

# M

CHFP025

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

\*insert full name  
of Company

## COMPANIES FORM No. 395

### Particulars of a mortgage or charge

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

Pursuant to section 395 of the Companies Act 1985

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

For official use

Company number

[6][1][1][1]

02142673

Name of company

\* The Carphone Warehouse Limited

Date of creation of the charge

3 July 2009

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

24 Composite Guarantee and Debenture (the "Deed")

Amount secured by the mortgage or charge

2  
x 10  
All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or alone or in any other capacity whatsoever) of any present or future member of the Group to the Security Agent and/or the other Finance Parties (or any of them) under or pursuant to any Finance Document (including all monies covenanted to be paid under this Deed) ("**Secured Obligations**")

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

Barclays Bank PLC (as security trustee for the Finance Parties)(in such capacity, the "Security Agent") of Churchill Plaza, Churchill Way, Basingstoke, Hampshire

Postcode RG21 7GP

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

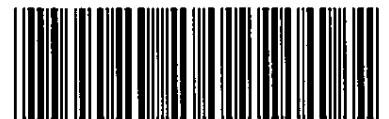
Simon Levene  
DLA Piper UK LLP  
3 Noble Street  
London  
EC2V 7EE

316670.1

Time critical reference

For official Use (02/06)  
Mortgage Section

THURSDAY



A39 09/07/2009 53  
COMPANIES HOUSE

## 1. GRANT OF SECURITY

### 1.1 Nature of security

All Security Interests and dispositions created or made by or pursuant to this Deed are created or made:

(a) in favour of the Security Agent;

(b) with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994; and

(c) as continuing security for payment of the Secured Obligations.

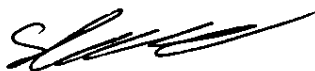
continued on Addendum 4/4

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legibly, preferably  
in black type, or  
bold block  
lettering*

Particulars as to commission allowance or discount (note 3)

Signed



Date 08 July 2009

On behalf of ~~XXXXXX~~ [mortgagee/chargee] †

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

† delete as  
appropriate

## Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
  - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
  - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

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Name of company

\*insert full name  
of Company

\* The Carphone Warehouse Limited

Addendum 1/4

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

Addendum 2/4

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

Addendum 3/4

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

Addendum 4/4

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

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Addendum 1/4

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

Addendum 2/4

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

NOTE

In this form:

**"Acceptable Bank"** has the meaning given in schedule 9 (*Financial Covenants*) of the Receivables Financing Agreement;

**"Accession Deed"** means an accession deed substantially in the form set out in schedule 4 (*Form of Accession Deed*) of the Deed;

**"Accession Letter"** means a document substantially in the form set out in schedule 6 (*Form of Accession Letter*) of the Receivables Financing Agreement;

**"Additional Network Provider"** means a company which becomes a Network Provider in accordance with clause 28.4 (*Addition of a Network Provider*) of the Receivables Financing Agreement;

**"Additional Network Provider Accession Certificate"** means a document substantially in the form set out in schedule 13 (*Additional Network Provider Accession Certificate*) of the Receivables Financing Agreement;

**Additional Obligor**" means a company which becomes an Obligor in accordance with clause 28 (*Changes to the Obligors and Network Providers*) of the Receivables Financing Agreement;

**"Additional Reserve"** has the meaning given to such term in clause 5.6 (*Additional Reserve*) of the Receivables Financing Agreement;

**"Additional Security Obligor"** means any person which, after the Commencement Date, grants a Security Interest to the Receivables Purchaser in respect of an Obligor's liabilities to the Receivables Purchaser pursuant to the Receivables Financing Agreement;

**"Affiliate"** means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;

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**"Approved Debt"** means a Debt which is referred to as such in any part of schedule 12 (*Terms specific to Network Providers*) of the Receivables Financing Agreement;

**"Ancillary Document"** means any document which is referred to as such in any part of schedule 12 (*Terms specific to Network Providers*) of the Receivables Financing Agreement;

**"Assigned Assets"** means the Security Assets expressed to be assigned pursuant to clause 5.2 (*Security assignments*) of the Deed;

**"Bank Instruction Letter"** means the bank instruction letter relating to the operation of the Managed Base Account (as defined in the Trust Deed), entered into between the Receivables Purchaser, CPW and HSBC Bank Plc on or around the Commencement Date;

**"Business Day"** means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

**"Cash Equivalent Investments"** means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (c) commercial paper not convertible or exchangeable to any other security:
  - (i) for which a recognised trading market exists;
  - (ii) issued by an issuer incorporated in the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State;
  - (iii) which matures within one year after the relevant date of calculation; and
  - (iv) which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;

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(d) Sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);

(e) any investment in money market funds which (i) have a credit rating of either A-1 or higher by Standard & Poor's Ratings Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, (ii) invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above and (iii) can be turned into cash on not more than 30 days' notice; or

(f) any other debt security approved by the Majority Finance Parties,

in each case, denominated in Sterling, euros or US dollars and to which any member of the Group is alone (or together with other members of the Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security Interest (other than Security Interest arising under the Transaction Security Documents);

"Charging Companies" means the Original Charging Companies and any other company which accedes to the Deed pursuant to an Accession Deed;

"Charged Securities" means:

#### Details of Charged Securities

Charging Company	Name of company in which shares are held	Class of shares held	Number of shares held	Issued capital share
The Carphone Warehouse Limited	CPWCO Limited	18 Ordinary	2	2

"Commencement Date" means the date on which the Receivables Purchaser confirms to CPW that all conditions set out in clause 4.1 (*Initial conditions precedent*) of the Receivables Financing Agreement have been satisfied or waived (as the case may be);

"Commitment" means, in relation to the Facility, the aggregate of the Drawn Commitment and the Receivables Purchaser's undrawn commitment from time to time under the Facility being a sum equal to the Facility Limit;

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**"Compliance Certificate"** means a certificate substantially in the form set out in schedule 7 (*Form of Compliance Certificate*) of the Receivables Financing Agreement;

**"Connection"** means the commencement of a telecommunications network service by a Network Provider to a valid End User pursuant to a Minimum Term Contract purchased by the End User from an Opco;

**"Contra Accounts"** means the actual and potential amount that a Network Provider could set off against the amount owed by the Network Provider to an Opco by virtue of a reciprocal trading relationship (and not otherwise represented as a Specified Reserve), as determined from time to time (acting reasonably and in good faith at all times) by the Receivables Purchaser from the information provided to the Receivables Purchaser by the Opco and in relation to which the Receivables Purchaser consults with CPW at least three Business Days before such application and provides a written explanation to CPW justifying such application;

**"CPW"** means The Carphone Warehouse Limited (company number 2142673);

**"Debt"** means any book debt or other monetary claim or obligation of a Network Provider under a Network Agreement (including any applicable tax or duty payable), present, future or contingent, together with all its Related Rights, and a Debt, where the context permits, shall include a part of a Debt and all or part of its Related Rights, but shall exclude all Excluded Debts;

**"Debtor Concentration"** means the permitted maximum aggregate Notified Value of Outstanding Approved Debts of a single Network Provider at any time, calculated by applying the Debtor Concentration Percentage to the aggregate value of Outstanding Approved Debts at that time;

**"Debtor Concentration Percentage"** means the percentage specified as such in schedule 15 (*Principal commercial terms at the Commencement Date*) of the Receivables Financing Agreement;

**"Deferred Element"** means any outstanding balance of the Purchase Price of an Approved Debt, less the amount of any Early Payment made in respect of such Approved Debt;

**"Discount"** means the charge described in clause 7.2(a) of the Receivables Financing Agreement;

**"Disposal"** means:

(a) a sale, transfer, discounting, factoring, leasing or otherwise disposing of all or any part of the Debts, Invoices, Network Agreements or any amount standing to the credit of a Trust Account or monies standing to the credit of any other bank account that are held on trust for the Receivables Purchaser; or

(b) a sale, lease, licence, transfer, loan or other disposal by a person of any asset, undertaking or

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business,

in each case, whether by a voluntary or involuntary single transaction or series of transactions;

**"Drawn Commitment"** means the aggregate value of outstanding Early Payments;

**"Early Payment"** means a payment made by the Receivables Purchaser to the SPV on account of the Purchase Price of Approved Debts equal to the Notified Value of such Approved Debts less Reserves, multiplied by the Early Payment Percentage;

**"Early Payment Percentage"** means (subject to the terms of the Receivables Financing Agreement the percentage specified as such in schedule 15 (*Principal commercial terms at the Commencement Date*) of the Receivables Financing Agreement;

**"End User"** means a natural person or sole trader who is a consumer under a Minimum Term Contract;

**"Excluded Debt"** means any debt present, future or contingent:

- (a) due from the sale of any of an Obligor's fixed or capital assets;
- (b) due from one member of the Group to another member of the Group; and
- (c) created by Opcos other than pursuant to a Network Agreement;

**"Excluded Proceeds"** means all and any monies paid to a Trust Account which are not the proceeds of Debts but excluding for the avoidance of doubt the O2 Trust Property (as defined in the Trust Deed);

**"Event of Default"** means any event or circumstance specified as such in clause 22 (*Events of Default*) of the Receivables Financing Agreement;

**"Facility"** means the receivables financing facility operating by way of sale and purchase and provided under the Receivables Financing Agreement;

**"Facility Limit"** means the sum specified as such in schedule 15 (*Principal commercial terms at the Commencement Date*) of the Receivables Financing Agreement;

**"Fee Letter"** means:

- (a) a letter dated on or about the date of the Receivables Financing Agreement between the Receivables Purchaser and CPW setting out any of the fees referred to in clause 11 (*Fees*); or



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(b) any agreement setting out fees payable to a Finance Party under any provision of the Receivables Financing Agreement or any other Finance Document;

**"Finance Documents"** means the Receivables Financing Agreement, the Parent Side Letter, any Additional Network Provider Accession Certificate, any Accession Letter, any Compliance Certificate, any Fee Letter, any Intercreditor Agreement, any Transaction Security Document, the Bank Instruction Letter, the Trust Deed or any document referred to as such in any part of schedule 12 (*Terms specific to Network Providers*) of the Receivables Financing Agreement on or after the Commencement Date, any other agreement granted in favour of the Receivables Purchaser or any Affiliate of the Receivables Purchaser by a member of the Group, or entered into between the Receivables Purchaser and a member of the Group and any other document designated as a "Finance Document" by the Receivables Purchaser;

**"Finance Party"** means the Receivables Purchaser, Security Agent or a Participant;

**"Financial Indebtedness"** has the meaning given in schedule 9 (*Financial Covenants*) of the Receivables Financing Agreement;

**"Financial Year"** means the annual accounting period of the Group ending on or about 31 March in each year;

**"Group"** means each Security Obligor and its Subsidiaries (if any) and **"member of the Group"** shall be construed accordingly;

**"Holding Company"** means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary;

**"Insurances"** means all policies of insurance (and all cover notes) which are at any time held by, or written in favour of, a Charging Company or in which a Charging Company from time to time has an interest;

**"Intellectual Property"** means:

(a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and

(b) the benefit of all applications and rights to use such assets,

of each member of the Group (which may now or in the future subsist);

**"Intercreditor Agreement"** means any intercreditor agreement entered into after the

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Commencement Date between the Receivables Purchaser and any member of the Group and any other person;

**"Invoice"** means any invoice referred to in schedule 12 (*Terms specific to Network Providers*) of the Receivables Financing Agreement;

**"Limits"** means the Facility Limit and any financial limit set out in schedule 10 (*Operational Covenants*) of the Receivables Financing Agreement from time to time including Debtor Concentration and Minimum Revenue Receipt Percentage and **"Limit"** shall be construed accordingly;

**"Majority Finance Parties"** means a Finance Party or Finance Parties, whose Participation Commitments aggregate more than 66⅔ per cent of the Commitment;

**"Managed Base"** has the meaning given to that term in the O2 Contract;

**"Managed Base Account"** means the bank account held by CPW at HSBC Bank plc or such other account as the Parties may agree, from time to time;

**"Managed Base Debt"** means debts (and their proceeds) due from End Users in respect of Connections to the Managed Base;

**"Minimum Revenue Receipt Percentage"** has the meaning given in schedule 10 (*Operational Covenants*) of the Receivables Financing Agreement;

**"Minimum Term Contract"** means a contract between a Network Provider and End User that specifies a period of time which is fixed at the date of Connection and within which the End User has an obligation to pay a monthly service charge to the Network Provider and which provides (amongst other things) that the End User may be liable to a cancellation charge if the contract is terminated within that specified period of time;

**"Network Agreement"** means any Network Agreement referred to as such in any part of schedule 12 (*Terms specific to Network Providers*) of the Receivables Financing Agreement or any other agreement which the Receivables Purchaser agrees in writing to designate as a "Network Agreement";

**"Network Provider"** means an Original Network Provider or an Additional Network Provider;

**"Non-Vesting Debts"** means all or any Debts:

(a) which were purportedly or should have been assigned to the SPV or the Receivables Purchaser in accordance with clause 2 (*Assignment*) of the Receivables Financing Agreement; and/or

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(b) in respect of which the Receivables Purchaser has made any Early Payment or accepted any obligation to make payment of the Deferred Element,

but which have failed for any reason to effectively Vest in the Receivables Purchaser in accordance with clause 2 (*Assignment*) of the Receivables Financing Agreement;

**"Non-Vesting O2 Debt"** means a Non-Vesting Debt payable by O2;

**"Non-Vesting T-Mobile Debt"** means a Non-Vesting Debt payable by T-Mobile;

**"Notification Schedule"** means a notice in substantially the form set out in schedule 4 (*Form of Notification Schedule*) of the Receivables Financing Agreement;

