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

*insert full name
of Company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

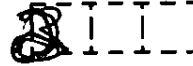
A fee of £13 is payable to Companies House in respect
of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number



03858895

Name of company

* BHS Group Limited ("**Company**")

Date of creation of the charge

18 July 2009

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

Debenture ("**Debenture**")

Amount secured by the mortgage or charge

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

All capitalised terms not defined elsewhere in this form 395 are defined in Annexure 1 attached to this form 395.

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

Bank of Scotland plc (as security trustee for the Security Beneficiaries)
of The Mound, Edinburgh ("**Security Trustee**")

Postcode EH1 1TZ

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

DLA Piper UK LLP
101 Barbirolli Square
Manchester
M2 3DL

81531/120195/25483372.1

Time critical reference

For official Use (02/06)
Mortgage Section

THURSDAY



A20
23/07/2009
366

COMPANIES HOUSE

Short particulars of all the property mortgaged or charged

The Company charged and agreed to charge with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994 and as continuing security for payment of all of the Secured Obligations in favour of the Security Trustee, all of its right, title and interest at the date of the Debenture and in the future in and to the following assets which are at any time owned by the Company, or in which the Company from time to time has an interest:

1. by way of first fixed charge all plant and machinery and the benefit of all contracts, licences and warranties relating to the same;
2. by way of first fixed charge:
 - (a) all computers, vehicles, office equipment and other equipment; and
 - (b) the benefit of all contracts, licences and warranties relating to the same;

(continued at Addendum 4/4)

Please do not write in this margin

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

Particulars as to commission allowance or discount (note 3)

Nil

Signed



Date 21 July 2009

On behalf of ~~XXXXXXXXXXXXXXXXXXXX~~ (chargee) †

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

Notes

† delete as appropriate

- 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.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

03858895

Name of company

*insert full name
of Company

* BHS Group Limited ("Company")

Addendum 1/4

1. Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

Addendum 2/4

2. Amount due or owing on the mortgage or charge (continued)

Addendum 3/4

3. Names, addresses and descriptions of the mortgages or persons entitled to the charge (continued)

Addendum 4/4

4. Short particulars of all the property mortgaged or charged (continued)

3. by way of:

(a) first fixed equitable charge all the Charged Securities referred to in of schedule 2 (Details of Charged Securities) of the Debenture;

(b) first fixed charge all other Charged Securities (not charged by clause 3(a)),

in each case, together with (1) all Related Rights from time to time accruing to those Charged Securities and (2) all rights which such the Company may have at any time against any clearance or settlement system or any custodian in respect of any Charged Investments;

4. by way of first fixed charge:

(a) the Security Accounts and all monies at any time standing to the credit of the Security Accounts; and

(b) all monies standing to the credit of the Company from time to time on any and all accounts with any bank, financial institution or other person not otherwise charged by clause 4(a),

in each case, together with all interest from time to time accrued or accruing on such monies or account and all rights to repayment of any of the foregoing;

5. by way of first fixed charge all Intellectual Property;

6. to the extent that any of the Assigned Assets are not effectively assigned under clause 2 (Security assignments), by way of first fixed charge those Assigned Assets;

7. by way of first fixed charge (to the extent not otherwise charged or assigned in the Debenture):

(a) the benefit of all licences, consents, agreements and authorisations held or used in connection with the business of the Company or the use of any of its assets; and

Name of company

*insert full name
of Company

* BHS Group Limited ("Company")

- (b) any letter of credit issued in favour of the Company and all bills of exchange and other negotiable instruments held by it; and
8. by way of first fixed charge all of the goodwill and uncalled capital of the Company.
9. The Company charged and agreed to charge by way of first floating charge all of its:
- (a) assets and undertaking (wherever located) which are not effectively charged by way of first fixed mortgage or charge or assigned pursuant to the provisions of clause 4.1, clause 4.2 or any other provision of the Debenture; and
- (b) (whether or not effectively so charged) heritable property and all other property and assets in Scotland.
- owned at the date of the Debenture or in the future.
10. Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to the Debenture (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986).
11. Unless expressly permitted to do so under the Facilities Agreement or if the Agent has given its consent pursuant to the terms of the Facilities Agreement, the Company will not do any of the following without the prior written consent of the Security Trustee:
- (a) create or permit to subsist any Security on any of the Security Assets (except Permitted Security); or
- (b) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not), the whole or any part of its interest in any Security Asset (except for a Permitted Disposal).
12. At any time after the Security constituted by, or pursuant to, the Debenture becomes enforceable, the Security Trustee may:
- (a) or if so requested by the Company by written notice at any time may) without further notice appoint any person (or persons) to be a receiver, receiver and manager or administrative receiver of all or any part of the Security Assets and/or of the income of the Security Assets; and/or
- (b) appoint or apply for the appointment of any person who is appropriately qualified as administrator of the Company; and/or
- (c) exercise all or any of the powers conferred on mortgagees by the Act (as varied or extended by the Debenture) and/or all or any of the powers which are conferred by the Debenture on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver; and/or
- (d) exercise (in the name of the Company and without any further consent or authority of the Company) any voting rights and any powers or rights which may be exercised by the person (s) in whose name the Charged Investments are registered, or who is the holder of any of them, or otherwise (including all the powers given to trustees by section 10(3) and (4) of the Trustee Act 1925 as amended by section 9 of the Trustee Investment Act 1961 in respect of securities or property subject to a trust).
13. The Company, by way of security, irrevocably and severally appoints the Security Trustee, each Receiver and any of their delegates or sub-delegates to be its attorney to take any action which it is obliged to take under the Debenture, including under clause 20 of the Debenture. The Company ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under clause 21 of the Debenture.

