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COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Please do not write
in this margin

Pursuant to section 395 of the Companies Act 1985

CHA 267

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

To the Registrar of Companies

For official use

Company number

2352435

Name of company

* Hamleys plc (the "Company")

* insert full name
of company

Date of creation of the charge

13 August 2003

Description of the instrument (if any) creating or evidencing the charge (note 2)

Composite guarantee and debenture between the Company (1), The Bear Factory Limited (2), Hamleys of London Limited (3), Hamleys Bear Investment Limited (4), Hamleys Financial Services Limited (5), Hamleys Properties Limited (6) and The Royal Bank of Scotland plc as security trustee (the "Security Trustee") (7) (the "Guarantee and Debenture")

Amount secured by the mortgage or charge

Presentor's name address and
reference (if any):

Norton Rose
Kempson House
Camomile Street
London EC3A 7AN

DSYM/AA56850/BD#595227

Time critical reference

For official Use
Mortgage Section

Post room



LD4
COMPANIES HOUSE

0429
28/08/03

Amount secured by the mortgage or charge

All moneys, obligations and liabilities now or hereafter due, owing or incurred by the Company under or pursuant to the following documents (the "Secured Documents"), but only insofar as they constitute or evidence indebtedness in respect of the refinancing of all indebtedness of the Company and its subsidiaries existing as at 4 August 2003 and (b) the revolving credit facility made available under the Senior Facilities Agreement (therein referred to as Facility C) (including the ancillary facilities made available under Facility C and pursuant to the Ancillary Facilities Letters (as defined below)), namely:

(i) a senior facilities agreement dated 17 June 2003 between Corporal Limited (1), Soldier Limited (2), the Company and certain subsidiaries (3) and The Royal Bank of Scotland plc (in various capacities) (4) (the "Senior Facilities Agreement");

(ii) a mezzanine facility agreement dated 17 June 2003 between Corporal Limited (1), Soldier Limited (2), Islandsbanki H.F. (3), and the Security Trustee (4) (the "Mezzanine Facility Agreement");

(iii) a fee letter dated 17 June 2003 in respect of the payment of fees pursuant to the Senior Facilities Agreement;

(iv) a fee letter dated 17 June 2003 in respect of the payment of fees pursuant to the Mezzanine Facility Agreement

(v) (when executed) a target group supplemental debenture to be entered into between Hamleys Limited (formerly the Company) (1) and certain of its subsidiaries (2), and the Security Trustee (3);

(vi) a subordination deed dated 17 June 2003 between Corporal Limited (1), Soldier Limited (2), Baugur Group H.F. (3), BG Holding EHF. (4), and the Security Trustee (5);

(vii) an intercreditor agreement dated 17 June 2003 between Corporal Limited (1), Soldier Limited (2), The Royal Bank of Scotland plc (3) and the Security Trustee (4);

(viii) a target group-bidco loan agreement dated 17 June 2003 between Corporal Limited (1) and Soldier Limited (2);

(ix) a shareholder undertaking dated 13 August 2003 between Baugur Group H.F. (1), BG Holding EHF. (2), Corporal Limited (3), Soldier Limited (4) and the Security Trustee (5);

(x) a dutch law share pledge dated 13 August 2003 between Hamleys of London Limited (1), Hamleys B.V. (2), and the Security Trustee (3);

(xi) (when executed) a second dutch law share pledge to be entered into between Hamleys of London Limited (1), Hamleys B.V. (2), and the Security Trustee (3);

(xii) a charge over deposit dated 13 August 2003 between BG Holding EHF. (1) and the Security Trustee (2);

(xiii) the ancillary facilities letter dated 13 August 2003 between the Company and certain of its subsidiaries and National Westminster Bank plc and other ancillary facilities letters entered

Amount secured by the mortgage or charge

into pursuant to the Senior Facilities Agreement (the "Ancillary Facilities Letters");

(xiv) any documentation relating to hedging to be entered into pursuant to the Senior Facilities Agreement or Mezzanine Facilities Agreement;

(xv) the accession letters of the Company, The Bear Factory Limited, Hamleys Bear Investment Limited, Hamleys of London Limited and Hamleys Financial Services Limited dated 13 August 2003 pursuant to which those companies acceded to the Senior Facilities Agreement and any other accession letter to the Senior Facilities Agreement or the Mezzanine Facility Agreement;

(xvi) any other document (a) creating a security interest or (b) containing a guarantee, in either case executed by a member of the group, any affiliate of a member of the group, or any shareholder of a member of the group, in respect of amounts owing to a finance party under any of the above finance documents;

(b) the guarantees and indemnities given by the Company under the Guarantee and Debenture, which secure all the obligations of each of Corporal Limited, Soldier Limited, the Company, Hamleys of London Limited, Hamleys Properties Limited, The Bear Factory Limited, Hamleys Financial Services Limited, and Hamleys Bear Investment Limited under the Secured Documents; and

(c) all other provisions of the Guarantee and Debenture.

