



**Registration of a Charge**

Company name: **The Hamleys Group Limited**

Company number: **02352435**

Received for Electronic Filing: **29/12/2015**



X4NA4FQA

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**Details of Charge**

Date of creation: **17/12/2015**

Charge code: **0235 2435 0009**

Persons entitled: **BANK OF CHINA LIMITED, MACAU BRANCH**

Brief description: **N/A**

**Contains fixed charge(s).**

**Contains negative pledge.**

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**Authentication of Form**

This form was authorised by: **a person with an interest in the registration of the charge.**

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**Authentication of Instrument**

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT  
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION  
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **PAUL HIBBERT**



## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 2352435

Charge code: 0235 2435 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 17th December 2015 and created by The Hamleys Group Limited was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 29th December 2015 .

Given at Companies House, Cardiff on 30th December 2015

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



**Companies House**



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

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**SECURITY OVER SHARES DEED**

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dated 17 December 2015

by

**THE CHARGORS IDENTIFIED HEREIN**

as Chargors

in favour of

**BANK OF CHINA LIMITED, MACAU BRANCH**

as Offshore Security Agent

Certified to be a true copy of the original  
Baker & McKenzie LLP  
100 New Bridge Street  
London EC4V 6JA

*Baker & McKenzie LLP*  
*29 December 2015*

**BAKER & MCKENZIE**

Baker & McKenzie LLP  
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THIS DEED is made on 17 December 2015 by:

- (1) **EACH OF THE CHARGORS LISTED IN SCHEDULE 1** (each a "Chargor" and together the "Chargors")

**IN FAVOUR OF**

- (2) **BANK OF CHINA LIMITED, MACAU BRANCH** on its own behalf and as security agent and trustee for the Secured Parties (as defined below) from time to time (the "Offshore Security Agent").

**IT IS AGREED as follows:**

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

Terms defined in the Facilities Agreement (as defined below) or, if not defined in the Facilities Agreement, in the Intercreditor Agreement (as defined in the Facilities Agreement) shall, unless otherwise defined in this Deed, have the same meanings when used in this Deed and in addition:

"**Company**" means each company whose Shares are charged pursuant to this Deed (further details of which are set out in Schedule 2 (*Details of Shares*)).

"**Collateral Rights**" means all rights, powers and remedies of the Offshore Security Agent provided by or pursuant to this Deed or by law.

"**Delegate**" means any person appointed pursuant to clause 14.2 (*Delegation by the Offshore Security Agent and Receiver*) and any person appointed as an attorney of the Offshore Security Agent and/or any Receiver.

"**Facilities Agreement**" means the GBP 80,000,000 facilities agreement dated 17 November 2015 and made between, amongst others, the C.Banner International Holdings Limited as the Borrower, the Original Guarantors (as defined therein), the Mandated Lead Arranger (as defined therein), the Original Lenders (as defined therein), the Agent (as defined therein), the Onshore Security Agent (as defined therein) and the Offshore Security Agent (as amended, restated, novated, varied, extended and/or supplemented from time to time).

"**IA**" means the Insolvency Act 1986.

"**LPA**" means the Law of Property Act 1925.

"**Party**" means a party to this Deed.

"**Receiver**" means a receiver or receiver and manager (whether appointed alone or jointly) or an administrative receiver of the whole or any part of the Secured Property.

"**Related Rights**" means, in relation to any asset:

- (a) the proceeds of sale of any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset;

- (d) any monies and proceeds paid or payable in respect of that asset,

and shall include, without limitation, all rights relating to any Shares which are deposited with or registered in the name of any trustee, fiduciary, depositary, custodian, nominee, clearing house or system, investment manager, chargee or other similar person or their nominee on behalf of the relevant Chargor (in each case whether or not on a fungible basis) (including all rights and claims against such person).

**"Secured Obligations"** means all the Liabilities and all other present and future liabilities and obligations at any time due, owing or incurred by any member of the Group and by each Debtor to any Secured Party under the Debt Documents both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity.

**"Secured Property"** means all the assets of each Chargor (including, without limitation, the Shares and the Related Rights) which from time to time are subject to the security created or expressed to be created in favour of the Offshore Security Agent by or pursuant to this Deed (and references to the Secured Property shall include references to any part of it).

**"Security Period"** means the period starting on the date of this Deed and ending on the date on which the Security created pursuant to this Deed is released in accordance with clause 19.1 (*Release*).

**"Shares"** means all of the shares listed in Schedule 2 (*Details of Shares*).

## 1.2 Interpretation

- (a) In this Deed:
- (i) the rules of interpretation contained in clauses 1.2 (*Construction*) and 1.3 (*Currency symbols and definitions*) of the Facilities Agreement, and to the extent not set out in the Facilities Agreement, clause 1.2 (*Construction*) of the Intercreditor Agreement shall apply to the construction of this Deed in so far as they are relevant; and
  - (ii) unless a contrary indication appears, any reference to any "Chargor", the "Offshore Security Agent" or any other person shall be construed so as to include its successors, permitted assigns and permitted transferees.
- (b) Clause and Schedule headings are for ease of reference only.
- (c) An Event of Default is "continuing" if it has not been remedied or waived.
- (d) The security created by or pursuant to this Deed, and the rights of the Offshore Security Agent under this Deed, shall be enforceable notwithstanding any change in the constitution of the Offshore Security Agent or its absorption into, or amalgamation with, any other person or the acquisition of all or any part of its undertaking by any other person.