ANNEXURE 1

SCHEDULE 1

Definitions

"Assigned Assets" means the Security Assets expressed to be assigned pursuant to clause 4.2 of the Debenture;

"Charged Investments" means the Charged Securities and all Related Rights accruing to all or any of the Charged Securities at the date of the Debenture or in the future;

"Charged Securities" means:

- (i) the securities specified in schedule 2 of the Debenture; and
- (ii) all other stocks, shares, debentures, bonds, warrants, coupons, negotiable instruments, certificates of deposit or other securities or *"investments"* (as defined in part II of schedule II to the Financial Services and Markets Act 2000 in force at the date of the Debenture) owned by the Company at the date of the Debenture or in the future (legally or beneficially) or in which the Company has an interest at any time;

"Charging Company" means the Initial Charging Companies and any company that accedes to the terms of the Debenture pursuant to a deed of succession;

"Facilities Agreement" means the £150,000,000 revolving credit facilities agreement originally dated 20 February 2008 and as amended on or around the date of the Debenture and made between (1) BHS Group Limited, (2) the subsidiaries of BHS Group Limited listed in part 1 of schedule 1 to the Facilities Agreement as Original Borrowers, (3) the subsidiaries of BHS Group Limited listed in part 2 of schedule 1 to the Facilities Agreement as Original Guarantors, (4) Bank of Scotland plc as Arranger, (5) Bank of Scotland plc as Original Lender and (6) Bank of Scotland plc as Agent;

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

"Group" means BHS Group Limited and its Subsidiaries for the time being;

"Initial Charging Companies" means BHS Group Limited (company number 3858895), BHS Limited (company number 229606), BHS Properties Limited (company number 2139762) and Davenbush Limited (company number 2431207);

"Initial Security Beneficiaries" means the parties specified in schedule 3 of this Annexure 1;

"Intellectual Property" means:

- (i) any patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered; and
- (ii) the benefit of all applications and rights to use such assets of each member of the Group;

"Permitted Disposal" means a disposal permitted pursuant to clause 26.7.2 of the Facilities Agreement;

"Permitted Security" means Security permitted pursuant to clause 26.6.3 of the Facilities Agreement;

"Related Rights" means, in relation to any Charged Securities:

- (i) all dividends, distributions and other income paid or payable on the relevant Charged Securities or any asset referred to in paragraph (ii) below;
- (ii) all rights, monies or property accruing or offered at any time in relation to the Charged Securities whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"Security Accounts" means:

- (i) such specially designated account(s) with the Security Trustee as the Security Trustee may from time to time direct; or
- (ii) such other account(s) with such other bank as the Security Trustee may from time to time direct,

together with all additions to or renewals or replacements thereof (in whatever currency);

"Security Assets" means all property and assets from time to time mortgaged, charged or assigned (or expressed to be mortgaged, charged or assigned) by or pursuant to the Debenture;

"Security Beneficiaries" means the Initial Security Beneficiaries and any party which becomes a party to the Security Trust Deed by the execution of a duly completed Substitution Certificate;

"Security Trust Deed" means the security trust deed dated on or about the date of the Debenture and made between, amongst others (1) Bank of Scotland plc as Security Trustee and (2) the Initial Security Beneficiaries;

"Subsidiaries" means a subsidiary undertaking within the meaning of section 258 of the Companies Act 1985;

"Substitution Certificate" means a certificate substantially in the form set out in schedule 3 to the Debenture;

Schedule 2

Charged Securities

| Name of Charging Company | Name of Charging Company in which shares are held | Class of shares held | Number of shares held |
|---------------------------------|--|-----------------------------|------------------------------|
| BHS Group Limited | BHS Limited | Ordinary | 214,530,881 |
| BHS Group Limited | BHS Properties Limited | Ordinary | 10,000,000 |
| BHS Group Limited | Davenbush Limited | Ordinary | 912 |

Schedule 3

Initial Security Beneficiaries

| <i>Name</i> | <i>Address</i> |
|-------------------------|--|
| Agent | |
| Bank of Scotland plc | 123 St Vincent Street Glasgow G2 5EA |
| Arranger | |
| Bank of Scotland plc | 123 St Vincent Street Glasgow G2 5EA |
| Security Trustee | |
| Bank of Scotland plc | 123 St Vincent Street Glasgow G2 5EA |
| Lender | |
| Bank of Scotland plc | 123 St Vincent Street Glasgow G2 5EA |
| Ancillary Lender | |
| Bank of Scotland plc | 123 St Vincent Street Glasgow G2 5EA |
| Issuing Bank | |
| Bank of Scotland plc | 123 St Vincent Street Glasgow G2 5EA |



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

**COMPANY NO. 3858895
CHARGE NO. 2**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES
HEREBY CERTIFIES THAT A DEBENTURE DATED 18 JULY 2009
AND CREATED BY BHS GROUP LIMITED FOR SECURING ALL
MONIES DUE OR TO BECOME DUE FROM THE GROUP TO THE
SECURITY TRUSTEE AND/OR THE OTHER SECURITY
BENEFICIARIES (OR ANY OF THEM) ON ANY ACCOUNT
WHATSOEVER 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 23 JULY 2009

GIVEN AT COMPANIES HOUSE, CARDIFF THE 28 JULY 2009

ploch



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES