a proviso for reassignment on redemption) to the Security Agent all of its rights, title and interest from time to time in respect of any sums payable to it pursuant to the Insurance Policies

3 2 Fixed Security The Chargor, with full title guarantee, as security for the payment or discharge of all Secured Sums, charges to the Security Agent

- (a) by way of legal mortgage, all Land in England and Wales now vested in it and registered at the Land Registry or which will be subject to first registration at the Land Registry upon the execution and delivery of this Deed, in each case as described in Schedule 2 (*Land to be Mortgaged*),
- (b) by way of legal mortgage, all other Land in England and Wales now vested in it and not registered at the Land Registry as described in Schedule 2 (*Land to be Mortgaged*),
- (c) by way of fixed charge
 - (i) all interests and rights in or relating to the proceeds of sale of Land which, or an interest in which, is charged by it under the preceding provisions of this Clause 3 2,
 - (ii) all plant and machinery now or in the future attached to any Land which, or an interest in which, is charged by it under the preceding provisions of this Clause 3 2,
 - (iii) all rental and other income and all debts and claims now or in the future due or owing to it under or in connection with any lease, agreement or licence relating to Land which, or an interest in which, is charged by it under the preceding provisions of this Clause 3 2,
 - (iv) all insurance or assurance contracts or policies now or in the future held by or otherwise benefiting it which relate to Fixed Security Assets or which are now or in the future deposited by it with the Security Agent, together with all its rights and interests in such contracts and policies (including the benefit of all claims arising and all money payable under them) apart from any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) in this Deed,
 - (v) all Rental Income now or in the future owing to it,
 - (vi) the benefit of all instruments, guarantees, charges, pledges and other security and all other rights and remedies available to it in respect of any Fixed Security Asset except to the extent that such items are for the time being effectively assigned under Clause 3 1 (*Assignments*),
 - (vii) all its interests and rights (if any) in or to any money at any time standing to the credit of any Rent Account,

- (viii) all rights, money or property accruing or payable to it now or in the future under or by virtue of a Fixed Security Asset except to the extent that such rights, money or property are for the time being effectively assigned or charged by fixed charge under the foregoing provisions of this Deed, and
- (ix) the benefit of all licences, consents and authorisations held in connection with its business or the use of any Fixed Security Asset and the right to recover and receive all compensation which may be payable in respect of them

3.3 Notices of Assignment or Charge

- (a) The Chargor shall on the date of the Deed give notice to the insurers (and any broker) of the security over the Insurance Policies and their proceeds created by this Deed in substantially the form set out in Part 3 of Schedule 3 (*Form of Notice to Insurer*)
- (b) The Chargor shall, on the date of this Deed, execute a notice of fixed charge in respect of its rights under each Occupational Lease (including its rights to receive Rental Income under each such lease) in substantially the form set out in Part 2 of Schedule 3 (*Form of Notice of Charge in respect of Occupational Leases*) and
 - (i) in respect of each tenant under an Occupational Lease that is a member of the Group, deliver the notice to that tenant, and
 - (ii) in respect of each tenant under an Occupational Lease that is not a member of the Group, deliver to the Security Agent the executed notice together with an address label for that tenant. The Security Agent may, at any time during the continuance of an Event of Default, deliver such notice to the relevant tenant
- (c) The Chargor shall use reasonable endeavours to procure the execution and delivery to the Security Agent of acknowledgments by the addressees of the notices delivered to them pursuant to paragraphs (a) and (b) above in the form of the acknowledgment of the relevant notice set out in Schedule 3 with such amendments as the Company and the Security Agent may agree.

3.4 Priority.

Any Security created in the future by the Chargor (except in favour of the Security Agent) shall be expressed to be subject to this Deed and shall rank in order of priority behind the charges created by this Deed

3.5 Application to the Land Registry The Chargor

- (a) in relation to each register of title of any present and future Land constituting a Fixed Charge Asset of that Chargor which is charged to the Security Agent under this Deed or pursuant to Clause 7 (*Further Assurance*), consents to the Security Agent (or its solicitors) at any time submitting to the Land Registry any and all of the following, at any time
 - (i) a form AP1 (*application to change the register*) in respect of the security created by this Deed,
 - (ii) a form AN1 (*application to enter an agreed notice*) in respect of the security created by this Deed,

- (iii) a form RX1 (*application to register a restriction*) in the following terms

"No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date] in favour of [Chargee] referred to on the charges register or their conveyancer", and

- (iv) a form CH2 (*application to enter an obligation to make further advances*), and

- (b) covenants to submit an application to the appropriate Land Registry for the first registration of any unregistered Land in England and Wales mortgaged by Clause 3.2 (*Fixed security*) at its own expense, promptly following its execution of this Deed

4 TITLE DOCUMENTS, INSURANCE POLICIES AND TRANSFERS

- 4.1 **Documents** Subject to the rights of any prior chargee and except as otherwise expressly agreed in writing by the Security Agent, the Chargor shall deposit with the Security Agent, and the Security Agent shall be entitled to retain during the continuance of the security created by this Deed, all deeds and documents of title relating to all its Fixed Security Assets, including certificates of registration

4.2 Insurance

- (a) The Chargor shall
- (i) maintain at all times insurance policies which comply with Clause 23.9 (*Property Insurance*) of the Facilities Agreement and comply with the terms of all such insurance policies, including any stipulations or restrictions as to use or operation of any asset, and shall not do or permit anything which may make any insurance policy void or voidable, and
 - (ii) make notifications to insurers of any claims or prospective claims in accordance with the provisions of the relevant insurance policy
- (b) If any default shall at any time be made in effecting or maintaining insurance required by this Clause or otherwise in complying with Clause 23.9 (*Property Insurance*) of the Facilities Agreement, the Security Agent may effect any insurance and generally do such things and take such other action as the Security Agent may reasonably consider necessary or desirable to prevent or remedy any breach of this clause and all money expended by the Security Agent under this provision shall be recoverable by the Security Agent under Clause 20 (*Costs, Expenses and Liabilities*)
- (c) The Chargor shall procure that its insurance broker undertakes in writing to the Security Agent that it will promptly notify the Security Agent if it becomes aware of any intention of an insurer to avoid, cancel or terminate any insurance

5 RECEIVABLES

- 5.1 **No derogation** The Chargor shall not purport, without the Security Agent's prior written consent, to charge, factor, discount, assign, postpone, subordinate, release or waive its rights in respect of any Receivable in favour of any person or do or omit to do anything which might delay or prejudice its full recovery

- 5.2 **Information:** The Chargor shall deliver to the Security Agent such particulars as to the amount and nature of its Receivables as the Security Agent may from time to time reasonably require

6 NEGATIVE PLEDGE AND OTHER RESTRICTIONS

- (a) The Chargor shall not, without the prior written consent of the Security Agent (and with the exception of Security permitted under Clause 22.3 (*Negative pledge*) of the Facilities Agreement
- (i) create, or agree or attempt to create, or permit to subsist, any Security or any trust over any of its Assets, or
 - (ii) sell, assign, lease, license or sub-license, or grant any interest in, any of its Fixed Security Assets, or part with possession or ownership of them, or purport or agree to do so
- (b) Pursuant to the terms of the Facilities Agreement the Chargor may,
- (i)
 - (1) grant any licence or right to use or occupy any part of its Land, and
 - (2) consent to any sublease of any tenant's interest under any Lease Document,
 - (3) grant or agree to grant a new Occupational Lease pursuant to an Agreement for Lease permitted under paragraph (ii)(1) below,
 - (4) exercise a right to extend any Lease Document where such extension is required pursuant to, and exercised in accordance with, the provisions of the Landlord and Tenant Act 1954, and
 - (5) agree to an amendment of a Lease Document provided that such amendment does not result in either a reduction of the term of such Occupational Lease or a reduction of more than 10% in the amount of rent payable under such Lease Document
 - (ii) in addition to the permissions under paragraph (b) (i) above in respect of any Land provided that either (x) the tenant under the relevant Lease Document (or any new, substituted, supplemental or replacement Lease Document) is and remains a member of the Group (other than BHS Group Limited or any Subsidiary of BHS Group Limited) with substantially the same financial standing as the tenant as at the date of this Debenture, and ~~the terms of the relevant Lease Document (or any new, substituted, supplemental or replacement Lease Document)~~ remain substantially the same as the Lease Document in place in respect of that Property on the date of this Agreement or (y) the annual rent payable under the relevant Lease Document is not more than £50,000, or (z) this Deed does not create or purport to create Security in respect of such Land
 - (1) enter into an Agreement for Lease,
 - (2) grant or agree to grant a new Occupational Lease,
 - (3) agree to an extension in respect of a Lease Document

- (4) exercise its right to extend a Lease Document,
 - (5) consent to an assignment or assignation of a tenant's interest under a Lease Document,
 - (6) agree to a change of use under, or rent review in respect of, a Lease Document, and
 - (7) serve notice on any former tenant under any Lease Document (or on any guarantor of that former tenant) which would entitle it to a new lease or tenancy,
- (iii) in addition to the permissions under paragraphs (b)(i) and (b)(ii) above in respect of any Land provided that either (x) the annual rent payable under the relevant Lease Document is not more than £50,000 or (y) this Deed does not create or purport to create Security in respect of such Land
- (1) agree to an amendment, supplement, waiver, surrender, renunciation or release in respect of a Lease Document,
 - (2) exercise its right to break, determine or terminate a Lease Document, and
 - (3) commence forfeiture, cancellation or irritancy proceedings in respect of a Lease Document, and
- (iv) in addition to the permissions under paragraphs (b)(i), (b)(ii) and (b)(iii) above sell or assign or part with possession or ownership of any Land in respect of which this Deed does not create or purport to create Security

7 FURTHER ASSURANCE

- (a) The Chargor shall promptly do all such acts and execute all such documents (including assignments, assignations, transfers, mortgages, standard securities, charges, notices, forms and instructions) as the Security Agent may reasonably specify and in such form as the Security Agent may reasonably require (in favour of the Security Agent or its Nominee) in order to
- (i) perfect, protect or enhance the Security created or intended to be created by this Deed (which may include the execution of a mortgage, charge, assignment, transfer, notice, instruction or other Security over all or any of the Assets which are, or are intended to be, the subject of the Security constituted by this Deed) or for the exercise of any rights, powers and remedies of any Beneficiary provided by this Deed or by law, and/or
 - (ii) facilitate the realisation of the Assets subject to the Security conferred or intended to be conferred by this Deed or the exercise of any rights vested in the Security Agent, any Receiver or Nominee, including executing any transfer, conveyance, charge, assignment, assignation or assurance of all or any of the Assets which are the subject of the Security constituted by this Deed, making any registration and giving any notice, order or instructions
- (b) The Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be

conferred on the Security Agent or the Beneficiaries by or pursuant to this Deed Without prejudice to the generality of this Clause 7, at the request of the Security Agent, the Chargor will promptly execute a legal mortgage, charge or assignment over any of the Assets subject to or intended to be subject to any fixed security created by this Deed in favour of the Security Agent in such form as the Security Agent may reasonably require

8 CONTINUING SECURITY

This Deed shall be a continuing security for the Beneficiaries, notwithstanding any intermediate payment or settlement of accounts or other matter whatever, and shall be in addition to and shall not prejudice or be prejudiced by any right of set-off, combination, lien or other rights exercisable by any Beneficiary as banker against the Chargor or any security, guarantee, indemnity and/or negotiable instrument now or in the future held by any Beneficiary

9 LAND

9 1 Preservation of Security

The Chargor shall not, without the prior written consent of the Security Agent or except as permitted by the Facilities Agreement, take any action or permit any action to be taken, or omit to do so, if any such action or omission would be reasonably likely to

- (a) materially adversely affect the value of its Land, or
- (b) adversely affect the value of the Security constituted by this Deed over it

9 2 Consolidation of Mortgages Section 93 of the Law of Property Act 1925, dealing with the consolidation of mortgages, shall not apply to this Deed

10 OPENING OF NEW ACCOUNTS

10 1 Creation of new account On receiving notice that the Chargor has granted Security over or otherwise encumbered or disposed of any of its Assets in contravention of any Finance Document, a Beneficiary may rule off all its accounts and open new accounts with the Chargor

10 2 Credits to new account. If a Beneficiary does not open a new account immediately on receipt of such notice, it shall nevertheless be treated as if it had done so on that day From that day, all payments made by the Chargor to that Beneficiary shall be treated as having been credited to a new account and shall not operate to reduce the amount owing from the Chargor to such Beneficiary at the time when it received such notice

11 POWERS OF SALE, LEASING AND ACCEPTING SURRENDERS

11 1 Section 103 of the LPA Section 103 of the Law of Property Act 1925 shall not apply to this Deed, and the statutory power of sale shall arise on, and be exercisable at any time after, the execution of this Deed However, the Security Agent shall not exercise such power of sale until this Deed has become enforceable

11 2 Powers of sale extended The statutory powers of sale, leasing and accepting surrenders exercisable by the Security Agent by virtue of this Deed are extended so as to authorise the Security Agent (whether in its own name or that of the Chargor concerned) to

- (a) grant a lease of any Land vested in the Chargor or in which it has an interest on such terms and conditions as the Security Agent shall think fit, and
- (b) sever any fixtures from Land vested in the Chargor and sell them separately

12 APPOINTMENT OF A RECEIVER

12.1 Appointment At any time after

- (a) the occurrence of a Declared Default,
- (b) a step or proceeding is taken for the appointment of an administrator, liquidator or provisional liquidator in relation to the Chargor,
- (c) notices to creditors are sent out under section 98 of the Insolvency Act 1986 in relation to the Chargor,
- (d) a proposal is made in relation to the Chargor for a voluntary arrangement under Part I of the Insolvency Act 1986,
- (e) a step or proceeding is taken in relation to the Chargor with a view to seeking a moratorium, or
- (f) a request has been made by the Company and/or the Chargor to the Security Agent for the appointment of a Receiver or an administrator over its Assets or in respect of the Chargor,

then this Deed shall become enforceable and, notwithstanding the terms of any other agreement between the Chargor and any Beneficiary, the Security Agent may (unless precluded by law) appoint in writing any person or persons to be a receiver and manager or receivers and managers of all or any part of the Fixed Security Assets of the Chargor as the Security Agent may choose in its entire discretion

12.2 Power to act separately Where more than one Receiver is appointed, the appointees shall have power to act separately unless the Security Agent shall specify to the contrary

12.3 Receiver's remuneration The Security Agent may from time to time determine the remuneration of a Receiver

12.4 Removal of Receiver: The Security Agent may (subject to section 45 of the Insolvency Act 1986) remove a Receiver from all or any of the Fixed Security Assets of which he is the Receiver

12.5 Further appointments of a Receiver: Such an appointment of a Receiver shall not preclude

- (a) the Security Agent from making any subsequent appointment of a Receiver over all or any Fixed Security Assets over which a Receiver has not previously been appointed or has ceased to act, or
- (b) the appointment of an additional Receiver to act while the first Receiver continues to act

12.6 Receiver's agency The Receiver shall be the agent of the Chargor (which shall be solely liable for his acts, defaults and remuneration) unless and until the Chargor goes into liquidation, after which time he shall act as principal and shall not become the agent of the Security Agent or any other Beneficiary

13 POWERS OF A RECEIVER

The Receiver may exercise, in relation to the Chargor over whose Assets he is appointed, all the powers, rights and discretions set out in Schedules 1 and 2 to the Insolvency Act 1986 and in particular, by way of addition to and without limiting such powers, the Receiver may, with or without the concurrence of others

- (a) sell, lease, let, license, grant options over and vary the terms of, terminate or accept surrenders of leases, licences or tenancies of, all or any of the Fixed Security Assets of the Chargor, without the need to observe any of the provisions of Sections 99 and 100 of the Law of Property Act 1925, in such manner and generally on such terms and conditions as he shall think fit in his absolute and unfettered discretion and any such sale or disposition may be for cash, investments or other valuable consideration (in each case payable in a lump sum or by instalments) and carry any such transactions into effect in the name of and on behalf of the Chargor,
- (b) promote the formation of a Subsidiary of the Chargor with a view to such Subsidiary purchasing, leasing, licensing or otherwise acquiring interests in all or any of the Fixed Security Assets of the Chargor,
- (c) sever any fixtures from Land and/or sell them separately,
- (d) arrange for the purchase, lease, licence or acquisition of all or any Fixed Security Assets of the Chargor by any Subsidiary contemplated by paragraph (b) above on a basis whereby the consideration may be for cash, investments, shares of profits or sums calculated by reference to profits or turnover or royalties or licence fees or otherwise, whether or not secured on the assets of such Subsidiary and whether or not such consideration is payable or receivable in a lump sum or by instalments over such period as the Receiver may think fit,
- (e) make any arrangement or compromise with any Beneficiary or others as he shall think fit,
- (f) make and effect all repairs, renewals and improvements to the Fixed Security Assets of the Chargor and effect, renew or increase insurances on such terms and against such risks as he shall think fit,
- (g) appoint managers, officers and agents for the above purposes at such remuneration as the Receiver may determine,
- (h) redeem any prior encumbrance and settle and pass the accounts of the encumbrancer and any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor and the money so paid shall be deemed an expense properly incurred by the Receiver,
- (i) pay the proper administrative charges of any Beneficiaries in respect of time spent by their agents and employees in dealing with matters raised by the Receiver or relating to the receivership of the Chargor,
- (j) commence and/or complete any building operations upon any Land of the Chargor subject to Security under this Deed and apply for and obtain any planning permissions, building regulation consents or licences, in each case as he may in his absolute discretion think fit, and

- (k) do all such other acts and things as may be considered by the Receiver to be incidental or conducive to any of the above matters or powers or otherwise incidental or conducive to the preservation, improvement or realisation of the relevant Fixed Security Assets

14 POWER OF ATTORNEY

- 14 1 Appointment of attorney:** The Chargor, by way of security and to more fully secure the performance of its obligations under this Deed, hereby irrevocably appoints the Security Agent (whether or not a Receiver has been appointed) and separately any Nominee, and/or Receiver to be its attorney (with full power to appoint substitutes and to delegate) with power in its name and on its behalf, and as its act and deed or otherwise to

- (a) do anything which that Chargor is obliged to do (but has not done) in accordance with this Deed, including to execute and deliver and otherwise perfect any agreement, assurance, deed, instrument or document,
- (b) enable the Security Agent or any such Nominee and/or Receiver to exercise (or to delegate) all or any of the rights conferred on it by this Deed or by statute in relation to this Deed or the Assets charged, or purported to be charged, by it

- 14 2 Ratification** The Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to his appointment under this clause

- 14 3 Sums recoverable** All sums expended by the Security Agent, Nominee and/or any Receiver acting in accordance with this Clause 14 shall be recoverable from the Chargor under Clause 20 (*Costs, expenses and liabilities*)

15 OTHER POWERS EXERCISABLE BY THE SECURITY AGENT

- 15 1 Receiver's powers** All powers of a Receiver conferred by this Deed may be exercised by the Security Agent after this Deed has become enforceable. In that event, paragraph (h) of Clause 13 (*Powers of Receiver*) shall be read and construed as if the words "be charged on the Fixed Security Assets of the Chargor" were substituted for the words "be deemed an expense properly incurred by the Receiver"

- 15 2 Receipt of debts** The Security Agent, its Nominee or any manager, officer or agent of the Security Agent is hereby irrevocably empowered to

- (a) receive all debts and claims which may be assigned to the Security Agent pursuant to this Deed and/or Clause 7 (*Further assurance*),
- (b) on payment give an effectual discharge for them and on non-payment to take and institute (if the Security Agent in its sole discretion so decides) all steps and proceedings either in the name of the Chargor or in the name of the Security Agent for their recovery, and
- (c) agree accounts and make allowances and give time to any surety

The Chargor ratifies and confirms whatever the Security Agent or any manager or officer of the Security Agent shall do or purport to do in accordance with this clause

- 15 3 Security Agent's powers** The Security Agent shall have no liability or responsibility to the Chargor arising out of the exercise or non-exercise of the powers conferred on it by this Clause 15, except for gross negligence or wilful default

- 15 4 **No duty of enquiry.** The Security Agent need not enquire as to the sufficiency of any sums received by it in respect of any debt or claim or make any claim or take any other action to collect in or enforce them
- 16 **APPLICATION OF MONEY RECEIVED BY THE SECURITY AGENT OR A RECEIVER**
- 16 1 **Order of priority.** Any money received or realised under the powers conferred by this Deed shall be paid or applied in the following order of priority, subject to the discharge of any prior-ranking claims
- (a) in or towards satisfaction of the Secured Sums in the manner applicable under the terms of the Facilities Agreement, and
 - (b) as to the surplus (if any), to the Chargor or other persons entitled to it
- 16 2 **Suspense account.** Until all the Secured Sums have been unconditionally and irrevocably paid and discharged in full, the Security Agent may place and keep to the credit of a suspense account any money received from or realised in respect of the Chargor's liability under this Deed. The Security Agent shall have no intermediate obligation to apply such money in or towards the discharge of any of the Secured Sums. Amounts standing to the credit of any such suspense account shall bear interest at a rate considered by the Security Agent in good faith to be a fair market rate
- 16 3 **Discretion to apply.** Until all Secured Sums have been unconditionally and irrevocably paid and discharged in full, the Security Agent may refrain from applying or enforcing any other moneys, security or rights held by it in respect of the Secured Sums or may apply and enforce such moneys, security or rights in such manner and in such order as it shall decide in its unfettered discretion
- 17 **PROTECTION OF THIRD PARTIES**
- 17 1 **No duty to enquire.** No purchaser from, or other person dealing with, the Security Agent or any Nominee or Receiver appointed under this Deed shall be concerned to enquire whether any of the powers which the Security Agent has exercised or purported to exercise has arisen or become exercisable, or whether this Deed has become enforceable, or whether any Nominee, Receiver has been validly appointed, or whether any event or cause has happened to authorise the Security Agent, any Nominee, or a Receiver to act or as to the propriety or validity of the exercise or purported exercise of any such power, and the title of such a purchaser and the position of such a person shall not be impeachable by reference to any of those matters
- 17 2 **Receipt.** The receipt of the Security Agent shall be an absolute and a conclusive discharge to a purchaser and shall relieve him of any obligation to see to the application of any money paid to or by the direction of the Security Agent
-
- 18 **PROTECTION OF THE SECURITY AGENT, ANY NOMINEE, AND RECEIVER**
- 18 1 **Limitation.** Neither the Security Agent nor any Nominee, nor Receiver shall be liable in respect of any Liability which arises out of the exercise or the purported exercise of, or the failure to exercise, any of their respective powers under or by virtue of this Deed, except if and in so far as such Liability results from its own gross negligence or wilful default
- 18 2 **Entry into possession.** Without prejudice to the generality of Clause 18 1 (*Limitation*), neither the Security Agent nor any Nominee, nor Receiver shall be liable to account as mortgagee or heritable creditor in possession or otherwise for any sum not actually received by it or him respectively. If and whenever the Security Agent any Nominee

enters into possession of any Fixed Security Assets, it shall be entitled at any time at its discretion to go out of possession

19 SECURITY AGENT

19 1 Security Agent as trustee: The Security Agent declares and acknowledges itself to be a trustee of this Deed (and any other Security created in its favour pursuant to this Deed) for the Beneficiaries. The retirement of the person for the time being acting as Security Agent and the appointment of a successor shall be effected in the manner provided for in the Facilities Agreement

19 2 Trustee Act 2000 The Parties agree that the Security Agent shall not be subject to the duty of care imposed on trustees by the Trustee Act 2000

19 3 No partnership Nothing in this Deed shall constitute or be deemed to constitute a partnership between any of the Beneficiaries and the Security Agent

20 COSTS, EXPENSES AND LIABILITIES

20 1 Costs and expenses The Chargor will, promptly on the Security Agent's written demand from time to time, reimburse the Security Agent for all costs and expenses (including legal fees) on a full indemnity basis, together with VAT thereon, reasonably incurred by it in connection with

(a) the negotiation, preparation and execution of this Deed, and

(b) the completion of the transactions and perfection of the Security contemplated in this Deed in Clause 7 (*Further Assurance*)

20 2 Enforcement costs The Chargor will, within three Business Days of the Security Agent's written demand, pay to the Security Agent, for each Beneficiary on a full indemnity basis, the amount of all costs and expenses (including legal, valuation, accountancy and consultancy fees and disbursements and out-of-pocket expenses), and any VAT thereon, incurred by the Security Agent and/or any other Beneficiary in connection with the exercise, enforcement and/or preservation of any of its rights under this Deed (or any of the documents contemplated by such document) or any proceedings instituted by or against the Security Agent, in any jurisdiction

20 3 Indemnity for Liabilities The Chargor shall also, within three Business Days of the Security Agent's written demand, reimburse or pay to the Security Agent, its employees or agents and any Nominee, on demand (on the basis of a full indemnity) the amount of all Liabilities incurred by the Security Agent, its employees or agents (otherwise than by reason of the gross negligence or wilful misconduct of the Security Agent, its employees or agents), in connection with

(a) any default or delay by the Chargor in the performance of any of its obligations under this Deed,

(b) the exercise, or the attempted or purported exercise, by or on behalf of the Security Agent of any of its powers or any other action taken by or on behalf of the Security Agent with a view to or in connection with the recovery of the Secured Sums, the enforcement of the Security created by this Deed or for any other purpose contemplated in this Deed, and

- (c) the carrying out or consideration of any other act or matter which the Security Agent may consider to be conducive after the occurrence of an Event of Default to the preservation, improvement or benefit of any Fixed Security Asset

21 INTEREST ON OVERDUE AMOUNTS

- (a) Any amount not paid in accordance with this Deed when due shall (subject to paragraph (b) below) carry interest at the rate and in accordance with the terms contained in the relevant Finance Document in relation to overdue sums or at such other rate as may be agreed between the Chargor and Beneficiary from time to time. In each case, interest shall accrue on a day to day basis until the date of irrevocable and unconditional repayment in full and, if unpaid, shall be compounded on the terms so agreed or (in the absence of such agreed terms) with quarterly rests on the Security Agent's usual quarterly interest days. Interest shall continue to be charged and compounded on this basis after as well as before any demand or judgment.
- (b) Paragraph (a) above shall not apply to the extent that default interest on such amount for such period is charged pursuant to the relevant Finance Document and itself constitutes part of the Secured Sums.

22 SET-OFF

After the occurrence of an Event of Default, a Beneficiary may (but is not obliged to) retain any money standing to the credit of the Chargor with such Beneficiary in any currency upon any account or otherwise (whether or not in the Chargor's name) as cover for any Secured Sums and/or at any time or times without notice to the Chargor combine or consolidate all or any of such money with all or such part of the Secured Sums due or owing by it as such Beneficiary may select and such Beneficiary may purchase with any such money any other currency required to effect such combination or consolidation.

