

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 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



A12 26/04/2013 #164
COMPANIES HOUSE

1 Company details

Company number 0 0 2 3 7 5 1 1

Company name in full Arcadia Group Limited

21 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 01 09 20 04 20 13

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)

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

N/A

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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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 *Hogan Louis International Ltd.* X

This form must be signed by a person with an interest in the charge

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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 0021

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, consisting of a stylized 'S' or 'J' shape.

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)

LIMITED RECOURSE SHARE CHARGE
RELATING TO THE ENTIRE ISSUED SHARE CAPITAL OF REDCASTLE LIMITED

This Deed is entered into with the benefit of and subject to the terms of
the Facility Agreement (as defined herein)

The Security Agent should not exercise any voting powers under this
Charge and/or enforce this Charge without first taking specific legal
advice due to the existence of a defined benefit pension scheme

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

Hogan Lovells International LLP

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



Matter Ref 19558 09909
Ref F3/EMK/3167181

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

THIS CHARGE is made on

19 April

2013

BETWEEN

- (1) **Arcadia Group Limited**, a company incorporated in 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 Facility Agreement shall have the same meanings in this Charge and this construction shall survive the termination of the Facility Agreement. In addition, in this Charge

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

"Charged Assets" means the Shares and the Derivative Assets and includes all rights, benefits and sums now or in the future accruing to the Chargor in connection with the Shares and the Derivative Assets,

"Company" means Redcastle Limited, a limited liability company incorporated in England and Wales with registered number 03194733,

"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 Facility Agreement,

"Default" means a Default under and as defined in the Facility Agreement,

"Derivative Assets" includes

- (a) allotments, rights, money or property arising at any time in relation to any of the Shares by way of conversion, exchange, redemption, bonus, preference, option or otherwise,
- (b) dividends, distributions, interest and other income paid or payable in relation to any of the Shares, and
- (c) stock, shares and securities offered in addition to or substitution for any of the Shares,

"Document" includes any transfer, renunciation, proxy, mandate, legal or other charge, mortgage, assignment, deed or other document,

"Facility Agreement" means the Facility Agreement dated _____ between, amongst others, Taveta Investments Limited (as the parent), Taveta Investments (No. 2) Ltd (as the company), the companies (including the Company) listed as Original Guarantors and Bank of Scotland plc (as Mandated Lead Arranger, Agent and Security Agent),

"Finance Document" means the Facility 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 Taveta,

"Financial Collateral Regulations" means the Financial Collateral Arrangements (No. 2) Regulations 2003 as amended,

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

"Obligor" means collectively Taveta or a Guarantor under the Finance Documents,

"Original Shares" means the 470,000,001 shares of £1 each in the issued share capital of the Company owned by the Chargor,

"Party" means a party to this Charge,

"Receiver" means a receiver and manager appointed under Clause 17 (*Appointment of a Receiver*) and (where the context requires or permits) includes any substituted receiver and manager,

"Relevant System" has the meaning given to that term by the Uncertificated Securities Regulations 2001 and includes the CREST system and also any other system or facility (whether or not established in the United Kingdom or elsewhere) providing means for the deposit of and clearance of transactions in shares, stock and other investments,

"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 each Obligor 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 money, 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" means a mortgage, standard security, assignation in security, charge, assignation of rents, hypothec, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect

"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,

"Shares" means the Original Shares and all other shares, stock and securities in the Company owned by the Chargor while any Secured Sums are outstanding,

"Taveta" means Taveta Investments (No 2) Limited, a limited liability company incorporated in England and Wales with registered number 05137091

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

- (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) **"Variation"** includes any variation, amendment, accession, novation, restatement, modification, assignment, transfer, supplement, extension, deletion or replacement however effected and **"vary"** and **"varied"** shall be construed accordingly
 - (e) **"Writing"** includes facsimile transmission legibly received except in relation to any certificate, notice or other document which is expressly required by this Charge to be signed and **"written"** has a corresponding meaning
 - (f) Subject to Clause 31.4 (*Variations*), references to this Charge or to any other document (including any Finance Document) include references to this Charge 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 Charge or such other document or to the nature or amount of any facilities made available under such other document
 - (g) References to uncertificated shares are to shares the title to which can be transferred by means of an electronic or other entry in a Relevant System and references to certificated shares are to shares which are not uncertificated shares
 - (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 Charge
 - (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 Charge 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
 - (m) **"Blank stock transfer form"** means a stock transfer form executed by two directors or a director and the secretary of the Chargor or by a director of the Chargor in the presence of a witness but with the sections relating to the consideration and the transferee left blank
- 1.3 **Conflict of terms** Where any conflict exists between the covenants and undertakings in Clause 8 (*Positive covenants*) of this Charge and the covenants and undertakings in Clause 22 (*General undertakings*) of the Facility Agreement, the covenants and undertakings given in the Facility Agreement shall prevail
- 1.4 **Companies Acts** Expressions defined in the Companies Act 2006 (and not redefined in this Charge) shall have the same meanings in this Charge, except that the expression **"company"** shall include a body corporate established outside Great Britain

2 **COVENANT TO PAY**

2.1 **Covenant to pay** Subject to clause 2.2, 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 **Limited Recourse** The recourse of the Security Agent against the Chargor under this Charge in respect of the Secured Sums is limited to the rights of enforcement and recovery against the Charged Assets and accordingly the Security Agent agrees that the total amount recoverable against the Chargor under this Charge shall be limited to the proceeds received by the Security Agent realising the Charged Assets in accordance with this Charge

2.3 **Proviso** The covenants contained in this Clause and the security created by this Charge 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

2.4 **Third Party Charge Protections**

(a) **Reinstatement** If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Beneficiary in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Chargor under this Charge will continue or be reinstated as if the discharge, release or arrangement had not occurred

(b) **Waiver of defences** The obligations of the Chargor under this Charge will not be affected by an act, omission, matter or thing which, but for this Clause 2.4, would reduce, release or prejudice any of its obligations under this Charge (without limitation and whether or not known to it or any Beneficiary) including

(i) any time, waiver or consent granted to, or composition with, the Chargor, any Obligor or other person,

(ii) the release of the Chargor, any Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group,

(iii) 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, the Chargor, 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,

(iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor, an Obligor or any other person,

(v) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Finance Document or any other document or Security including without limitation, 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,

- (vi) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security, or
 - (vii) any insolvency or similar proceedings
- (c) **Guarantor Intent** Without prejudice to the generality of Clause 2 4(b) (*Waiver of Defences*), the Chargor expressly confirms that it intends that the Secured Sums for which it grants security under this Charge 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 acquisitions of any nature, increasing working capital, enabling investor distributions to be made, carrying out restructurings, refinancing existing facilities, refinancing any other indebtedness, making facilities available to new borrowers, any other variation or extension of the purposes for which any such facility or amount might be made available from time to time, and any fees, costs and/or expenses associated with any of the foregoing
- (d) **Immediate recourse** The Chargor waives any right it may have of first requiring any Beneficiary (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 enforcing this Charge. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary
- (e) **Appropriations** Until all Secured Sums have been irrevocably paid in full, each Beneficiary (or any trustee or agent on its behalf) may refrain from applying or enforcing any other moneys, security or rights held or received by that Beneficiary (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Chargor shall not be entitled to the benefit of the same
- (f) **Deferral of the Chargor's rights** Until all Secured Sums have been irrevocably paid in full and unless the Security Agent otherwise directs, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations or of a liability arising under this Charge
- (i) to be indemnified by an Obligor,
 - (ii) to claim any contribution from any other guarantor 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 the Beneficiary under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Beneficiary,
 - (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 Security, guarantee, undertaking or indemnity has been given pursuant to, or in connection with, the Finance Documents,

- (v) to exercise any right of set-off against any Obligor, and/or
- (vi) to claim or prove as a creditor of any Obligor in competition with any Beneficiary

If the Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable the Secured Sums to be repaid in full on trust for the Beneficiaries and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with the Finance Documents

2 5 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 Charge

3 CHARGING CLAUSE

3 1 Mortgages and Charges The Chargor, with full title guarantee, charges to the Security Agent as continuing security for the payment and discharge of all Secured Sums

- (a) by way of mortgage, the Original Shares, including all proceeds of sale derived from them,
- (b) by way of mortgage, all Shares in which the Chargor may in the future acquire any interest (legal or equitable), including all proceeds of sale derived from them,
- (c) by way of fixed charge, all Derivative Assets of a capital nature now or in the future accruing to the Chargor (whether at law or in equity) or offered to it at any time in respect of the Shares, and
- (d) by way of fixed charge, all Derivative Assets of an income nature now or in the future accruing to the Chargor (whether at law or in equity) or offered to it at any time in respect of the Shares

3 2 Financial Collateral Arrangement The Parties acknowledge and intend that the security provided under or pursuant to this Charge will constitute a "security financial collateral arrangement" for the purposes of the Financial Collateral Regulations

4 DEPOSIT OF DOCUMENTS

The Chargor shall deposit with the Security Agent

- (a) on the date of this Charge, all original share certificates in respect of the Original Shares together with appropriate blank stock transfer forms. The Security Agent may at any time after the occurrence of a Default, without notice to the Chargor, complete such transfers and present them for registration, and
- (b) promptly as and when received from time to time, original share certificates together with appropriate blank stock transfer forms relating to any other Shares and any other documents of title relating to any Derivative Assets

5 VOTING POWERS AND DIVIDENDS

5.1 Before enforcement Unless and until the occurrence of a Declared Default

- (a) the Chargor shall, for so long as it remains the beneficial owner of any Charged Assets, determine how all voting powers and rights attaching to such Charged Assets are to be exercised, provided that no voting powers and rights may be exercised so as to jeopardise the value of the Charged Assets, this Charge or the interests of the Security Agent or any of the Beneficiaries under this Charge, and
- (b) all cash dividends received by the Security Agent or its nominee shall be paid to the Chargor

5.2 After enforcement At any time after the occurrence of a Declared Default

- (a) the Security Agent may, for the purpose of protecting its interests in relation to the Secured Sums, exercise (but is not obliged to exercise) in the name of the Chargor or otherwise and without any further consent or authority on the part of the Chargor, all voting powers and rights attaching to the Charged Assets as it sees fit, including any rights to nominate or remove a director, as if the Security Agent were the sole beneficial owner of the Charged Assets,
- (b) all Derivative Assets shall, if received by the Chargor or any nominee of the Chargor, be held on trust for and forthwith paid or transferred to the Security Agent, and
- (c) the Chargor shall (and shall procure that its nominees shall) accept short notice for and attend any meeting of the Company, appoint proxies and exercise voting powers and rights exercisable by the holders of the Charged Assets as the Security Agent may direct from time to time, as it sees fit for the purpose of protecting its interests in relation to the Secured Sums

For the avoidance of doubt, unless and until the Security Agent takes any step to exercise any voting powers or rights attaching to the Charged Assets after becoming entitled (but not obliged) to do so under this Clause, all such powers and rights remain with the Chargor

6 WARRANTIES

The Chargor represents and warrants to the Security Agent and each Beneficiary on the date of this Charge and on each date on which the Chargor acquires any additional Shares that

- (a) **Called up and paid up** the Original Shares are, and any Shares deposited after the date of this Charge will be, fully called up and fully paid-up and the Original Shares represent the entire issued share capital of the Company at the date of this Charge,
- (b) **Legal and beneficial owner** (subject to this Charge) the Original Shares are legally and beneficially owned by the Chargor, and any Shares acquired by the Chargor after the date of this Charge shall be beneficially owned by it, in each case free from any option, equity, trust or Security,
- (c) **Proper execution** this Charge has been properly executed by it and it has taken all necessary action to authorise the execution and delivery of this Charge, which

is valid and binding upon it and, subject to the Legal Reservations, enforceable in accordance with its terms, and

- (d) **No restrictions** there are no provisions in the Company's Articles of Association or any other agreement, which restrict the transfer of any Shares or its ability to enter into this Charge, including any rights of first refusal, pre-emption rights, requirements for consent or any rights restricting or affecting the voting rights on or the disposal of any of the Shares, or (if such provisions exist) they have been varied or waived to enable this Charge to be enforced free from any such restriction or right

7 **NEGATIVE PLEDGE AND OTHER RESTRICTIONS**

The Chargor shall not, without the prior written consent of the Security Agent

- (a) create, or agree or attempt to create, or permit to subsist, any Security or any trust over any of the Charged Assets,
- (b) sell or assign, or grant any interest in, any of the Charged Assets, or part with possession or ownership of them, or purport or agree to do so,
- (c) cause or permit any rights attaching to the Charged Assets to be varied or abrogated (and in particular, not permit the Company's constitutional documents to be amended so as to restrict the transfer of any Shares, including any rights of first refusal, pre-emption rights, requirements for consent or any rights restricting or affecting the voting rights on or the disposal of any of the Shares),
- (d) cause or permit any of the Charged Assets to be consolidated or sub-divided (unless, no later than 5 Business Days after such consolidation or conversion, revised original share certificates and original blank executed stock transfer forms have been delivered to the Security Agent) or converted or the other capital of the Company to be re-organised, exchanged or repaid, or
- (e) give an instruction for any of its certificated Shares to be converted into uncertificated form

8 **POSITIVE COVENANTS**

The Chargor covenants that it shall

- (a) **Calls** promptly pay direct to the Company any calls on any Charged Assets which (despite Clause 6(a) (*Warranties*)) are not fully paid and if it defaults the Security Agent may (but is not obliged to) do so on behalf of the Chargor (and any amount so expended shall be deemed an expense),
- (b) **Notices** forward to the Security Agent any notices, reports, accounts, circulars and other documents relating to the Charged Assets as soon as they are received, and
- (c) **Dematerialisation** after the occurrence of a Declared Default, execute and deliver to the Security Agent or as it directs such documents, transfers and powers of attorney, give such instructions and perform such other acts as the Security Agent may reasonably require at any time to convert any of the Chargor's certificated Shares into uncertificated form (or vice versa)

9 FURTHER ASSURANCE

The Chargor shall at any time (and from time to time) if required by the Security Agent, promptly sign, seal, deliver and complete all documents and do all acts and things which the Security Agent is entitled by the terms of this Charge to require for

- (a) perfecting or improving its title to and security over any Charged Assets, or
- (b) vesting or enabling the Security Agent to vest any Charged Assets in itself or its nominee or in any purchaser or to facilitate the sale or other disposal of any of the Charged Assets, or
- (c) the exercise of any of the rights or powers attaching to any Charged Assets conferred on the Security Agent by this Charge,

such documents to be prepared by or on behalf of the Security Agent (at the cost of the Chargor) and to be in such form as the Security Agent may require (acting reasonably)

10 RIGHT OF APPROPRIATION

- 10 1 Right of Appropriation** The Security Agent may, on or at any time after the security constituted by this Charge becomes enforceable, by notice in writing to the Chargor appropriate with immediate effect all or any Charged Assets comprising financial collateral which is subject to a security financial collateral arrangement (within the meaning of the Financial Collateral Regulations) in or towards the discharge of the Secured Sums, whether such Charged Assets are held by the Security Agent or otherwise

- 10 2 Value** The value of any financial collateral appropriated under clause 10 1 shall be

- (a) in the case of cash, its face value at the time of appropriation, and
- (b) in the case of financial instruments or other financial collateral, their market value at the time of appropriation as determined (after appropriation) by the Security Agent by reference to a public index or other applicable generally recognised price source or such other process as the Security Agent may select, including a valuation carried out by an independent firm of accountants or valuers appointed by the Security Agent,

as converted, where necessary, into sterling at a market rate of exchange prevailing at the time of appropriation selected by the Security Agent

- 10 3 Surplus or shortfall** The Security Agent will account to the Chargor for any amount by which the value of the appropriated Charged Assets exceeds the Secured Sums and the Chargor shall remain liable to the Security Agent for any amount by which the value of the appropriated Charged Assets is less than the Secured Sums

- 10 4 Confirmation** The Chargor agrees that (a) all Charged Assets referred to in Clause 10 1 have been delivered, transferred, held, registered or otherwise designated so as to be in the possession or under the control of the Security Agent or a person acting on its behalf, and (b) the method of valuing such Charged Assets under Clause 10 2 is commercially reasonable

11 CONTINUING SECURITY

This Charge 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

12 CONSOLIDATION OF MORTGAGES

Section 93 of the Law of Property Act 1925 (restriction on consolidation of mortgages) shall not apply to this Charge

13 STAMP DUTY

The Chargor shall pay all present and future stamp, registration and similar taxes or charges which may be payable or determined to be payable in any jurisdiction in connection with the execution, delivery, performance or enforcement of this Charge or any judgment given in connection with this Charge and shall indemnify each Beneficiary, the Security Agent and any Receiver against any and all liabilities including penalties with respect to or resulting from its delay or omission to pay any such stamp, registration and similar taxes or charges

14 ADDITIONAL OR FUTURE SECURITY

This Charge is in addition to and shall not affect (or be affected by) any guarantees, indemnities or Security whatsoever which the Security Agent may hold now or in the future for any part of the Secured Sums and may be enforced without first having recourse to any such guarantee, indemnity or Security

15 OPENING OF NEW ACCOUNTS

15.1 Creation of new account On receiving notice that the Chargor has granted Security over or otherwise encumbered or disposed of any Charged Assets other than as expressly permitted by the terms of the other Finance Documents, a Beneficiary may rule off all its accounts and open new accounts with the Chargor

15.2 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

16 POWERS OF THE SECURITY AGENT

16.1 This security shall be immediately enforceable at any time after

(a) the occurrence of a Declared Default, or

(b) (i) a step or proceeding is taken for the appointment of an administrator, liquidator or provisional liquidator in relation to the Chargor,

(ii) notices to creditors are sent out under section 98 of the Insolvency Act 1986 in relation to the Chargor,

(iii) a proposal is made in relation to the Chargor for a voluntary arrangement under Part I of the Insolvency Act 1986,

- (iv) a step or proceeding is taken in relation to the Chargor with a view to seeking a moratorium, or
- (v) a request has been made by the Chargor to the Security Agent for the appointment of a Receiver or an administrator over its Assets,

or any procedure or step analogous to any of the above circumstances is taken in any jurisdiction

16.2 The provisions of the Law of Property Act 1925 relating to the power of sale conferred by that Act are

- (a) varied so that Section 103 shall not apply to this Charge, and
- (b) extended to authorise the Security Agent at any time after this Charge becomes enforceable to sell or otherwise dispose of (or instruct any nominee to do so) the Charged Assets or any part of them or (as it may elect and without prejudice to any later exercise of this power) the whole or part of the equitable interest divested of the legal title for such consideration (which may comprise or include shares or debentures), upon such terms and generally in such manner as the Security Agent thinks fit

17 APPOINTMENT OF A RECEIVER

17.1 **Appointment** At any time after this security has become enforceable or if so requested by the Chargor, the Security Agent may appoint in writing any person or persons to be a receiver and manager or receivers and managers (hereinafter referred to as the "Receiver" which expression shall where the context admits include the plural and any substitute receiver and manager or receivers and managers) of all or any part of the Charged Assets, as the Security Agent may choose in its entire discretion

17.2 **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

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

17.4 **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 Charged Assets of which he is the Receiver

17.5 **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 Charged 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

17.6 **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

18 POWERS OF A RECEIVER

The Receiver may exercise all the powers, rights and discretions set out in Schedules 1 and 2 to the Insolvency Act 1986 to the extent applicable to the Charged Assets and in particular, by way of addition to and without limiting such powers, the Receiver may, with or without the concurrence of others

- (a) exercise all voting and other rights attaching to the Charged Assets,
- (b) make any arrangement or compromise with any Beneficiary or others as he shall think fit,
- (c) appoint managers, officers and agents for the above purposes at such remuneration as the Receiver may determine,
- (d) 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,
- (e) 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, and
- (f) 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 Charged Assets

19 POWER OF ATTORNEY

19 1 Appointment of attorney The Chargor, by way of security and to more fully secure the performance of its obligations under this Charge, irrevocably appoints the Security Agent (whether or not a Receiver or administrator has been appointed) and any Receiver separately 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 the Chargor is obliged to do (but has not done) in accordance with this Charge, including to execute and deliver and otherwise perfect any agreement, assurance, deed, instrument or document, and
- (b) enable the Security Agent or any Receiver to exercise (or to delegate) all or any of the rights conferred on it by this Charge or by statute in relation to this Charge or the Charged Assets

19 2 Ratification The Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this Clause

19 3 Sums recoverable All sums expended by the Security Agent or any Receiver acting in accordance with this Clause 19 shall be recoverable from the Chargor under Clause 25 (*Costs, expenses and liabilities*)

20 OTHER POWERS EXERCISABLE BY THE SECURITY AGENT

20 1 Receiver's powers All powers of the Receiver conferred by this Charge may be exercised by the Security Agent after this Charge has become enforceable. In that event,

Clause 18(d) (*Powers of Receiver*) shall be read and construed as if the words "be charged on the Charged Assets" were substituted for the words "be deemed an expense properly incurred by the Receiver"

- 20 2 **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 20, except for gross negligence or wilful default

21 **APPLICATION OF MONEY RECEIVED BY THE SECURITY AGENT OR A RECEIVER**

- 21 1 **Order of priority** Any money received or realised under the powers conferred by this Charge 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 Facility Agreement, and
- (b) as to the surplus (if any), to the Chargor or other persons entitled to it

- 21 2 **Suspense account** The Security Agent may, at any time after demand and until the irrevocable and unconditional payment to the Security Agent of all Secured Sums, place and keep to the credit of a suspense account any money received or realised by the Security Agent by virtue of this Charge. The Security Agent shall have no intermediate obligation to apply such money in or towards the discharge of any Secured Sum

22 **PROTECTION OF THIRD PARTIES**

- 22 1 **No duty to enquire** No purchaser from, or other person dealing with, the Security Agent or any Receiver 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 Charge has become enforceable, or whether a Receiver has been validly appointed, or whether any event or cause has happened to authorise the Security Agent 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

- 22 2 **Receipt** The receipt of the Security Agent or Receiver 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 or Receiver

23 **PROTECTION OF THE SECURITY AGENT AND RECEIVER**

Neither the Security Agent nor any Receiver shall be liable for any Liability which arises out of the exercise of, or purported exercise of, or the failure to exercise, any of their respective powers under or by virtue of this Charge, except if and to the extent that such Liability results from its own gross negligence or wilful default. Neither the Security Agent nor any Receiver shall be liable to account as mortgagee in possession for any of the Charged Assets

24 **SECURITY AGENT**

- 24 1 **Security Agent as trustee** The Security Agent declares itself to be a trustee of this Charge (and any other Security created in its favour pursuant to this Charge) 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 Facility Agreement

24 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

24 3 **No partnership** Nothing in this Charge shall constitute or be deemed to constitute a partnership between any of the Beneficiaries and the Security Agent

25 **COSTS, EXPENSES AND LIABILITIES**

25 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 Charge, and
- (b) the completion of the transactions and perfection of the Security contemplated in this Charge in Clause 9 (*Further assurance*)

25 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 Charge (or any documents contemplated by this Charge) or any proceedings instituted by or against the Security Agent, in any jurisdiction

25 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, 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 Charge,
- (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 Charge or for any other purpose contemplated in this Charge, and
- (c) the carrying out or consideration of any other act or matter which the Security Agent may consider to be conducive to the preservation, improvement or benefit of any Charged Asset

26 **INTEREST ON OVERDUE AMOUNTS**

- (a) Any overdue amounts not paid in accordance with this Charge 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 the relevant Beneficiary from time to time. In each case, interest shall accrue on a day to day basis to 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 is charged pursuant to the relevant Finance Document and itself constitutes part of the Secured Sums.

27 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.

28 TRANSFER BY A BENEFICIARY

- (a) Any Beneficiary may at any time assign and transfer all or any of its rights in relation to this Charge 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 Charge to any replacement Security Agent appointed in accordance with the Facility 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 Charge in replacement of the previous Security Agent.

29 RELEASE OF SECURITY

- 29.1 **Redemption** Subject to clause 31.2 (*Avoidance of Payments*), if 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 advances or provide other financial accommodation to any person under any Finance Document, 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 Charged Assets from the security constituted by this Charge. Such release shall not prejudice the rights of the Security Agent under clause 25 (*Costs, Expenses and Liabilities*).

- 29.2 **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 or other similar laws

- (a) the liability of the Chargor under this Charge and the Security constituted by this Charge shall continue and such amount shall not be considered to have been irrevocably paid, and

- (b) the Security Agent may keep any Security held by it in respect of the Chargor's liability under the Finance Documents in order to protect the Beneficiaries against any possible claim under insolvency law for up to three years after all Secured Sums have been satisfied. If a claim is made against a Beneficiary within that period, the Security Agent may keep the Security until that claim has finally been dealt with.

30 THIRD PARTY RIGHTS

30 1 Directly enforceable rights Pursuant to the Contracts (Rights of Third Parties) Act 1999

- (a) the provisions of Clause 28 (*Set-off*) and Clause 28 (*Transfer by a Beneficiary*) shall be directly enforceable by a Beneficiary,
- (b) the provisions of Clause 17 (*Appointment of a Receiver*) to Clause 23 (*Protection of the Security Agent and Receiver*) inclusive shall be directly enforceable by any Receiver, and
- (c) the provisions of Clause 22 (*Protection of third parties*) shall be directly enforceable by any purchaser

30 2 Exclusion of Contracts (Rights of Third Parties) Act 1999 Save as otherwise expressly provided in Clause 30 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 Charge

30 3 Rights of the Parties to vary The Parties may by agreement vary any term of this Charge (including this Clause 30) without the necessity of obtaining any consent from any other person

31 FORBEARANCE, SEVERABILITY, VARIATIONS AND CONSENTS

31 1 Delay etc All rights, powers and privileges under this Charge shall continue in full force and effect, regardless of any Beneficiary exercising, delaying in exercising or omitting to exercise any of them

31 2 Severability No provision of this Charge shall be avoided or invalidated by reason only of one or more other provisions being invalid or unenforceable

31 3 Illegality, invalidity, unenforceability Any provision of this Charge 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 Charge

31 4 Variations No variation of this Charge shall be valid and constitute part of this Charge, unless such variation shall have been made in writing and signed by the Security Agent (on behalf of the Beneficiaries) and the Chargor

31 5 Consents Save as otherwise expressly specified in this Charge, 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

32 COUNTERPARTS

This Charge 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 Charge

33 NOTICES

33 1 Communications in writing Any communication to be made under or in connection with this Charge shall be made in writing and, unless otherwise stated, may be made by fax or letter

33 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 Charge is that identified with its name at the end of this Charge, 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

33 3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with this Charge 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 33 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 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)

33 4 Electronic Mail Notices under this Charge may not be served by electronic mail or other electronic means of communication, other than facsimile

33 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 33 2 (*Addresses*) or changing its own address or fax number, the Security Agent shall notify the other parties

34 SECURITY AGENT

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

35 **GOVERNING LAW**

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

36 **ENFORCEMENT**

36.1 **Jurisdiction of English courts**

- (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 the Finance Documents expressed to be governed by English law (including a dispute regarding the existence, validity or termination of any Finance Document or any claim for set-off) or the legal relationships established by any Finance Document (a "Dispute"), only where such Dispute is the subject of proceedings commenced by an Obligor
- (b) Where a Dispute is the subject of proceedings commenced by one or more Beneficiary, 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 any Obligor raises a counter-claim in the context of proceedings commenced by one or more Beneficiary, that Obligor 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 the Beneficiaries from commencing legal actions or proceedings in any other jurisdiction, whether concurrently or not
- (d) To the extent allowed by law, each Obligor 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

36.2 **Agreement** The Chargor expressly agrees and consents to the provisions of this Clause 36

THIS CHARGE 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

EXECUTION PAGE

THE CHARGOR

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

)
)
)
)
)
)

Director

Witness signature

[Redacted signature]

Witness name

Richard Gurdell

Witness address

[Redacted address]

Witness occupation

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

EXECUTION PAGE

THE CHARGOR

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

)
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)
)
)
)

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