## 1.3 Third Party Rights

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

## 1.4 Effect as a deed

This Deed shall take effect as a deed even if it is signed under hand on behalf of the Offshore Security Agent.

### **1.5 Intercreditor Agreement**

- (a) The provisions of the Intercreditor Agreement shall govern the rights, duties and obligations of the Offshore Security Agent under this Deed and the Offshore Security Agent holds the benefit of this Deed on trust for the Secured Parties in accordance therewith.
- (b) This Deed is subject to the Intercreditor Agreement and in the event of a conflict between the provisions of this Deed and the Intercreditor Agreement, the Intercreditor Agreement shall prevail.
- (c) This Deed is a Transaction Security Document (as defined in the Intercreditor Agreement).

## **2. COVENANT TO PAY**

Each Chargor covenants with the Offshore Security Agent and the other Secured Parties that it will pay and discharge the Secured Obligations on demand when the same becomes due and payable under the relevant Debt Documents.

## **3. CHARGING PROVISION**

Each Chargor charges with full title guarantee in favour of the Offshore Security Agent and as continuing security for the payment and discharge of the Secured Obligations, by way of first fixed charge all its right, title and interest from time to time in and to the Shares, all dividends, interest and other monies payable in respect of the Shares and all other Related Rights (whether derived by way of redemption, bonus, preference, option, substitution, conversion or otherwise).

## **4. PERFECTION OF SECURITY**

Each Chargor shall:

- (a) on the date of this Deed, deposit (or procure there to be deposited) with the Offshore Security Agent all certificates and other documents of title to the Shares, and stock transfer forms (executed in blank by or on behalf of the relevant Chargor) in respect of the Shares; and
- (b) promptly upon the accrual, offer or issue of any Related Rights (in the form of stocks, shares, warrants or other securities issued or offered to the holder of any Shares) in which the Chargor has a beneficial interest, procure the delivery to the Offshore Security Agent of:
  - (i) all certificates and other documents of title representing those Related Rights and
  - (ii) such stock transfer forms or other instruments of transfer (executed in blank by or on behalf of the Chargor) in respect of those Related Rights as the Offshore Security Agent may request.

## **5. FURTHER ASSURANCE**

### **5.1 General**

- (a) The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in sub-clause 5.1(b) below.

- (b) Each Chargor shall promptly, at its own expense, take whatever action the Offshore Security Agent may reasonably require for:
- (i) creating, perfecting or protecting any Security intended to be created by or pursuant to this Deed;
  - (ii) facilitating the realisation of any Secured Property; or
  - (iii) facilitating the exercise of any right, power or discretion exercisable by the Offshore Security Agent or any Delegate in respect of any Secured Property,
- which, in any such case, the Offshore Security Agent (acting reasonably) may think expedient.

## 5.2 Necessary Action

Each 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 Offshore Security Agent by or pursuant to this Deed.

## 5.3 Implied Covenants for Title

- (a) The covenants set out in Sections 3(1), 3(2), and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to clause 3 (*Charging provision*).
- (b) It shall be implied in respect of clause 3 (*Charging provision*) that each Chargor is disposing of the Secured Property free from all charges and encumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment) save for any encumbrance permitted by the terms of the Facilities Agreement.

## 6. REPRESENTATIONS AND WARRANTIES

### 6.1 Representations and Warranties

Each Chargor represents and warrants to the Offshore Security Agent on the date of this Deed that:

- (a) the particulars of the Shares set out in Schedule 2 (*Details of Shares*) are accurate and the Shares described in Schedule 2 (*Details of Shares*) constitute the entire issued share capital of each Company at the date hereof and all the Shares have been validly issued and are fully paid up;
- (b) subject to this Deed, each Chargor is the sole beneficial owner of the Shares and is the legal owner of all such Shares and each Chargor has good title thereto;
- (c) no Security exists over all or any part of the Shares (except as created under or pursuant to this Deed);
- (d) none of the Chargors has granted in favour of any other person (other than the Offshore Security Agent) any interest in or any option or other rights in respect of any of the Shares;



- (e) there are no duplicate copies of the certificates in respect of the Shares or other certificates representing the Shares which, in each case, constitute original copies or certificates; and
- (f) the Shares are fully paid up and there is no restriction in any of the constitutional documents of any Company or in any shareholders agreement or other agreement to which any Chargor is a party which, in each case, would affect the ability of the Offshore Security Agent to enforce the Security constituted by this Deed.

## **6.2 Repetition**

The representations and warranties set out in this clause 6 (other than under 6.1(a) or (d)) are deemed to be repeated by each Chargor on each date on which a Repeating Representation is made under the Finance Documents in each case, as if made with reference to the facts and circumstances existing on each such day.

## **7. NEGATIVE PLEDGE, DISPOSALS AND OTHER UNDERTAKINGS**

### **7.1 Negative Pledge**

Each Chargor undertakes that it shall not, at any time during the subsistence of this Deed create or permit to subsist any Security over all or any part of the Secured Property, except for Security created pursuant to this Deed.

### **7.2 No Disposal of Interests**

Each Chargor undertakes that it shall not at any time during the subsistence of this Deed unless expressly permitted pursuant to the Facility Agreement:

- (a) execute any conveyance, transfer, lease or assignment of, or other right to use or occupy, all or any part of the Secured Property;
- (b) create any legal or equitable estate or other proprietary interest in, or over, all or any part of the Secured Property, which, in each case, would materially and adversely affect the ability of the Offshore Security Agent to exercise any of the Collateral Rights; or
- (c) allow any person to become entitled to assert any proprietary interest in, or right over, the Secured Property, which, in each case, would materially and adversely affect the ability of the Offshore Security Agent to exercise any of the Collateral Rights,

except, in each case, in favour of the Offshore Security Agent or any Receiver pursuant to this Deed or with the prior written consent of the Offshore Security Agent (acting on the instructions of the Majority Senior Lenders).

### **7.3 Information**

Each Chargor shall from time to time on request of the Offshore Security Agent, furnish the Offshore Security Agent with such information as the Offshore Security Agent may reasonably require about the Secured Property and its compliance with the terms of this Deed and, following the occurrence of an Event of Default which is continuing, each Chargor shall permit the Offshore Security Agent, its representatives, professional advisers and contractors, free access at all reasonable times and on reasonable notice to inspect and take copies and extracts from the books, accounts and records of the Chargor.

#### 7.4 Other undertakings

Each Chargor undertakes and agrees with the Offshore Security Agent throughout the continuance of this Deed and so long as the Secured Obligations or any part thereof remains owing that it will, unless the Offshore Security Agent otherwise agrees in writing or as otherwise expressly permitted pursuant to the Facilities Agreement:

- (a) not grant in favour of any other person any interest in or any option or other rights in respect of any of the Shares which, in each case, would materially and adversely affect the ability of the Offshore Security Agent to exercise any of the Collateral Rights;
- (b) ensure that no person holding any of the Shares as its nominee for the time being does any of the acts prohibited in this clause 7;
- (c) at all times remain the beneficial owner of the Shares;
- (d) ensure that all of the Secured Property are and at all times remain free from any restriction on transfer or any other restriction under any agreement or its constitutional documents which is likely to adversely affect the ability to exercise by the Offshore Security Agent of its rights and entitlements hereunder and each Chargor shall if requested procure that the directors of the companies in which the Secured Property are held shall not refuse to register a duly stamped transfer of any share transfer presented to the board of directors of the such companies for registration pursuant to the power of sale under this Deed;
- (e) duly register or procure that the directors of each Company shall duly register all transfers of the Shares from time to time lodged with them by or on behalf of the Offshore Security Agent pursuant to the power of sale under this Deed and issue, and deliver to the Offshore Security Agent, a new certificate or certificates for the Shares in the name of the Offshore Security Agent or its nominee as soon as possible following receipt of such transfers;
- (f) punctually pay all calls or other payments due in respect of all or any part of the Shares;
- (g) at any time after the Security created by or pursuant to this Deed has become (and remains) enforceable, do or permit to be done every act or thing which the Offshore Security Agent may from time to time require for the purpose of enforcing the rights of the Offshore Security Agent hereunder;
- (h) not redeem the Shares or apply for redemption of the Shares;
- (i) not convert any of the Shares from certificated to un-certificated form and shall not at any time renounce or de-materialise any stocks, shares or other property distributed or offered by way of redemption, bonus, rights, preference or otherwise on, or in respect of, the Secured Property; or
- (i) not do or cause or permit to be done anything which would in any way jeopardise or otherwise prejudice the Offshore Security Agent's security hereunder.

#### 8. SHARES

##### 8.1 Shares: Before Enforcement

Unless the Security constituted by this Deed has become (and remains) enforceable, each Chargor shall be entitled to pay, receive and retain all dividends, distributions and other

monies paid on or derived from its Shares (subject to the terms of the Finance Documents) and exercise all voting rights in relation to the Shares provided that:

- (a) it does so for a purpose not inconsistent with any Finance Document; and
- (b) the exercise or failure to exercise those rights would not have Material Adverse Effect.

## **8.2 Shares: After Enforcement**

At any time after the Security constituted by this Deed has become (and remains) enforceable, the Offshore Security Agent may, at its discretion (in the name of any Chargor or otherwise and without any further consent or authority from any Chargor):

- (a) exercise (or refrain from exercising) any voting rights in respect of all or any of the Shares;
- (b) apply all dividends, interest and other monies arising from the Shares in accordance with clause 15 (*Application of Monies*);
- (c) transfer all or any of the Shares into the name of such nominee(s) of the Offshore Security Agent as it shall require; and
- (d) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Shares,

in such manner and on such terms as the Offshore Security Agent may think fit, and the proceeds of any such action shall form part of the Secured Property.

## **8.3 Shares: Payment of Calls**

Each Chargor shall pay when due all calls or other payments which may be or become due in respect of any of the Shares, and in any case of default by any Chargor in such payment, the Offshore Security Agent may, if instructed to do so in accordance with the provisions of the Intercreditor Agreement, make such payment on behalf of the relevant Chargor in which case any sums paid by the Offshore Security Agent shall be reimbursed by the relevant Chargor to the Offshore Security Agent on demand and shall carry interest from the date of payment by the Offshore Security Agent until reimbursed at the rate and in accordance with clause 16.5 (*Interest on demand*) of the Intercreditor Agreement.

# **9. ENFORCEMENT OF SECURITY**

## **9.1 Enforcement**

- (a) The Security created under this Deed shall be enforceable:
  - (i) upon the occurrence of an Event of Default that is continuing; or
  - (ii) if any Chargor requests the Offshore Security Agent to exercise any of its powers under this Deed.
- (b) At any time after the Security created by or pursuant to this Deed has become (and remains) enforceable, the Offshore Security Agent or any Receiver or Delegate may, without prior authorisation from any court, in its absolute discretion:
  - (i) redeem any prior Security over all or any part of the Secured Property;

- (ii) enforce all or any part of that security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Secured Property (including, without limitation, procuring the transfer of any such Secured Property to itself or any nominee); and
- (iii) whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretions conferred by the LPA (as varied or extended by this and by this Deed) on any Receiver or otherwise conferred by law on mortgagees or Receivers.

## **9.2 No Liability as Mortgagee in Possession**

Neither the Offshore Security Agent nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Secured Property or be liable for any loss upon realisation or for any neglect, default or omission in connection with the Secured Property to which a mortgagee or mortgagee in possession might otherwise be liable in the absence of gross negligence or wilful default.

## **9.3 Right of Appropriation**

- (a) The Offshore Security Agent shall, to the extent that any of the assets charged under this Deed constitutes "financial collateral" and this Deed and the obligations of any Chargor hereunder constitute a "security financial collateral arrangement" (in each case, as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (the "**Regulations**")), have the right, after the Security hereunder has become (and remains) enforceable, to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations.
- (b) The Parties agree that the value of any such appropriated financial collateral shall be the market value of such financial collateral as determined by the Offshore Security Agent in a commercially reasonable manner (including by way of an independent valuation). The Parties agree that the methods of valuation provided for in this paragraph shall constitute commercially reasonable methods of valuation for the purposes of the Regulations.

## **10. EXTENSION AND VARIATION OF THE LPA**

### **10.1 Extension of Powers**

The power of sale or other disposal conferred on the Offshore Security Agent and on any Receiver by this Deed shall operate as a variation and extension of the statutory power of sale under Section 101 of the LPA and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Deed.

### **10.2 Restrictions**

The restrictions contained in Sections 93 and 103 of the LPA shall not apply to this Deed or to the exercise by the Offshore Security Agent of its right to consolidate all or any of the security created by or pursuant to this Deed with any other security in existence at any time or to its power of sale, which powers may be exercised by Offshore Security Agent without notice to any Chargor on or at any time after the Security constituted by this Deed becomes enforceable.

## **11. APPOINTMENT OF RECEIVER**

### **11.1 Power of appointment and removal**

At any time after the Security created under this Deed has become (and remains) enforceable, the Offshore Security Agent may by deed or otherwise in writing (acting through an authorised officer or manager):

- (a) appoint one or more persons to be a Receiver or Receivers (jointly and severally) of all or any part of the Secured Property;
- (b) subject to any requirement for a court order in the removal of an administrative receiver, remove any Receiver; or
- (c) appoint one or more persons as additional or replacement Receivers.

### **11.2 Powers additional**

The power to appoint a Receiver under this clause 11 shall be in addition to all statutory and other powers of appointment that the Offshore Security Agent may have under the LPA (as varied and extended under this Deed) and may be exercised from time to time by the Offshore Security Agent in respect of all or any part of the Secured Property.

### **11.3 When a Receiver may not be appointed**

Regardless of any other provision of this Deed, the Offshore Security Agent may not appoint a Receiver:

- (a) solely by reason of a moratorium being obtained, or anything being done with a view to a moratorium being obtained, under section 1A of the IA; or
- (b) in the case of an administrative receiver, if prohibited under section 72A of the IA.

### **11.4 Receiver's remuneration**

Every Receiver shall be entitled to remuneration at a rate to be fixed by agreement between the Receiver and the Offshore Security Agent, and the maximum rate specified in section 109(6) of the LPA shall not apply.

## **12. POWERS AND STATUS OF RECEIVER**

### **12.1 Powers and rights**

Every Receiver shall have all the powers and rights:

- (a) conferred by the LPA on mortgagees in possession and on receivers appointed under the LPA;
- (b) specified in Schedule 1 of the IA in relation to, and to the extent applicable to, the Secured Property or any of them (whether or not the Receiver is an administrative receiver within the meaning of that Act);
- (c) of the Offshore Security Agent under this Deed;
- (d) of an absolute legal and beneficial owner of the Secured Property; and

- (e) that seem to the Receiver to be incidental or conducive to the exercise of any of the other powers and rights conferred on or vested in the Receiver, including, without limitation, the power and rights to:
- (i) exercise all voting and other rights attaching to the Shares owned by any Chargor and comprised in the Secured Property;
  - (ii) enter into or cancel any contracts on any terms or conditions;
  - (iii) incur any liability on any terms, whether secured or unsecured, and whether to rank for payment in priority to this security or not;
  - (iv) establish subsidiaries to acquire interests in any of the Secured Property and/or arrange for those subsidiaries to trade or cease to trade and acquire any of the Secured Property on any terms and conditions;
  - (v) redeem any prior Security on or relating to the Secured Property and settle and pass the accounts of the person entitled to that prior Security, so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on any Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver;
  - (vi) appoint and discharge officers and others for any of the purposes of this Deed and/or to guard or protect the Secured Property upon terms as to remuneration or otherwise as he may think fit;
  - (vii) settle any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of any Chargor or relating to any of the Secured Property; and
  - (viii) do all other acts and things (including signing and executing all documents and deeds) as the Receiver considers to be incidental or conducive to any of the matters or powers in this clause 12, or otherwise incidental or conducive to the preservation, improvement or realisation of the Secured Property, and use the name of any Chargor for all such purposes,

and in each case may use the name of the relevant Chargor and exercise the relevant power in any manner which he may think fit.

## **12.2 Joint or several**

If two or more persons are appointed as Receivers of the same assets, they may act jointly and severally so that (unless any instrument appointing them specifies to the contrary) each of them may exercise individually all the powers and discretions conferred on Receivers under this Deed.

## **12.3 Receiver as agent**

Every Receiver shall be the agent of each Chargor for all purposes, and each Chargor shall be solely responsible for the Receiver's:

- (a) acts, omissions and defaults; and
- (b) remuneration, costs and expenses.

### **13. EXTENSION AND VARIATION OF THE LPA**

#### **13.1 Extension of Powers**

The power of sale or other disposal conferred on the Offshore Security Agent and on any Receiver by this Deed shall operate as a variation and extension of the statutory power of sale under Section 101 of the LPA and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Deed.

#### **13.2 Restrictions**

The restrictions contained in Sections 93 and 103 of the LPA shall not apply to this Deed or to the exercise by the Offshore Security Agent or any Receiver of its right to consolidate all or any of the security created by or pursuant to this Deed with any other security in existence at any time or to its power of sale, which powers shall be immediately exercisable by the Offshore Security Agent or any Receiver without notice to any Chargor at any time after the security created by or pursuant to this Deed has become (and remains) enforceable.

### **14. DELEGATION BY THE OFFSHORE SECURITY AGENT AND RECEIVER**

#### **14.1 Appointment of Delegates**

The Offshore Security Agent may appoint (and remove) any person:

- (a) to act as a Delegate (including as custodian or nominee) on any terms (including powers to sub-delegate); and
- (b) to act as a separate trustee or as a co-trustee jointly with the Offshore Security Agent.

#### **14.2 Delegation by the Offshore Security Agent, Receivers and Delegates**

Each of the Offshore Security Agent, any Receiver and any Delegate may delegate, to any person for any period, all or any right, power, authority or discretion vested in it in its capacity as such.

#### **14.3 Terms of appointment**

- (a) Any person appointed under this clause 14 shall have the rights, powers, authorities and discretions (not exceeding those given to the Offshore Security Agent under or in connection with the Finance Documents) and the duties, obligations and responsibilities, that are given or imposed by the instrument of appointment.
- (b) Any appointment or delegation under this clause 14 shall be on such terms (including the power to sub-delegate) as the appointor sees fit, and the appointor:
  - (i) shall not be bound to supervise, or be responsible for any damages, costs, losses or liabilities incurred by reason of any misconduct, omission or default on the part of the appointee; and
  - (ii) may pay remuneration to the appointee which shall, together with any costs and expenses (and any applicable irrecoverable VAT) incurred by the appointee in performing its functions, be treated as costs and expenses incurred by the Offshore Security Agent or any Receiver or Delegate.

#### **14.4 Protection of the Offshore Security Agent, Receivers and Delegates**

None of the Offshore Security Agent, any Receiver nor any Delegate, nor any of their respective officers, employees or agents shall be liable:

- (a) to account as a mortgagee in possession; or
- (b) except in the case of gross negligence or wilful misconduct, for any liability, damages, costs or losses arising as a result of:
  - (i) taking or not taking any action under any Finance Document or in connection with any of the Secured Property or any documents of or evidencing title to them;
  - (ii) the loss or destruction of, or damage to, any of the Secured Property or any documents of or evidencing title to them; or
  - (iii) taking possession of or realising the Secured Property as permitted under this Deed.

#### **15. APPLICATION OF MONIES**

##### **15.1 Order of Application**

Unless otherwise determined by the Offshore Security Agent, any moneys received by the Offshore Security Agent after this Security has become enforceable must be applied by the Offshore Security Agent in accordance with the terms of clause 13 (*Application of proceeds*) of the Intercreditor Agreement.

##### **15.2 Surplus Monies**

If at any time after the end of the Security Period the Offshore Security Agent holds any surplus monies payable to any Chargor, those monies shall not carry interest and may be placed to the credit of an account in the name of the relevant Chargor with a bank. The Secured Parties shall thereupon be under no further liability in respect of such monies.

#### **16. PROTECTION OF PURCHASERS**

##### **16.1 No obligation to make enquiries**

No purchaser or other person dealing with the Offshore Security Agent or any Receiver or Delegate shall be bound or concerned:

- (a) to enquire whether the right of the Offshore Security Agent or any Receiver or Delegate to exercise any of the powers conferred on them under this Deed has arisen or not;
- (b) with the propriety of the exercise or purported exercise of those powers; or
- (c) with the application of any consideration (whether cash or non-cash) paid to the Offshore Security Agent, any Receiver or Delegate or to any other person.

##### **16.2 Conclusive discharge**

The receipt of the Offshore Security Agent or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Property or in making any acquisition in the exercise of their respective powers, the Offshore



Security Agent and any Receiver or Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

## **17. POWER OF ATTORNEY**

### **17.1 Power of attorney**

Each Chargor irrevocably appoints the Offshore Security Agent, the Receiver and any persons deriving title under either of them by way of security jointly and severally to be its attorney (with full power of substitution) and in its name or otherwise on its behalf and as its act and deed to sign, seal, execute, deliver, perfect and do all deeds, instruments, acts and things which may be required or which the Offshore Security Agent or the Receiver shall think proper or expedient for carrying out any obligations imposed on any Chargor hereunder or for exercising any of the powers hereby conferred or for giving to the Offshore Security Agent the full benefit of this security and so that the appointment hereby made shall operate to confer on the Offshore Security Agent and the Receiver authority to do on behalf of any Chargor anything which it can lawfully do by an attorney, provided that the power of the Offshore Security Agent or the Receiver under this Clause shall only be exercisable in relation to any act or step (a) if a Chargor is required to take a certain act or step under the Finance Documents and has failed to take such relevant act or step within 5 Business Days after having received from the Offshore Security Agent a written request to take such relevant act or step or (b) whilst an Event of Default is continuing.

### **17.2 Ratification**

Each Chargor shall:

- (a) ratify and confirm all things done and all documents executed by any attorney appointed under clause 17.1 (*Power of attorney*) in the exercise or purported exercise of all or any of the attorney's powers; and
- (b) indemnify all such attorneys against all losses, costs, damages and expenses they may incur in doing those things and executing those documents.

## **18. EFFECTIVENESS OF SECURITY**

### **18.1 Waiver of defences**

Neither the Security created under this Deed nor the obligations of each Chargor under this Deed will be affected by any act, omission, matter or thing which, but for this clause 18, would reduce, release or prejudice that Security or any of those obligations (without limitation and whether or not known to any Chargor, the Offshore Security Agent or any other Secured Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any Obligor or any other person under the terms of any composition or arrangement with any creditor of any person;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;

- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of, any Obligor or any other person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise), restatement (in each case however fundamental and whether or not more onerous) or replacement, assignment, avoidance or termination of a Finance Document or any other document or Security or of the Secured Obligations, including any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or Security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security; or
- (g) any insolvency, liquidation, administration or similar procedure.

## 18.2 **Chargor intent**

Without prejudice to the generality of clause 18.1 (*Waiver of defences*), each Chargor expressly confirms that it intends that the Security created under this Deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under any of the Finance Documents for the purposes of or in connection with any of the following:

- (a) acquisitions of any nature;
- (b) increasing working capital;
- (c) enabling investor distributions to be made;
- (d) carrying out restructurings;
- (e) refinancing existing facilities;
- (f) refinancing any other indebtedness;
- (g) making facilities available to new borrowers;
- (h) any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and
- (i) any fees, costs and/or expenses associated with any of the foregoing.

## 18.3 **Immediate recourse**

Each Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any person before claiming from any Chargor under this Deed. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

## 18.4 **Appropriations**

During the Security Period each Secured Party may:

- (a) refrain from applying or enforcing any other moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Obligations or, subject to clause 15 (*Application of Monies*), apply and enforce them

in such manner and order as it sees fit (whether against the Secured Obligations or otherwise) and none of the Chargors shall be entitled to the benefit of them; and

- (b) hold in an interest-bearing suspense account any moneys received from any Chargor or on account of the Secured Obligations.

#### 18.5 Deferral of Chargors' rights

- (a) During the Security Period and unless the Offshore Security Agent otherwise directs, no Chargor shall exercise or benefit from any rights it may have by reason of performance by it of its obligations under this Deed or any other Finance Document or by reason of any amount being payable, or liability arising, under any such document:
  - (i) to receive or claim payment from or be indemnified by an Obligor;
  - (ii) to claim any contribution from any guarantor of, or provider of Security in respect of, any Obligor's obligations under the Finance Documents;
  - (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Secured Party under any Finance Document or of any other guarantee or Security taken pursuant to, or in connection with, any Finance Document by any Secured Party;
  - (iv) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Obligor has given a guarantee, undertaking or indemnity under this Deed or any other Finance Document;
  - (v) to exercise any right of set-off or similar right against any Obligor; or
  - (vi) to claim or prove as a creditor of any Obligor in competition with any Secured Party.
- (b) If any Chargor receives any benefit, payment or distribution in relation to any such rights it shall hold that benefit, payment or distribution, to the extent necessary to enable all amounts that may be or become payable to any Secured Party by the Obligors under or in connection with this Deed or any other Finance Document to be repaid in full, on trust for the Offshore Security Agent and shall promptly pay or transfer the same to the Offshore Security Agent or as the Offshore Security Agent may direct for application in accordance with clause 15 (*Application of Monies*).

#### 18.6 Additional Security

The Security created under this Deed is in addition to and is not in any way prejudiced by and shall not merge with any guarantee or Security now or in the future held by any Secured Party.

#### 18.7 Notice of subsequent Security

- (a) If any Secured Party, acting in any capacity, receives (or is deemed to have received) notice of any subsequent Security or other interest over or affecting any of the Secured Property, that Secured Party may open a new account of the relevant Chargor with the Secured Party.
- (b) If a Secured Party does not open a new account, it will nevertheless be treated as if it had done so at the time it received (or was deemed to have received) that notice.

- (c) As from the time the Secured Party opened or was treated as having opened the new account, all payments received or recovered by that Secured Party, acting in any capacity, under this Deed:
  - (i) will be credited, or treated as having been credited, to the new account; and
  - (ii) will not be applied, or treated as having been applied, in reduction of the Secured Obligations.

## **19. RELEASE OF SECURITY**

### **19.1 Release**

The Security created under this Deed shall be released in accordance with clause 15.24 (*Winding up of trust*) of the Intercreditor Agreement.

### **19.2 Consolidation**

The right of the Offshore Security Agent to consolidate mortgages shall be unrestricted and Section 93 of the LPA shall not apply to this Deed.

### **19.3 Continuation of Security**

If the Offshore Security Agent considers that any payment or discharge of the Secured Obligations is capable of being avoided or restored in insolvency, liquidation, administration or otherwise, the Secured Obligations will not be considered to have been irrevocably and unconditionally paid or discharged in full and the liability of each Chargor under this Deed, and the Security constituted by it, will continue.

## **20. COSTS AND EXPENSES**

### **20.1 Transaction expenses**

Each Chargor shall, promptly on demand, pay the Offshore Security Agent and any Receiver or Delegate on a full indemnity basis the amount of all costs and expenses (including legal fees and together with any applicable irrecoverable VAT) reasonably incurred by them in connection with the negotiation, preparation and execution of this Deed and the perfection of the Security created or expressed to be created by it.

### **20.2 Stamp Taxes**

Each Chargor shall pay all stamp duty, registration and other similar taxes payable in respect of this Deed, the Security created by or pursuant to this Deed or any judgment given in connection with either of them and shall, promptly on demand, indemnify the Offshore Security Agent and any Receiver or Delegate against any cost, loss or liability resulting from any failure to pay or delay in paying any such taxes.

### **20.3 Amendment costs**

If any Chargor requests an amendment, waiver or consent it shall, promptly on demand, reimburse the Offshore Security Agent and any Receiver or Delegate on a full indemnity basis for the amount of all costs and expenses (including legal fees and together with any applicable irrecoverable VAT) reasonably incurred by them in responding to, evaluating, negotiating or complying with that request or requirement.

### **20.4 Enforcement and preservation costs**

Each Chargor shall, promptly on demand, pay to the Offshore Security Agent and any Receiver or Delegate on a full indemnity basis the amount of all costs and expenses (including legal fees and together with any applicable irrecoverable VAT) incurred by them in connection with the enforcement of or the exercise or preservation of any rights under this Deed and any proceedings instituted by or against them as a consequence of taking or holding the Security created or expressed to be created under this Deed or of enforcing those rights.

## **21. RIGHTS, WAIVERS AND REMEDIES**

### **21.1 Ambiguity**

Where there is any ambiguity or conflict between the rights conferred by law and those conferred by or pursuant to this Deed, the terms of this Deed shall prevail.

### **21.2 Amendments and waivers**

Any amendment or waiver of any provision of this Deed and any waiver of any default under this Deed shall only be effective if made in writing and signed by the Offshore Security Agent.

### **21.3 Severability**

If any provision of this Deed shall be prohibited, illegal, invalid or unenforceable under applicable law, it shall be ineffective only to such extent and in the relevant jurisdiction, without invalidating or otherwise detrimentally affecting the remainder of this Deed.

## **22. COUNTERPARTS**

This Deed may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

## **23. ASSIGNMENTS AND TRANSFERS**

### **23.1 No assignment**

No Chargor shall be entitled to assign or transfer all or any of its rights or obligations under this Deed.

### **23.2 Assignment by Offshore Security Agent**

The Offshore Security Agent may at any time assign or otherwise transfer all or any part of its rights under this Deed in accordance with the Finance Documents and each Chargor authorises the Offshore Security Agent to execute on its behalf any document required to effect the necessary transfer of rights and obligations.

## **24. GOVERNING LAW**

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

## **25. PERPETUITY PERIOD**

The perpetuity period under the rule against perpetuities, if applicable to this Deed, shall be the period of eighty years from the date of the Intercreditor Agreement.

**26. ENFORCEMENT**

**26.1 Jurisdiction of the English Courts**

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "Dispute").
- (b) Each of the Chargors and the Offshore Security Agent agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly none of the Chargors nor the Offshore Security Agent will argue to the contrary.
- (c) This clause 26.1 is for the benefit of the Offshore Security Agent only. As a result, the Offshore Security Agent shall not be prevented from taking proceeds relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Offshore Security Agent may take concurrent proceedings in a number of jurisdictions.

**26.2 Service of process**

Without prejudice to any other mode of service allowed under any relevant law, each Chargor:

- (a) irrevocably appoints Global Loan Agency Services Limited with registered number 08318601 and with its registered address located at 45 Ludgate Hill, London, EC4M 7JU, United Kingdom as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed; and
- (b) agrees that failure by an agent for service of process to notify any Chargor of the process will not invalidate the proceedings concerned.

**THIS DEED has been signed on behalf of the Offshore Security Agent and executed as a deed by each Chargor and is delivered on the date specified above.**

# SCHEDULE 1

## The Chargors

No.	Name of Chargor	Jurisdiction of Incorporation (and registered address if available)	Registration Number
1.	C.Banner International Holdings Limited	Bermuda	EC 32062
2.	Hamleys Global Holdings Limited	England and Wales / 6th Floor 2, Fouberts Place, London W1F 7PA, United Kingdom	08167684
3.	The Hamleys Group Limited	England and Wales / 6th Floor 2, Fouberts Place, London W1F 7PA, United Kingdom	02352435

## SCHEDULE 2

### Details of Shares

No.	Name of Company that has issued Shares	Description and Number of Shares	Registered Holder / Chargor
1.	Hamleys Global Holdings Limited (Company number 08167684)	7,800,000 A ordinary shares 1,400,000 B1 ordinary shares 600,000 B2 ordinary shares 200,000 C ordinary shares	C.Banner International Holdings Limited
2.	The Hamleys Group Limited (Company number 02352435)	23,740,354 ordinary shares	Hamleys Global Holdings Limited
3.	Hamleys of London Limited (Company number 02287862)	2,000,100 ordinary shares	The Hamleys Group Limited
4.	Scrumpalicious Limited (Company number 07654059)	100 ordinary shares	The Hamleys Group Limited
5.	Luvley Limited (Company number 08278015)	1 ordinary share	The Hamleys Group Limited
6.	Hamleys (Franchising) Limited (Company number 05639053)	100 ordinary shares	The Hamleys Group Limited



## EXECUTION

### The Chargors

EXECUTED as a Deed and

delivered by

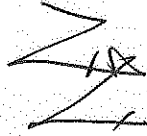
authorised signatory

for and on behalf of

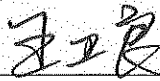
**C.BANNER INTERNATIONAL**

**HOLDINGS LIMITED**

Chen Li



in the presence of:



(Witness Signature)

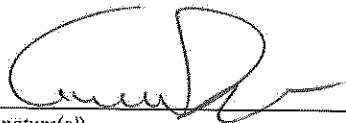
Print Witness Name: Wang Weiliang

Print Witness Address: 31F, Int'l Trade Center, 18 Zhongshan East Road, Nanjing, China

Print Witness Occupation: Merchant

EXECUTED as a Deed  
for and on behalf of

**HAMLEYS GLOBAL HOLDINGS LIMITED**  
acting by its director named opposite in the  
presence of the witness identified below

  
(Signature(s))

Print Name: GUDJON REYNISSON

Print Title: Director

  
(Witness Signature)

Print Witness Name: NICOLA GRANNUM

Print Witness Address: CLAR INNIS, CHALFONT ST GILES, BUCKINGHAMSHIRE  
U.K.

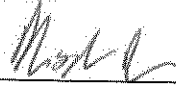
Print Witness Occupation: SOLICITOR

EXECUTED as a Deed

for and on behalf of


**THE HAMLEYS GROUP LIMITED**

acting by its director named opposite in the  
presence of the witness identified below

  
(Signature(s))

Print Name(s): ALISTAIR DUNN

Print Title: Director

  
(Witness Signature)

Print Witness Name: NICOLA GRANNUM

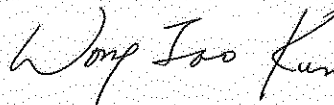
Print Witness Address: CLARE INNIS, CHALFONT ST Giles, BUCKINGHAMSHIRE

Print Witness Occupation: SOLICITOR

U.K.

**THE OFFSHORE SECURITY AGENT**

SIGNED for and on behalf of  
**BANK OF CHINA LIMITED, MACAU  
BRANCH**  
acting by its authorized signatory named opposite



(Signature)

Print Name: Mr. Wong Iao Kun

Print Title: Deputy Director

Credit Administration Department