Names and addresses of the mortgagees or persons entitled to the charge

The Royal Bank of Scotland plc of 280 Bishopsgate, London EC2M 4RB as Security Trustee

Short particulars of all the property mortgaged or charged

1 The Guarantee and Debenture charges all of the present and future assets of the Company.

2 It creates first legal mortgages over all freehold and leasehold property specified in schedule 2 of the Guarantee and Debenture and over all other freehold and leasehold property, wheresoever situate (other than any heritable property in Scotland) now owned by the Company or in which the Company has an interest (when any necessary landlords consents have been obtained), together with all liens, charges, options, agreements, rights and interests in or over such property or the proceeds of sale of such property and all buildings and fixtures thereon and all rights, easements and privileges pertinent to, or benefitting, the same.

3 It creates first fixed charges over all of the present and future assets of the Company of the following types:

(a) freehold and leasehold property (other than any property and any heritable

Short particulars of all the property mortgaged or charged

property in Scotland) (when any necessary landlords consents have been obtained);

- (b) plant, machinery and equipment and the benefit of all contracts and warranties relating to the same;
- (c) stocks, shares, bonds and other securities of any kind whatsoever;
- (d) all book and other debts, revenues and claims, whether actual or contingent.
- (e) the proceeds of collection of all debts and any and all amounts from time to time standing to the credit of any bank or other account of the Company;
- (f) the benefit of insurances;
- (g) goodwill and uncalled capital;
- (h) intellectual property of all kinds,

in each case, together with all associated rights.

4 It also creates a first floating charge over all other present and future assets of the Company including (without limitation and whether or not so effectively charged) any of its property and assets situated in Scotland.

5 The Guarantee and Debenture contains a covenant by the Company that it will not, without the prior written consent of the Security Trustee (acting on the instructions of the other finance parties in accordance with the terms of the Senior Facilities Agreement and the Mezzanine Facility Agreement):

(a) dispose of, or create or attempt to create or permit to subsist or arise any security interest (other than a permitted security interest), on or over the debts or any part thereof or release, set off or compound or deal with the same otherwise than in accordance with the terms of the Guarantee and Debenture, the Senior Facilities Agreement and the Mezzanine Facility Agreement;

(b) create or attempt to create or permit to subsist in favour of any person other than the security trustee any security interest (other than a permitted security interest) on or affecting the charged assets or any part thereof; or

(c) dispose of the charged assets or any part thereof or attempt or agree so to do except in the case of (i) assets subject to the floating charge which may, subject to the other provisions of the Guarantee and Debenture, be disposed of in the ordinary course of business and (ii) disposals expressly permitted by the terms of the Senior Facilities Agreement and the Mezzanine Facility Agreement and, in any event, only then with the requisite consent (if any).

6 If the Company creates or attempts to create any security interest (other than a permitted security interest) over all or any of the assets subject to the floating charge without the prior written consent of the Security Trustee (acting on the instructions of the other

Short particulars of all the property mortgaged or charged

Finance Parties in accordance with the terms of the Senior Facilities Agreement and the Mezzanine Facility Agreement) or if any person levies or attempts to levy any distress, execution, sequestration or other process or takes or attempts to take any step towards execution against any of the assets subject to the floating charge, the floating charge over the assets concerned will automatically without notice be converted into a fixed charge.

Particulars as to commission allowance or discount (note 3)

NIL

Signed

Nathan Rose

Date

27 August 2003

On behalf of mortgagee/chargee

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 02352435

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A COMPOSITE GUARANTEE AND DEBENTURE DATED THE 13th AUGUST 2003 AND CREATED BY HAMLEYS PLC FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO THE ROYAL BANK OF SCOTLAND plc UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 28th AUGUST 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 2nd SEPTEMBER 2003.

P. A.



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES