



**Registration of a Charge**

Company name: **MOTHERCARE PLC.**

Company number: **01950509**



X76KAOCO

Received for Electronic Filing: **23/05/2018**

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**Details of Charge**

Date of creation: **17/05/2018**

Charge code: **0195 0509 0009**

Persons entitled: **HSBC BANK PLC (AS SECURITY AGENT)**

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: **EXCEPT FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006, 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: **ALLEN & OVERY LLP**



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

Company number: 1950509

Charge code: 0195 0509 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 17th May 2018 and created by MOTHERCARE PLC. was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 23rd May 2018 .

Given at Companies House, Cardiff on 25th May 2018

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

Dated 17 May 2018

**MOTHERCARE PLC**

as grantor

**AND**

**HSBC BANK PLC**

as security agent

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**SUPPLEMENTAL SHARE SECURITY AGREEMENT**

Security Interests (Jersey) Law 2012

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This agreement is made on 17 May 2018

**BETWEEN:**

- 1 **MOTHERCARE PLC**, a company incorporated under the laws of England & Wales with registered number 01950509 and having its registered office at Cherry Tree Road, Watford, Hertfordshire, WD24 6SH (the **Grantor**); and
- 2 **HSBC BANK PLC**, having its registered office at 8 Canada Square, Canary Wharf, London, E14 5HQ, acting as trustee for the Finance Parties (the **Security Agent**).

**RECITALS:**

- A The Grantor and the Security Agent have entered into the Facility Agreement and the Existing Security Interest Agreements pursuant to the terms of the Facility Agreement.
- B The 1983 Law Security Interest Agreement created a first priority security interest under the 1983 Law, over, amongst other things, the Collateral and the 2012 Law Security Interest Agreements created first priority security interests under the 2012 Law over, amongst other things the Collateral.
- C It is a condition of the Amendment and Restatement Agreement that the Grantor enters into this agreement for the purposes of creating security interests under the Law over, amongst other things, the entire issued share capital of the Company.
- D The Grantor has agreed to provide security to the Security Agent (as trustee for the Finance Parties) to secure the payment and discharge of the Secured Obligations.
- E The Grantor has confirmed that the security created pursuant to this agreement is for the benefit of each Finance Party (including, for the avoidance of doubt, the Ancillary Lenders, the Hedging Counterparties and the Bilateral Arrangement Lenders) under the Facility Agreement.

**It is agreed as follows:**

**1 Definitions and interpretation**

- 1.1 In this agreement, words and expressions shall, except where the context otherwise requires, have the meanings given to them in the Facility Agreement.
- 1.2 In this agreement, the following words and expressions shall, except where the context otherwise requires, have the following meanings:

**1983 Law** means the Security Interests (Jersey) Law 1983.

**1983 Law Security Interest Agreement** means the security interest agreement governed by the 1983 Law dated 18 May 2012 between the Grantor and the Security Agent in respect of all or any part of the Collateral secured under this agreement.

**2012 Law Security Interest Agreements** means:

- (a) the security interest agreement governed by the Law dated 20 May 2014 between the Grantor and the Security Agent in respect of all or any part of the Collateral secured under this agreement; and
- (b) the supplemental security interest agreement governed by the Law dated 5 May 2017 between the Grantor and the Security Agent in respect of all or any part of the Collateral secured under this agreement.

**Additional Securities** means any shares of the Company issued to, transferred to or otherwise acquired by the Grantor, after the date hereof (including, without limitation, the Related Rights).

**Amendment and Restatement Agreement** means an amendment and restatement agreement dated on or about the date of this agreement between, amongst others, the Grantor and the Security Agent amending the Facility Agreement.

**Collateral** means the Securities and the Proceeds.

**Company** means Strobe Investments Limited, a company incorporated under the laws of Jersey with registered number 64448 and having its registered office at 13 Castle Street, St. Helier, Jersey JE4 5UT.

**Encumbrance** means any mortgage, charge, pledge, lien, assignment, hypothecation, title retention, security interest, trust arrangement or any other agreement or arrangement which has the effect of creating security.

**Events of Default** means any of the events or circumstances specified in clause 12.

**Existing Security Interest Agreements** means the 1983 Law Security Interest Agreement and the 2012 Law Security Interest Agreements.

**Facility Agreement** means the multicurrency term loan and revolving facilities agreement originally dated 12 May 2003 as amended on 23 December 2005 and as amended and restated on 27 April 2007, 26 April 2010 and 16 May 2011 and subject to a waiver and consent letter dated 2 March 2012 and as further amended and restated on 11 April 2012, as amended on 19 April 2012 and 8 August 2012, as amended and restated on 18 October 2013 and as amended on 31 January 2014, 20 May 2014, 20 June 2014 and as amended and restated on 23 September 2014 and 5 May 2017, as amended and restated on or about the date hereof between, amongst others, the Grantor and the Security Agent and as further amended and restated from time to time.

**Finance Documents** shall have the meaning given to it in the Facility Agreement.

**Finance Parties** shall have the meaning given to it in the Facility Agreement.

**Law** means the Security Interests (Jersey) Law 2012.

**Obligors** shall have the meaning given to it in the Facility Agreement.

**Order** means the Security Interests (Registration and Miscellaneous Provisions) (Jersey) Order 2013.

**Original Securities** means the shares specified in Schedule 1 (including, without limitation, the Related Rights).

**Permitted Transaction** shall have the meaning given to it in the Facility Agreement.

**Proceeds** means any proceeds (as defined in the Law) derived directly or indirectly from a dealing with the Securities or from a dealing with the proceeds of the Securities.

**Related Rights** means all rights of the Grantor relating to the Securities including, without limitation, any rights to receive additional securities, assets or rights or any offers in respect thereof (whether by way of bonus issue, option rights, exchange, substitution, conversion or otherwise) or to receive monies (whether by way of redemption, return of capital, dividend, distribution, income or otherwise).

**Secured Obligations** means all obligations and liabilities (whether present or future, in respect of current advances or further advances, actual or contingent, joint or several, or in any other capacity) of or due by the Obligors to the Finance Parties under or pursuant to the Finance Documents and/or this agreement including those obligations and liabilities as amended by the Amendment and Restatement Agreement.

**Securities** means the Original Securities and any Additional Securities.

**Security Period** means the period commencing on the date hereof and ending on the date upon which the Security Agent has determined that all of the Secured Obligations have been irrevocably paid, performed and/or discharged in full.

- 1.3 The principles of construction set out in Clause 1.2 (*Construction*) of the Facility Agreement apply to this agreement, insofar as they are relevant to it and subject to any necessary changes as they apply to the Facility Agreement.
- 1.4 If the Security Agent considers, acting reasonably, that any amount paid, performed or discharged in respect of the Secured Obligations is capable of being avoided or otherwise set aside on the insolvency or bankruptcy of the Grantor (or any other person) or otherwise, then that amount shall not be considered to have been irrevocably paid, performed or discharged for the purposes of this agreement.
- 1.5 In the interpretation of this agreement, the following provisions apply save where the context requires otherwise:
  - (a) for the purposes of the Law, the Security Agent shall be the **secured party**, the Grantor shall be the **grantor**, the Collateral (including, without limitation, any after-acquired property) shall be the **collateral**, the Events of Default shall be the **events of default** and this agreement shall be the **security agreement**;
  - (b) **advances, control, further advances, investment security** and **proceeds** shall have the meanings given to them in the Law;

- (c) **prescribed unit trust** shall have the meaning given to it in Article 2(2) of the Order;
- (d) references to **constitutional documents** of an entity shall include, without limitation, the certificate(s) of incorporation or establishment, the memorandum and articles of association and, where the entity is the trustee of a trust, the trust instrument constituting the relevant trust;
- (e) references to **identity documents** of a natural person shall include, without limitation, a passport (or national identity document) or driver's licence;
- (f) any reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
- (g) where references are made to the Security Agent holding title to or having possession or control of the Collateral or any part thereof, such references shall include any person holding title to or having possession or control of the Collateral or any part thereof for or on behalf of the Security Agent, whether as trustee or in some other capacity;
- (h) references to the Security Agent or any other Finance Party include its successors, assignees and transferees. References to the Grantor include its successors, permitted assignees and permitted transferees, if any;
- (i) words and expressions not otherwise defined in this agreement shall be construed in accordance with the Law;
- (j) except where the context otherwise requires, words denoting the singular include the plural and vice versa, words denoting a gender include every gender and references to persons include bodies corporate and unincorporate;
- (k) references to recitals, clauses and Schedules are, unless the context otherwise requires, references to recitals and clauses hereof and Schedules hereto and references to sub-clauses are, unless otherwise stated, references to the sub-clause of the clause in which the reference appears;
- (l) the recitals and the Schedules form part of this agreement and shall have the same force and effect as if they were expressly set out in the body of this agreement and any reference to this agreement shall include the recitals and the Schedules;
- (m) any reference to this agreement or to any agreement or document referred to in this agreement shall be construed as a reference to such agreement or document as amended, varied, modified, supplemented, restated, novated or replaced from time to time;
- (n) any reference to any statute or statutory provision shall, unless the context otherwise requires, be construed as a reference to such statute or statutory



provision as the same may have been or may be amended, modified, extended, consolidated, re-enacted or replaced from time to time;

- (o) clause headings and the index are inserted for convenience only and shall not affect the construction of this agreement;
- (p) the Security Agent or any other Finance Party (except for the references in Clause 13 (Further Assurance and Power of Attorney), includes its duly appointed nominees, attorneys, correspondents, trustees, advisers, agents, delegates and sub-delegates; and
- (q) if the Security Agent considers that an amount paid to a Finance Party under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this agreement.

1.6 This agreement is a Finance Document for the purposes of the Facility Agreement.

#### 1.7 Third Party Rights

Notwithstanding any term of any Finance Document, the parties to this agreement may rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations under this agreement without the consent of any person who is not a party to this agreement.

### 2 Covenant to pay

The Grantor hereby covenants with the Security Agent and the other Finance Parties that they will on demand pay and discharge the Secured Obligations when due.

### 3 Creation and perfection of security interest

3.1 As a continuing security for the payment, performance and discharge of the Secured Obligations, so that the Security Agent shall have a first priority security interest in the Collateral pursuant to the Law, the Grantor hereby grants a security interest in the Collateral to the Security Agent and agrees that the Security Agent shall have control (as defined in the Law) of the Securities.

3.2 The Grantor hereby undertakes to the Security Agent that:

- (a) contemporaneously with the execution of this agreement, it shall deliver to the Security Agent a certified copy of the register of members of the Company noting the Security Agent's security interest created pursuant to this agreement; and
- (b) provided always that the Collateral shall not be registered in the name of the Security Agent or its nominee in the register of members of the Company unless an Event of Default has occurred and is continuing; and
- (c) immediately upon written request from the Security Agent following the occurrence of an Event of Default that is continuing:

- (i) it shall assign, transfer and/or otherwise make over to the Security Agent title to the Securities; and
  - (ii) it shall execute and deliver to the Company a notice materially in the form set out in Schedule 2 in respect of the Securities and shall procure that the Company executes and delivers to the Security Agent an acknowledgement materially in the form set out in Schedule 2.
- 3.3 The parties hereby acknowledge that the Grantor has delivered the certificates of title in respect of the Original Securities and an undated and signed duly completed stock transfer form to the Security Agent pursuant to the terms of the Existing Security Interest Agreements and the Security Agent hereby confirms that it (or someone on its behalf) has possession of the same.
- 3.4 The Grantor covenants and undertakes to the Security Agent, so that the same shall be continuing covenants and undertakings throughout the Security Period, that if Additional Securities are issued to, transferred to or otherwise acquired by the Grantor, it shall immediately upon acquiring such Additional Securities and to the extent it has not already done so under the Existing Security Interest Agreements:
  - (a) deliver to the Security Agent, or to its order, certificates of title in respect of such Additional Securities, together with an undated and signed duly completed stock transfer form in a form acceptable to the Security Agent (or, in each case, procure such delivery); and
  - (b) deliver to the Security Agent a certified copy of the register of members of the Company noting the Security Agent's security interest over such Additional Securities created pursuant to this agreement.
- 3.5 The Grantor acknowledges that value has been given in respect of this agreement.
- 3.6 For the purposes of providing consent if required under the Existing Security Interest Agreements, the Security Agent confirms that it consents to the creation and perfection of the security interest over the Collateral under this agreement.
- 3.7 Where this agreement purports to create a first priority security interest, that security interest will be a third ranking security interest subject to the security interests created under the 2012 Law Security Interest Agreements (which rank after the security interest created under the 1983 Law Security Interest Agreement) until such time as the security interests created by the Existing Security Interest Agreements cease to have effect.
- 3.8 The Security Agent agrees that the entry into this agreement by the Grantor and the creation of the security interests created by the Grantor pursuant to this agreement are a Permitted Transaction.
- 3.9 The Security Agent acknowledges that any delivery made by the Grantor pursuant to clause 3.4(a) above will satisfy the Grantor's obligations to deliver the certificates of title and an undated and signed duly completed stock transfer form pursuant to the 2012 Law Security Interest Agreements in respect of the Additional Securities (as such term is defined in the 2012 Law Security Interest Agreements).

#### **4 Registration of security interest**

- 4.1 Subject to clause 4.4, the Security Agent may in its sole discretion (but shall not be obliged to) at any time:
- (a) register the security interest created by this agreement under the Law by registration of a financing statement for any period determined by the Security Agent; and
  - (b) register a financing change statement under the Law in respect of any change to the details in the financing statement (including, without limitation, any amendment, renewal or discharge of the financing statement) for any period determined by the Security Agent.
- 4.2 The Grantor shall, promptly following written request from the Security Agent, deliver to the Security Agent such information and/or certified copy documents as the Security Agent may reasonably require for the purposes of the registration contemplated by this clause including, without limitation, a certified copy of the constitutional documents or identity documents of the Grantor.
- 4.3 The Grantor hereby consents to the registration contemplated by this clause and waives its right to receive a copy of any verification statement in respect of such registration.
- 4.4 Clause 4.1 shall not apply where the Grantor is the trustee(s) of a trust (other than a prescribed unit trust) granting a security interest over trust property under this agreement.
- 4.5 The Grantor confirms that it is not the trustee(s) of a trust (other than a prescribed unit trust) granting a security interest over trust property under this agreement.

#### **5 Release of security interest**

Upon the expiry of the Security Period, the Security Agent shall, at the request and expense of the Grantor:

- (a) return to the Grantor the certificates of title to the Securities, together with such undated and signed duly completed stock transfer forms as are in its possession at such time, and/or assign, transfer or otherwise make over to the Grantor any title to the Securities held by the Security Agent, without recourse or warranty;
- (b) enter into a security release agreement with the Grantor (in such form as the Security Agent shall determine) providing for the security interest created by this agreement to be extinguished; and
- (c) promptly register a financing change statement for the discharge of any financing statement registered in respect of the security interest created by this agreement.

#### **6 Representations and warranties**

- 6.1 The Grantor hereby represents and warrants to the Security Agent that:

- (a) the Grantor is a body corporate duly incorporated and validly existing under the laws of the jurisdiction of its incorporation and all corporate and other action required to authorise the execution and delivery of this agreement and the creation, attachment and perfection of the security intended to be created pursuant to clause 3 has been duly taken;
- (b) this agreement constitutes the legal, valid and binding obligations of the Grantor, enforceable against the Grantor in accordance with its terms;
- (c) the entry into this agreement by the Grantor and the performance by it of its obligations thereunder will not conflict with:
  - (i) any law or regulation applicable to it;
  - (ii) its constitutional documents; or
  - (iii) any agreement or instrument binding upon it or any of its assets;
- (d) the Grantor has obtained all governmental and other consents, authorisations or permissions necessary for it:
  - (i) to enter into this agreement and perform its obligations hereunder; and
  - (ii) to enable it to create the security interests pursuant to this agreement and to ensure that such security interests have the priority and ranking that they are expressed to have;
- (e) the Grantor is able to pay its debts as they fall due and will not become unable to do so as a consequence of entering into this agreement;
- (f) the Grantor is not insolvent or bankrupt under the laws of any jurisdiction (including, without limitation, **bankrupt** as defined in the Interpretation (Jersey) Law 1954) and has not, in any jurisdiction, commenced or, as far as it is aware, had commenced against it any proceedings or other actions for or indicative of insolvency or bankruptcy;
- (g) this agreement creates a security interest in the Collateral under the Law in favour of the Security Agent, which has attached and is perfected under the Law;
- (h) no Event of Default has occurred or will occur as a consequence of it entering into this agreement and creating the security hereunder;
- (i) the Grantor is the sole legal and beneficial owner of and has good title to and rights in the Collateral subject only to the rights granted in favour of the Security Agent by this agreement;
- (j) the Securities have been validly issued, are fully paid and constitute the entire issued capital of the Company and the certificates of title representing them as delivered to the Security Agent pursuant to the Existing Security Interest Agreements are the only certificates of title in respect thereof;

- (k) the Collateral is not subject to any options, warrants, pre-emption or similar rights and free from all Encumbrances, registrations of any security interests over the Collateral under the Law and rights of set-off other than those created under this agreement and the Existing Security Interest Agreements in favour of the Security Agent;
- (l) the Grantor has not granted any power of attorney in respect of the exercise of any rights or powers in connection with the Securities, other than to the Security Agent with effect only from the occurrence of an Event of Default that is continuing; and
- (m) the articles of association of the Company do not permit the directors of the Company from time to time to refuse to register a transfer of title to the Securities for the purposes of creating or enforcing the security created hereunder.

6.2 The representations and warranties in clause 6.1 are given on the date hereof and repeated on each day of the Security Period.

## **7 Covenants**

7.1 The Grantor covenants and undertakes to the Security Agent that:

- (a) it shall promptly pay all payments to be made or becoming due (but in any event on or before their due date) and immediately discharge any lien which may arise in respect of the Collateral;
- (b) promptly upon receipt of any report, accounts, circular, offer or notice received by the Grantor in respect of, or which may affect, the Collateral, it shall deliver a copy to the Security Agent with notice that it relates to this agreement;
- (c) it shall supply to the Security Agent, promptly upon receipt of written request, such information regarding the Collateral and the Grantor's financial condition, business and operations as the Security Agent may reasonably request;
- (d) it shall not, save with the prior written consent of the Security Agent:
  - (i) in any way, except as set out in this agreement or the Existing Security Interest Agreements, sell, transfer or otherwise dispose of, create or permit to subsist any Encumbrance over the Collateral or any part thereof or agree to any extent to sell, transfer or dispose of or encumber the Collateral or any part thereof;
  - (ii) create or permit to subsist any registration of a security interest in respect of the Collateral under the Law (other than registration of the security interests created by this agreement or the 2012 Law Security Interest Agreements in favour of the Security Agent); or
  - (iii) negotiate, settle or waive any claim for loss, damage or other compensation affecting the Collateral or any part thereof;

- (e) any Collateral not held by the Security Agent shall be held to the Security Agent's order or otherwise as the Security Agent may require from time to time;
- (f) it shall notify the Security Agent of any Event of Default (and the steps, if any, being taken to remedy it) immediately upon becoming aware of its occurrence;
- (g) it shall notify the Security Agent of any registration of a security interest in respect of the Collateral under the Law (other than registration of the security interests created by this agreement or the 2012 Law Security Interest Agreements in favour of the Security Agent) or other interest of a third party in the Collateral immediately upon becoming aware of its occurrence;
- (h) it shall do everything in its power to prevent any person other than the Security Agent from becoming entitled to claim any right over the Collateral or any part thereof;
- (i) promptly upon written request from the Security Agent, it shall deliver to the Security Agent, or to its order, such other documents as the Security Agent shall require from time to time to protect, maintain or enforce any of the security interests created hereunder;
- (j) it will not do, or cause or permit to be done, anything which may adversely affect:
  - (i) the Collateral and the security interests created hereunder, or the value of any of them; or
  - (ii) the rights or interests of the Security Agent hereunder including, without limitation, the ability of the Security Agent to exercise its rights and remedies hereunder and to preserve or enforce the security created hereunder;
- (k) the Grantor must indemnify the Security Agent against any loss liability incurred by the Security Agent as a consequence of the Security Agent acting in respect of the Securities on the direction of the Grantor;
- (l) if the Grantor proposes to change its name, the Grantor shall give to the Security Agent (for the purposes of registering a financing change statement if applicable) notice in writing that it proposes to change its name (along with the correct spelling of its proposed new name) at least five business days before the change takes effect.

7.2 The covenants and undertakings given in clause 7.1 are continuing covenants and undertakings throughout the Security Period.

## 8 Lien

Without affecting, and in addition to, the grant of security interests and other rights hereunder, the Grantor hereby agrees that the Security Agent shall, for so long as any amount remains outstanding under or in respect of the Secured Obligations, have a lien over the Securities.

## **9 Contractual recognition of bail-in**

9.1 Notwithstanding any other term of this agreement, the Security Agent and the Grantor acknowledge, accept, and agree to be bound by:

- (a) the effect of the exercise of the Bail-In Power by the relevant UK Resolution Authority in relation to any liability of the Security Agent to the Grantor under this agreement, that may include and result in but not limited to any of the following, or some combination thereof:
  - (i) the reduction of all, or a portion, of such liability;
  - (ii) the conversion of all, or a portion, of such liability into shares, other securities or other obligations of the Security Agent to or conferred on the Grantor;
  - (iii) the cancellation of such liability; and
  - (iv) the amendment or alteration of the amounts due in relation to the liability, including any interest, if applicable, thereon, or the dates on which any payments are due, including the suspension of payments for a temporary period;
- (b) the variation of the terms of this agreement, if necessary, to give effect to the exercise of the Bail-In Power by the relevant UK Resolution Authority.

9.2 For the purposes of Clause 9.1:

**Bail-In Power** means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the United Kingdom, relating to Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms as amended from time to time, including but not limited to the Banking Act 2009 as amended from time to time, pursuant to which:

- (a) any obligation of the Security Agent can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period); and
- (b) any right in a contract governing an obligation of the Security Agent may be deemed to have been exercised.

**UK Resolution Authority** means any body which has authority to exercise any Bail-In Power in relation to the Security Agent.

## **10 Authority**

10.1 Notwithstanding the provisions of clause 3, until the occurrence of an Event of Default which is continuing, the Grantor (or its agent) is hereby authorised by the Security Agent to exercise any voting rights in respect of the Securities (and, where title to the Securities

has been assigned, transferred or otherwise made over to the Security Agent, the Security Agent shall, at the request, cost and expense of the Grantor, execute such forms of proxy as are reasonably required to allow the Grantor to exercise such rights) provided that the Grantor shall not, save with the prior written consent of the Security Agent, take or permit any action pursuant to such authorisation:

- (a) that does not comply with the Grantor's memorandum and articles of association and the Finance Documents;
- (b) to amend the memorandum or articles of association of the Company;
- (c) that will, or could reasonably be foreseen to, have a material adverse effect on the value of the Collateral; or
- (d) that jeopardises, impairs or prejudices the rights or interests of the Security Agent or any security created hereunder.

10.2 At any time following the occurrence of an Event of Default which is continuing:

- (a) the Security Agent shall be entitled to exercise any voting rights, give instructions and exercise any other rights in respect of the Collateral (or direct the Grantor to do so);
- (b) the Grantor shall not be authorised to, and shall not, give instructions or exercise any rights in respect of the Collateral; and
- (c) where the assignment, transfer or making over of title to the Securities has not been effected pursuant to clause 3.2(b), the Grantor shall forthwith exercise all voting or other rights in respect thereof in such manner as the Security Agent shall direct from time to time and, in the absence of such directions, only with the object of enhancing or preserving the Collateral and its value.

10.3 The Security Agent may, in such manner as it shall determine, exercise, or cause to be exercised, or refrain from exercising, any voting or other rights which it may have pursuant to this clause 10 and it shall not be liable for any such exercise or failure to exercise such rights.

10.4 For the purposes of Article 24 of the Law, except as expressly provided in this agreement, the Security Agent does not authorise the Grantor or any other person to deal with the Securities and any such dealing is prohibited.

## 11 Dividends

11.1 Prior to the occurrence of an Event of Default which is continuing:

- (a) all dividends or other income or distributions arising in respect of the Collateral (in this clause, **dividends**) shall be receivable by the Grantor, which may retain such dividends for its own benefit, and such dividends shall be released from the security created hereunder; and



- (b) the Security Agent shall, to the extent that dividends are received by it, account to the Grantor for such dividends after deducting its costs and expenses for doing so.

11.2 Following the occurrence of an Event of Default which is continuing:

- (a) all dividends shall be receivable by the Security Agent, which shall apply the same against the Secured Obligations, subject to the Law; and
- (b) the Grantor shall, to the extent that dividends are received by it, account to the Security Agent for such dividends and, pending delivery, shall hold such dividends on trust for the Security Agent.

11.3 The provisions of clause 11.2 are without prejudice to the right of the Security Agent to, subject to the Law, credit monies received, recovered or realised to a separate suspense account pursuant to clause 20.

## 12 Events of Default

There shall be an Event of Default if an **Event of Default** as defined in the Facility Agreement occurs, as if each such **Event of Default** were set out in full herein.

## 13 Enforcement by the Security Agent

13.1 The power of enforcement in respect of the security interest created by this agreement shall become exercisable when:

- (a) an Event of Default has occurred and is continuing; and
- (b) the Security Agent has served on the Grantor written notice specifying the Event of Default.

13.2 Subject to the Law, the Security Agent may exercise the power of enforcement in respect of the security interest created by this agreement by doing any one or more of the following (to the extent that they are not in conflict) in relation to the Collateral:

- (a) appropriating the Collateral;
- (b) selling the Collateral;
- (c) taking any of the following ancillary actions:
  - (i) taking control or possession of the Collateral;
  - (ii) exercising any rights of the Grantor in relation to the Collateral;
  - (iii) instructing any person who has an obligation in relation to the Collateral to carry out the obligation for the benefit of the Security Agent;

- (d) applying any other remedy that this agreement provides for as a remedy that is exercisable pursuant to the power of enforcement, to the extent that such remedy is not in conflict with the Law.

13.3 Subject to Part 7 of the Law:

- (a) the power of enforcement may be exercised as determined by the Security Agent in its absolute discretion;
- (b) the power of enforcement may be exercised by the Security Agent in respect of all or any part of the Collateral; and
- (c) the exercise or non-exercise of the power of enforcement by the Security Agent shall not constitute a waiver of any rights or remedies, and all rights and remedies of the Security Agent are reserved and may be exercised without notice.

13.4 Subject to Article 44(3) and (4) of the Law, not less than 14 days before appropriating or selling the Collateral, the Security Agent shall give written notice to the following persons (if any):

- (a) any person who, 21 days before the appropriation or sale, has a registered security interest in the Collateral; and
- (b) any person other than the Grantor who has an interest in the Collateral and has, not less than 21 days before the appropriation or sale, given the Security Agent notice of that interest,

and where no person is entitled to receive such notice, the Security Agent may appropriate or sell the Collateral immediately.

13.5 The Grantor acknowledges and agrees that no notice of appropriation or sale of the Collateral needs to be given by the Security Agent to the Grantor under Article 44 of the Law.

13.6 The Security Agent shall apply the proceeds of sale of the Collateral (or the value of any Collateral which has been appropriated) in the following order:

- (a) in payment of the Security Agent's reasonable costs incurred in, and incidental to, exercise of the power of enforcement;
- (b) in or towards payment and discharge of the Secured Obligations; and
- (c) in payment of the amount of any resulting surplus to the Grantor (or any other person entitled to receive it under Article 49 of the Law) or into the Royal Court of Jersey.

13.7 Within 14 days after any appropriation or sale of the Collateral by the Security Agent, the Security Agent shall give a written statement of account to the Grantor and any other person entitled to receive it under Article 48 of the Law.

13.8 Save with the prior written consent of the Security Agent, the Grantor shall not be entitled to reinstate this agreement (as defined in Article 54 of the Law) during the Security Period.

13.9 To the extent permitted by the laws of Jersey:

- (a) the Security Agent shall have no duty to preserve or enhance the Collateral or its value; and
- (b) the Security Agent shall have no liability for any loss arising out of (i) the exercise or non-exercise of the power of enforcement or any other rights under this agreement, or (ii) the taking of any other action in respect of the Collateral as is permitted by this agreement, whether before or after the power of enforcement becomes exercisable.

#### **14 Further assurance and power of attorney**

14.1 The Grantor shall, at any time and from time to time, upon the written request of the Security Agent promptly do any and all such acts and things and execute and deliver all such instruments and any documents (including, without limitation, any replacement or supplemental security agreements) as the Security Agent may consider necessary or desirable for creating, attaching, perfecting, maintaining, enhancing or enforcing its security or rights under this agreement or the Law.

14.2 In accordance with Article 5(2)(a) of the Powers of Attorney (Jersey) Law, 1995 (the **Powers of Attorney Law**), with effect from the occurrence of an Event of Default that is continuing, the Grantor hereby irrevocably appoints the Security Agent as the Grantor's attorney (with full power of substitution in accordance with Article 8 of the Powers of Attorney Law) with authority in the name of and on behalf of the Grantor to sign, execute, seal, deliver, acknowledge, file, register and perfect any and all assurances, documents, instruments, agreements, certificates and consents whatsoever and to do any and all such acts and things in relation to any matters dealt with in this agreement and/or which the Security Agent may deem necessary or desirable for creating, perfecting, maintaining or enforcing the security contemplated hereunder, giving full effect to this agreement or for securing, protecting or exercising the rights of the Security Agent hereunder or under the Law, including without limitation:

- (a) completing, dating, executing and/or delivering any stock transfer forms and/or notices in respect of the Collateral;
- (b) exercising any voting or other rights in respect of the Collateral; and
- (c) taking any action which the Grantor is required to take pursuant to this agreement.

14.3 The Grantor hereby covenants with the Security Agent to ratify and confirm any lawful exercise or purported exercise of the power of attorney referred to in this clause.

## **15 Security continuing and independent**

- 15.1 The security created pursuant to this agreement shall take effect as a continuing security for the payment or performance of all or any part of the Secured Obligations and shall be independent of and in addition to and it shall not be prejudiced or be affected by and shall not affect or prejudice any other security now or hereafter held by the Security Agent in respect of the payment or performance of all or any part of the Secured Obligations.
- 15.2 The security, and the obligations and liabilities, created pursuant to this agreement shall not be in any way discharged, impaired or otherwise affected by:
- (a) any partial or intermediate payment or performance of the Secured Obligations;
  - (b) any variation, extension, discharge, compromise, dealing with, exchange or renewal of any right or remedy which the Security Agent may now or hereafter have from or against any person in respect of any obligations of the Grantor under the Finance Documents or any other document or any other person;
  - (c) any act or omission by the Security Agent in taking up, creating, attaching, perfecting or enforcing any security, indemnity or guarantee from or against the Grantor or any other person;
  - (d) any defect in, termination, amendment, variation, novation or supplement of or to any of the Finance Documents or to any document pursuant to which obligations are due by the Grantor or any other person to the Security Agent;
  - (e) any grant of time, indulgence, waiver or concession given to the Grantor or any other person;
  - (f) any of the insolvency, bankruptcy, liquidation, administration, winding-up, incapacity, limitation, disability, the discharge by operation of law, and any change in the constitution, name and style of any party to any of the Finance Documents or any other person;
  - (g) any release, invalidity, illegality, unenforceability, irregularity or frustration of any actual or purported obligation of the Grantor or any other person in respect of any of the Finance Documents or any other document;
  - (h) any claim or enforcement of payment from any of the other parties to the Finance Documents or any other person; or
  - (i) any act or omission which would have discharged or affected the liability of the Grantor or by anything done or omitted by any person which but for this provision might operate to exonerate or discharge the Grantor or otherwise reduce or extinguish its liability under this agreement.
- 15.3 The Security Agent is not obliged, before exercising any of the rights, powers or remedies it may have pursuant to this agreement or by law, to make any demand of, or take action or file any claim or proof in respect of, any person other than the Grantor or to enforce any other security in respect of the Finance Documents.

15.4 If the Collateral or any part thereof is released from the security interest created hereunder in reliance upon a payment or other performance or discharge which is subsequently avoided or set aside or restored for any reason whatsoever (including, without limitation, in connection with the subsequent insolvency or bankruptcy of the Grantor), the obligations and liabilities of the Grantor under this agreement, and the rights of the Security Agent under this agreement, shall continue as if such payment and release had not occurred.

15.5 The Grantor irrevocably waives and abandons any and all rights under the laws of Jersey:

- (a) whether by virtue of the droit de division or otherwise, to require that any liability under the Finance Documents be divided or apportioned with any other person or reduced in any manner whatsoever; and
- (b) whether by virtue of the droit de discussion or otherwise, to require that recourse be had to the assets of any other person before any claim is enforced against the Grantor under the Finance Documents.

## **16 Remedies and waiver**

16.1 No failure by the Security Agent to exercise, nor any delay by the Security Agent in exercising, any right or remedy hereunder shall operate as a waiver hereof nor shall any single or partial exercise prevent any further or other exercise thereof or the exercise of any other right or remedy.

16.2 The rights and remedies under or pursuant to this agreement, the security interests created hereunder, and any rights or other remedies provided by law (including the Law as it applies to the security created hereunder) are cumulative and not mutually exclusive and any of such rights and remedies may be, but need not be, exercised at the Security Agent's discretion.

## **17 Fees, costs and expenses**

17.1 The Grantor agrees to reimburse the Security Agent on demand for all fees (including legal fees and security registration fees), costs and expenses reasonably incurred by the Security Agent and/or its nominees and agents in connection with or relating to the negotiation, preparation and/or execution of this agreement, the creation, attachment, perfection, preservation and/or enforcement of any of the Security Agent's rights under this agreement, the Security Agent's compliance with any demand for registration of a financing change statement served by the Grantor on the Security Agent under Article 75 of the Law, or the exercise or purported exercise of any of the Security Agent's powers arising pursuant to this agreement.

17.2 All such fees, costs and expenses shall be reimbursed by the Grantor with interest accrued thereon in accordance with the provisions of clause 18 of the Facility Agreement.

## **18 Indemnity**

The Grantor shall (to the extent not otherwise indemnified by Clause 16.4 (Indemnity to Security Agent) of the Facility Agreement) indemnify and keep indemnified the Security

Agent and/or its nominees and agents on demand against each and every loss, action, claim, expense, cost and/or liability which may be incurred by the Security Agent and/or its nominees and agents in connection with or relating to the creation, attachment, perfection, preservation and/or enforcement of any of the Security Agent's rights under this agreement, the exercise or purported exercise of any of the Security Agent's powers pursuant to this agreement (including pursuant to the power of attorney herein), or any breach by the Grantor of its obligations hereunder, in each case save where such loss, action, claim, expense, cost or liability arises as the result of the gross negligence or wilful misconduct of the Security Agent.

**19 Set-off**

The Security Agent may, at any time, before as well as after the occurrence of an Event of Default which is continuing, set off any obligation of or due by the Security Agent to the Grantor (including any contingent or unmatured obligation and in respect of any bank account of the Grantor held with the Security Agent) or any part thereof against the Secured Obligations or any part thereof. If the obligations to be set off are in different currencies, the Security Agent may convert all obligations into the same currency applying the then prevailing spot rate of exchange of the Security Agent (as conclusively determined by the Security Agent).

**20 Suspense account**

Subject to the Law, monies received, recovered or realised by the Security Agent under this agreement may, at the discretion of the Security Agent, be credited to an interest-bearing separate or interest bearing suspense account for so long as the Security Agent may think fit without any intermediate obligation on the part of the Security Agent to apply the same in or towards payment, performance or discharge of the Secured Obligations.

**21 Illegality**

If at any time one or more of the provisions of this agreement becomes invalid, illegal or unenforceable in any respect, that provision shall be severed from the remainder and the validity, legality and enforceability of the remaining provisions of this agreement shall not be affected or impaired in any way.

**22 Certificate of Security Agent**

Any certificate submitted by the Security Agent to the Grantor as to (a) the amount of the Secured Obligations or any part of them or (b) the amount of its reasonable costs and expenses incurred in enforcing this agreement (or any rights hereunder) for the purposes of Articles 48 or 54 of the Law, shall, in the absence of manifest error, be conclusive and binding on the Grantor.

**23 Amalgamation and consolidation**

The rights and benefits of the Security Agent under this agreement shall remain valid and binding for all purposes notwithstanding any change, amalgamation, consolidation or otherwise which may be made in the constitution of the Security Agent and shall be

available to such entity as shall carry on the business of the Security Agent for the time being.

## **24 Conversion of Currency**

### **24.1 The Spot Rate**

In this Clause 24, the **Spot Rate** means, in relation to the Security Agent or any other Finance Party, the spot rate of exchange of that Finance Party on any day for the purchase of any currency with any other currency in the London foreign exchange market at or about 11.00 a.m. on that day.

### **24.2 Conversion of moneys received**

The Security Agent or any other Finance Party may convert any moneys received, recovered or realised in any currency under this agreement (including the proceeds of any previous conversion under this Clause 24) from their existing currency into any other currency, by purchasing that other currency at the Spot Rate.

### **24.3 Hedging**

If the Grantor fails to pay any sum under this agreement on the due date, the Security Agent or any other Finance Party may, without notice to the Grantor, purchase at the Spot Rate any currency which that Finance Party considers necessary or desirable to cover the liabilities of the Grantor to pay that sum.

## **25 Amendment and waiver**

No variation, amendment or waiver of this agreement shall be valid unless in writing and signed by or on behalf of the parties hereto.

## **26 Assignment**

26.1 The Security Agent may grant a participation in or make an assignment or transfer or otherwise dispose of, the whole or any part of its rights and benefits under this agreement. For the purpose of any such participation, assignment, transfer or disposal, the Security Agent may disclose information about the Grantor and the financial condition of the Grantor as may have been made available to the Security Agent by the Grantor or which is otherwise publicly available.

26.2 The Grantor shall not assign or transfer all or any part of its rights, benefits and/or obligations under this agreement.

## **27 Liability of Grantor**

Where the Grantor consists of more than one person, the liability of each such person shall be joint and several and every agreement, undertaking or covenant contained in this agreement shall be construed accordingly.

## **28 Notices**

28.1 All notices with respect to this agreement shall be delivered by hand, sent by first class post to the address of the addressee as set out in this agreement or to such other address as the addressee may from time to time have notified for the purpose of this clause or to any other **proper address** as defined in the Order, sent by facsimile transmission (**fax**) to the following numbers or sent by electronic transmission (**email**) to the following addresses:

- (a) in the case of the Grantor, fax number +44(0)1534 609333; and
- (b) in the case of the Security Agent, fax number +44 (0) 20 7991 4347.

28.2 Such notices shall be deemed to have been received:

- (a) if sent by first class prepaid post, two days (being days on which commercial banks are open for full banking business in Jersey) after posting;
- (b) if delivered by hand, on the day of delivery;
- (c) if sent by fax, at the time of transmission provided that the sender shall receive a successful transmission report; and
- (d) if sent by email, at the time of transmission provided that the sender shall receive a successful delivery receipt.

28.3 If the Grantor is a body corporate registered outside Jersey, it shall appoint a process agent in Jersey to accept service of notices pursuant to this agreement on its behalf, such appointment to take effect from the date of this agreement, and it shall promptly notify the Security Agent in writing of the identity and address of such process agent from time to time.

## **29 Counterparts**

This agreement may be executed in any number of counterparts each of which shall be an original but which shall together constitute one and the same instrument.

## **30 Governing law and jurisdiction**

30.1 This agreement shall be governed by and construed in accordance with the laws of Jersey and the parties hereby irrevocably agree for the exclusive benefit of the Security Agent and the other Finance Parties only that the courts of Jersey are to have exclusive jurisdiction to settle any disputes arising out of or in connection with this agreement (including any dispute relating to the existence, validity or termination of this agreement) and that accordingly any suit, action or proceeding arising out of or in connection with this agreement (in this clause referred to as **Proceedings**) may be brought in such court.

30.2 Nothing contained in this clause shall limit the right of the Security Agent to take Proceedings against the Grantor in any other court of competent jurisdiction nor shall the



taking of Proceedings in one or more jurisdiction preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

- 30.3 The Grantor irrevocably waives (and irrevocably agrees not to raise) any objection which it may have now or hereafter to the taking of any Proceedings in any such court as referred to in this clause and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any Proceedings brought in any such court as is referred to in this clause shall be conclusive and binding upon the Grantor and may be enforced in the court of any other jurisdiction.

**The parties** have duly executed this agreement on the date set out at the beginning of this agreement.

## **SCHEDULE 1**

### **The Original Securities**

1,000 Ordinary shares of £1.00 each in the capital of the Company (being the entire issued share capital of the Company) and owned by the Grantor.

## SCHEDULE 2

### Notice and acknowledgement - title security

#### Notice

**To:** Strobe Investments Limited (the **Company**)

13 Castle Street  
St. Helier  
Jersey JE4 5UT

**From:** Mothercare plc (the **Grantor**)

Cherry Tree Road  
Watford  
Hertfordshire WD24 6SH

**And:** HSBC Bank plc (the **Security Agent**)

8 Canada Square  
Canary Wharf  
London E14 5HQ

Date:

We hereby give you notice that, pursuant to a security interest agreement dated [date] made between the Grantor and the Security Agent (the **Security Interest Agreement**), the Grantor has granted to the Security Agent a security interest in respect of, among other things, 1,000 ordinary shares of £1.00 each in the capital of the Company (being the entire issued share capital of the Company) currently registered in the name of the Grantor (including, without limitation, all rights of the Grantor relating to such securities) (the **Securities**). Under the Security Interest Agreement, the Grantor has also agreed to assign, transfer and/or otherwise make over to the Security Agent title to the Securities.

We enclose the originals of (i) a dated and signed duly completed stock transfer form in respect of the transfer of title to the Securities to [the Security Agent] [name of Security Agent's nominee] and (ii) certificates of title in respect of the Securities.

We hereby instruct you to:

- 1 enter the name of [the Security Agent] [name of Security Agent's nominee] in the register of members of the Company as the holder of the Securities; and
- 2 issue a certificate of title to reflect such entry and deliver the same to the Security Agent at the address set out below.

This notice may not be varied or revoked without the Security Agent's prior written consent.

This notice may be executed in any number of counterparts and by each party on a separate counterpart each of which counterparts when so executed and delivered shall be an original but all such counterparts shall together constitute one and the same instrument.

Please sign and forward to the Security Agent at Corporate Trust & Loan Agency, Level 24, 8 Canada Square, London E14 5HQ the above address the enclosed form of acknowledgement (for the attention of Loan Agency Operations).

This notice shall be governed by and construed in accordance with the laws of Jersey.

**Signed for and on behalf of Mothercare plc**

-----  
**Signature**

-----  
**Print name**

-----  
**Title**

**Signed for and on behalf of HSBC Bank plc as Security Agent**

-----  
**Signature**

-----  
**Print name**

-----  
**Title**

## Acknowledgement

**To:** Mothercare plc (the **Grantor**)

Cherry Tree Road  
Watford  
Hertfordshire WD24 6SH

**And:** HSBC Bank plc (the **Security Agent**)

8 Canada Square  
Canary Wharf  
London E14 5HQ

**From:** Strobe Investments Limited (the **Company**)

13 Castle Street  
St. Helier  
Jersey JE4 5UT

Date:

We hereby acknowledge receipt of a notice dated [date] (the **Notice**) from the Grantor and the Security Agent relating to the creation of a security interest in respect of the Securities. Terms defined in the Notice shall have the same meaning where used herein.

We confirm that:

- 1 we have not, as at the date hereof, received notice of any other security interest or encumbrance over any of the Securities and we hereby undertake to notify the Security Agent of any such notice received in the future;
- 2 for such time as such security interest continues, the Security Agent acts as secured party only and will not, save as required by law, be held liable by, or under any obligation to, the Company in respect of the Securities;
- 3 the names of the persons identified as the transferees of the Securities in the Notice have been entered in the register of members as the holders of the Securities and we enclose originals of the certificate of title reflecting such holding; and
- 4 for the purpose of the giving of notice to us, without prejudice to any other form of notice, we agree that a facsimile sent to +(0)1534 609333 attention Michelle Owens (Company Secretary) shall, in each case, be sufficient notice.

This acknowledgement shall be governed by and construed in accordance with the laws of Jersey.

**Signed for and on behalf of Strobe Investments Limited**

-----  
**Signature**

-----  
**Print name**

-----  
**Title**

## Signatories

Grantor

Signed for and on behalf of Mothercare plc



Signature

GLYD HUGHES  
Print name

DIRECTOR  
Title

Security Agent

Signed for and on behalf of HSBC Bank plc

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print name

\_\_\_\_\_  
Title

## Signatories

**Grantor**

**Signed for and on behalf of Mothercare plc**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Print name**

\_\_\_\_\_  
**Title**

**Security Agent**

**Signed for and on behalf of HSBC Bank plc**

  
**Signature**

\_\_\_\_\_  
**Print name** James McComb  
Authorised Signatory

\_\_\_\_\_  
**Title**