23 TRANSFER BY A BENEFICIARY

- (a) Any Beneficiary may at any time assign and transfer all or any of its rights in relation to this Deed to any person to whom it is permitted to transfer any of its rights under the relevant Finance Documents or otherwise grant an interest in them to any person.
- (b) The Security Agent may assign and transfer all of its rights and obligations under this Deed to any replacement Security Agent appointed in accordance with the Facilities Agreement. Upon such assignment and transfer becoming effective, the replacement Security Agent shall be, and be deemed to be, acting as agent and trustee for each of the Beneficiaries (including itself) for the purposes of this Deed in replacement of the previous Security Agent.

24 RELEASE OF SECURITY

24.1 Redemption Subject to Clause 24.2 (*Avoidance of Payments*), if either

- (a) all Secured Sums have been unconditionally and irrevocably paid in full and none of the Beneficiaries are under any further actual or contingent liability to make advance or provide other financial accommodation to any person under any Finance Document, or
- (b) all Fixed Security Assets have been transferred as contemplated in paragraph (ix) of Clause 22.4 (*Disposals*) of the Facilities Agreement,

the Security Agent must (at the request and cost of the Chargor), execute and do all such reasonable acts as may be necessary to release the Assets from the Security constituted by this Deed. Such release shall not prejudice the rights of the Security Agent under Clause 20 (*Costs, Expenses and Liabilities*)

- 24.2 **Avoidance of Payments** If the Security Agent considers in good faith that any amount received in payment or purported payment of the Secured Sums is capable of being avoided or reduced by virtue of any insolvency, bankruptcy, liquidation or other similar laws, the liability of the Chargor under this Deed and the Security constituted by this Deed shall continue and such amount shall not be considered to have been irrevocably paid

25 **THIRD PARTY RIGHTS**

- 25.1 **Directly enforceable rights** Pursuant to the Contracts (Rights of Third Parties) Act 1999

- (a) the provisions of Clause 22 (*Set-off*), and Clause 23 (*Transfer by a Beneficiary*) shall be directly enforceable by a Beneficiary,
- (b) the provisions of Clause 12 (*Appointment of a Receiver*) to Clause 18 (*Protection of the Security Agent, any Nominee, and Receiver*) inclusive shall be directly enforceable by any Nominee or Receiver, and
- (c) the provisions of Clause 17 (*Protection of third parties*) shall be directly enforceable by any purchaser

- 25.2 **Exclusion of Contracts (Rights of Third Parties) Act 1999** Save as otherwise expressly provided in Clause 25.1 (*Directly enforceable rights*), no person other than a Party shall have any right by virtue of either the Contracts (Rights of Third Parties) Act 1999 or any other provision of English law under which rights might accrue to persons other than a party, to enforce any term (express or implied) of this Deed

- 25.3 **Rights of the Parties to vary** The Chargor and the Security Agent (on behalf of the Beneficiaries) may by agreement vary any term of this Deed (including this Clause 25) without the necessity of obtaining any consent from any other person

26 **FORBEARANCE, SEVERABILITY, VARIATIONS AND CONSENTS**

- 26.1 **Delay etc** All rights, powers and privileges under this Deed shall continue in full force and effect, regardless of any Beneficiary or any Nominee or Receiver exercising, delaying in exercising or omitting to exercise any of them

- 26.2 **Severability** No provision of this Deed shall be avoided or invalidated by reason only of one or more other provisions being invalid or unenforceable

- 26.3 **Illegality, invalidity, unenforceability** Any provision of this Deed which is or becomes illegal, invalid or unenforceable shall be ineffective only to the extent of such illegality, invalidity and unenforceability, without invalidating the remaining provisions of this Deed

- 26.4 **Variations** No variation of this Deed shall be valid and constitute part of this Deed, unless such variation shall have been made in writing and signed by the Security Agent (on behalf of the Beneficiaries) and the Chargor

- 26.5 **Consents** Save as otherwise expressly specified in this Deed, any consent of the Security Agent may be given absolutely or on any terms and subject to any conditions as the Security Agent may determine in its entire discretion

27 COUNTERPARTS

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

28 NOTICES

28 1 Communications in writing Any communication to be made under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made by fax or letter

28 2 Addresses The address and fax number (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 Deed is

- (a) in the case of the Chargor, set out in Schedule 1 (*The Chargor*), and
- (b) in the case of the Security Agent, that identified with its name at the end of this Deed,

or any substitute address, fax number or department or officer as the Chargor may notify to the Security Agent (or the Security Agent may notify to the Chargor if a change is made by the Security Agent) by not less than five Business Days' notice

28 3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective

- (i) if by way of fax, when received in legible form, or
- (ii) if by way of letter, when it has been left at the relevant address or five 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 28 2 (*Addresses*), if addressed to that department or officer

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

28 4 Electronic Mail Notices under this Deed may not be served by electronic mail or other electronic means of communication, other than facsimile

28 5 Notification of Change Promptly upon receipt of notification of an address or fax number or change of address or fax number pursuant to Clause 28 2 (*Addresses*) or changing its own address or fax number, the Security Agent shall notify the other parties

29 SECURITY AGENT

The provisions of Clause 28 (*The Security Agent*) and Clause 39 (*Amendments and Waivers*) of the Facilities Agreement shall apply to the Security Agent's rights, obligations and duties under this Deed as if set out in this Deed in full

30 GOVERNING LAW

This Deed and all non-contractual obligations arising in any way whatsoever out of or in connection with this Deed shall be governed by, construed and take effect in accordance with English law

31 ENFORCEMENT

31.1 Jurisdiction

- (a) The courts of England shall have exclusive jurisdiction to settle any claim, dispute or matter of difference which may arise in any way whatsoever out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any claim for set-off) or the legal relationships established by this Deed (a "Dispute"), only where such Dispute is the subject of proceedings commenced by the Chargor
- (b) Where a Dispute is the subject of proceedings commenced by one or more Beneficiaries, the Beneficiaries are entitled to bring such proceedings in any court or courts of competent jurisdiction (including but not limited to the courts of England) If the Chargor raises a counter-claim in the context of proceedings commenced by one or more of the Beneficiaries, the Chargor shall bring such counter-claim before the court seized of the Beneficiary's claim and no other court
- (c) The commencement of legal proceedings in one or more jurisdictions shall not, to the extent allowed by law, preclude any Beneficiary from commencing legal actions or proceedings in any other jurisdiction, whether concurrently or not
- (d) To the extent allowed by law, the Chargor irrevocably waives any objection it may now or hereafter have on any grounds whatsoever to the laying of venue of any legal proceeding, and any claim it may now or hereafter have that any such legal proceeding has been brought in an inappropriate or inconvenient forum

THIS DEED has been executed by the Chargor as a deed and signed by the Security Agent and it shall take effect on the date stated at the beginning of this document

SCHEDULE 1

THE CHARGOR

Name of Chargor	Registered Number	Address for service and fax number
Arcadia Group Limited	00237511	Colgrave House 70 Berners Street London W1T 3NL Fax 02076373586

SCHEDULE 2

THE MORTGAGED PROPERTY

Registered land

	Description of Property	Title Number
33	3 Bank Buildings, Queen's road	HT4570
	4 Bank Buildings, Station road, Hastings	HT18049
38	10,12 and 14 Bridge Street and 1 Central Avenue, Worksop	NT161049

Unregistered land subject to first registration upon the execution of this Deed

The freehold property known as 38 High Street Kettering

The freehold property known as 16-18 High Street and 2-4 Neville Street, Abergavenny

The freehold property known as 19 to 22 Market Street, Loughborough

The freehold property known as 53 High Street, Huntingdon

The freehold property known as 233/235 High Street, Bangor

Unregistered land not subject to first registration upon the execution of this Deed

- • None at the date of this Debenture

The address for service of the Security Agent in the case of registered land is Bank of Scotland plc, 10 Gresham Street, London EC2V 7AE marked for the attention of Paul Morales

SCHEDULE 3

PART 1

FORM OF NOTICE OF CHARGE IN RESPECT OF OCCUPATIONAL LEASES

To [*Tenant]

 [address]

From Arcadia Group Limited

Dated

Dear Sirs

Property [*]**

- 1 We write to give you notice that by a Deed (the "Deed") dated [***] executed by us in favour of Bank of Scotland plc (the "Security Agent") we have assigned and charged by way of fixed charge to the Security Agent all present and future rents, profits, income, fees and other sums whatsoever (the "Rental Income") payable to us under all agreements for lease, leases, underleases, tenancy agreements and licences (the "Leases") to which the above property is subject, including that with yourselves
- 2 You are hereby irrevocably and unconditionally instructed, at any time after the Security Agent has notified you that an Event of Default has occurred and is continuing under the Facilities Agreement (as defined in the Deed), to
 - (a) pay all Rental Income as and when it becomes due and payable under your Leases to the account no [***] in the name of [***], [***branch***], [***sort code***] (the "Designated Account") or to such other account as the Security Agent may from time to time require, and
 - (b) disclose to the Security Agent all such information as it may require from time to time in connection with the above property, the Leases and the Rental Income (provided a copy of such information is also sent to us at the same time), without further authority from us and without any obligation by you to enquire as to the purpose or justification for such disclosure
- 3 This notice and the instructions and authorisations herein contained are irrevocable and may not be amended, supplemented or withdrawn without the express prior written consent of the Security Agent
- 4 This letter and all non-contractual obligations arising in any way whatsoever out of or in connection with this letter shall be governed by and construed in accordance with English law
- 5 Please confirm your acknowledgement of this Notice by signing the acknowledgements set out at the foot of the enclosed duplicate hereof and by returning the same to Hogan Lovells International LLP at Atlantic House, London EC1A 2FG (Ref F3SJB/EMK/19558 09909) and to Bank of Scotland plc, 10 Gresham Street, London EC2V 7AE marked for the attention of Paul Morales

Signed

[on copy]

ACKNOWLEDGEMENT

To Hogan Lovells International LLP
Atlantic House
London EC1A 2FG
Ref F3SJB/EMK/19558 09909

To Bank of Scotland plc
10 Gresham Street
London EC2V 7AE
For the attention of Paul Morales

Dear Sirs

Property: [*]**

- 1 We hereby acknowledge receipt of a letter dated [***] addressed to us by Arcadia Group Limited (the "Chargor") (a copy of which is attached) Expressions defined in the attached letter shall have the same meanings herein
- 2 We confirm our acceptance of the instructions and authorisations contained in that letter and we undertake to you to act in accordance with and to comply with those instructions In particular, we undertake that we shall, forthwith upon receipt of a notice from the Security Agent that an Event of Default has occurred and is continuing under the Facilities Agreement (as defined in the Deed) pay all sums in respect of the Rental Income to the Designated Account, or to such account as you may from time to time require, until we receive your written instructions to the contrary All such sums shall be paid in full, free and clear of any claims, demands or rights of set-off, and without any deductions or withholdings of any nature whatsoever
- 3 We acknowledge that the Rental Income will be treated as assigned to you by way of fixed charge pursuant to the terms of the Deed
- 4 We confirm that we have not received any notice that any third party has or will have any right or interest in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Lease

This letter is governed by English law

Yours faithfully

For and on behalf of
[*Tenant*]

PART 2
FORM OF NOTICE TO INSURER

To [*name of Insurer*]
 [*address*]

Copy to Bank of Scotland plc
 10 Gresham Street
 London EC2V 7AE

Attn Paul Morales

Date [***]

Dear Sirs

[*Description of Deed***]**

We write to give you notice that by a Deed (the "Deed") dated [***] executed by us in favour of Bank of Scotland plc (the "Security Agent") we have assigned and charged by way of fixed charge to the Security Agent all amounts payable to us under or in connection with the policies described below (the "Policies"), all our rights in connection with those amounts,

- (a) [***Name of insurer***]
- (i) Policy Number [***]

We irrevocably authorise and instruct you to

- 1 disclose to the Security Agent without any reference to or further authority from us (and without any enquiry by you as to the justification for such disclosure), such information relating to the Policies as the Security Agent may at any time request,
- 2 ~~pay any sums from time to time due and payable by you under the Policies to the Security Agent in accordance with any written instructions given to you by the Security Agent from time to time,~~
- 3 comply with the terms of any notice or instructions relating to the Policies which you receive from the Security Agent (without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction), and
- 4 send copies of all notices issued under the Policies to the Security Agent as well as to us

Please note that we are and will remain liable to perform all the obligations assumed by us under the Policies and that neither the Security Agent, any Receiver nor any of their agents nor any other person will have any liability to you under the Policies

We are not permitted to agree any amendment or supplement to or to waive any term of the Policies or to terminate any Policy without the prior written consent of the Security Agent

The instructions in this notice may not be revoked or amended without the prior written consent of the Security Agent

This notice and all non-contractual obligations arising in any way whatsoever out of or in connection with this notice shall be governed by and construed in accordance with English law

Please confirm your acknowledgement of this Notice by signing the acknowledgements set out at the foot of the enclosed duplicate hereof and by returning the same to Hogan Lovells International LLP at Atlantic House, London EC1A 2FG (Ref F3SJB/EMK/19558 09909) and to Bank of Scotland plc, 10 Gresham Street, London EC2V 7AE marked for the attention of Paul Morales

Signed

for and on behalf of
Arcadia Group Limited

[on copy]

ACKNOWLEDGEMENT

To Hogan Lovells International LLP
Atlantic House
London EC1A 2FG
Ref F3SJB/EMK/19558 09909

To Bank of Scotland plc
10 Gresham Street
London
EC2V 7AE
For the attention of Paul Morales

Dear Sirs

[*Description of Deed***]**

We acknowledge receipt from Arcadia Group Limited (the "Chargor") of a notice dated [] (the "Notice") of an assignment (a copy of which is attached), pursuant to the terms of the Deed, of (i) all amounts payable to the Chargor under or in connection with the Policies, and (ii) all the Chargor's rights in connection with those amounts. All terms used in this letter have the same meaning as in the Notice.

We confirm that

- 1 we accept the instructions and authorisations contained in the Notice and undertake to act in accordance with and comply with the terms of the Notice,
- 2 we have not received notice of the creation of any other assignment of or any security over rights or proceeds arising under the Policies in favour of any third party or the creation of any other third party interest in those rights or proceeds,
- 3 we will give at least 30 days' notice to the Security Agent if we propose to repudiate, rescind or cancel any Policies, to treat them as avoided in whole or in part, to treat them as expired due to non-payment of premium or otherwise decline any valid claim under them by or on behalf of any insured party and must give the opportunity to rectify any such non-payment of premium within the notice period,
- 4 we will advise the Security Agent if the Chargor proposes to cancel any Policies, as soon as reasonably practicable after being informed of such cancellation,
- 5 we will promptly notify the Security Agent of any intention to avoid, cancel or terminate any insurance,
- 6 we agree that no term of the Policies may be amended, supplemented or waived without your prior written consent,

7. we agree to notify you if the Chargor breaches the terms of any Policy or otherwise gives us grounds to declare any Policy void or voidable and, where the breach is capable of being remedied, to allow you or your agents to remedy the relevant breach, and
8. we have not claimed or exercised, and have no outstanding right to claim or exercise, any right of set-off or counterclaim, or other right, in relation to any sum paid or payable under the Policy

This letter and all non-contractual obligations arising in any way whatsoever out of or in connection with this letter shall be governed by and construed in accordance with English law

Yours faithfully

For and on behalf of
[*name of Insurer*]

Dated

EXECUTION PAGE

THE CHARGOR

Executed and Delivered as a Deed by
Arcadia Group Limited (pursuant to a
resolution of its Board of Directors)
acting by a director in the
presence of

)
)
)
)
) Director

Witness signature

Witness name

Witness address

Witness occupation

[Redacted signature]

Richard Bushell

[Redacted address]

Accountant

THE SECURITY AGENT

Signed by
for and on behalf of
Bank of Scotland plc

)
)
) Authorised Signatory

Address details

10 Gresham Street

London EC2V 7AE

Attention Paul Morales

Fax 0207 1588 936

EXECUTION PAGE

THE CHARGOR

Executed and Delivered as a Deed by)
Arcadia Group Limited (pursuant to a)
resolution of its Board of Directors))
acting by a director in the)
presence of) Director

Witness signature

Witness name

Witness address

Witness occupation

THE SECURITY AGENT

Signed by)
for and on behalf of)
Bank of Scotland plc) Authorised Signatory

Address details

10 Gresham Street

London EC2V 7AE

Attention Paul Morales

Fax 0207 1588 936