**"Notified"** means, in relation to a Debt, the inclusion of that Debt in a Notification Schedule, and **"Notification"** shall be construed accordingly;

**"Notified Value"** means the full value of each Notified Debt as represented in a Notification Schedule including any applicable tax or duty and before any deductions contemplated by and specified in that Notification Schedule and any discount for prompt payment, or otherwise;

**"O2"** means Telefonica O2 (UK) Limited (company number 1743099);

**"O2 Contract"** means the Network Agreement, more particularly described as the trading agreement entered into between CPW and O2 on 18 March 2009;

**"O2 Percentage"** means a percentage equal to 100% minus the RP Percentage;

**"O2 Trust Property"** means the O2 Percentage of Managed Base Debts and their proceeds;

**"Obligor"** means the SPV, an Original Obligor or an Additional Obligor;

**"Opco"** means each Obligor other than the SPV;

**"Original Charging Companies"** means The Carphone Warehouse Limited, Mobiles.co.uk Limited and CPWCO 18 Limited;

**"Original Network Provider"** means O2 and T-Mobile (each as defined in schedule 12 (*Terms specific to Network Providers*)) of the Receivables Financing Agreement;

**"Original Obligors"** means The Carphone Warehouse Limited (company number 2142673) and Mobiles.co.uk Limited (company number 06320783);

**"Original Participants"** means HSBC Invoice Finance (UK) Limited, Credit Suisse, London

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Branch, RBS Invoice Finance Limited and Lloyds TSB Commercial Finance Limited;

**"Other Receivables"** means, save for Debts and Excluded Proceeds, all present and future book debts and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, any Charging Company (whether actual or contingent and whether arising under contract or in any other manner whatsoever) together with:

- (a) the benefit of all rights, guarantees, Security Interests and remedies relating to any of the foregoing (including, without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights); and
- (b) all proceeds of any of the foregoing;

**"Outstanding"** means in relation to any Notified Debt that such Debt remains unpaid and has not been reassigned;

**"Parent"** means Best Buy Europe Distributions Limited (company number 06534088);

**"Parent Side Letter"** means the letter more particularly described at paragraph 2(c) of part 1 of schedule 2 (*Conditions precedent*) of the Receivables Financing Agreement or such replacement letter as may be agreed between the Receivables Purchaser, CPW and the Parent;

**"Participant"** means:

- (a) each Original Participant; or
- (b) any bank or financial institution which has become a participant in the Facility in accordance with clause 27 (*Changes to the Finance Parties*) of the Receivables Financing Agreement,

and which in each case has not ceased to be a Party in accordance with the terms of the Receivables Financing Agreement;

**"Participation Commitment"** means:

- (a) in relation to an Original Participant, the amount set opposite its name under the heading "Original Participation Commitment" in part 3 of schedule 1 (*The Original Parties*) of the Receivables Financing Agreement;
- (b) in relation to any other Participant, the amount of any Participation Commitment novated to it under the Receivables Financing Agreement and set out in the relevant Transfer Certificate,

and in each case, less (i) any amount cancelled, permanently reduced or novated by it in accordance with the Receivables Financing Agreement and (ii) an amount equal to the Participation Percentage

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of any amount of the Commitment cancelled or permanently reduced under the Receivables Financing Agreement;

**"Participation Percentage"** means:

(a) in relation to an Original Participant, the percentage set opposite its name under the heading "Original Participation Percentage" in part 3 of schedule 1 (*The original parties*) of the Receivables Financing Agreement, or;

(b) in relation to any other Participant at any time, the percentage which its Participation Commitment bears to the Commitment at that time,

or, in each case, such other percentage as may (i) be agreed between a Participant and the Receivables Purchaser at any time, or (ii) be applicable in accordance with the terms of the Receivables Financing Agreement;

**"Participation Transfer Certificate"** means a certificate substantially in the form set out in part 1 of schedule 8 (*Form of Transfer Certificate*) of the Receivables Financing Agreement or such other form as may be agreed between the Receivables Purchaser and a Participant;

**"Parties"** means the parties to the Receivables Financing Agreement and **"Party"** means any of them;

**"Permitted Acquisition"** means an acquisition:

(a) in the ordinary course of business;

(b) of an asset sold, leased, transferred or otherwise disposed of by another member of the Group in circumstances constituting a Permitted Disposal;

(c) in respect of which the prior written consent of the Majority Finance Parties has been given;

(d) of shares or securities pursuant to a Permitted Share Issue;

(e) of securities which are Cash Equivalent Investments so long as those Cash Equivalent Investments become subject to the Transaction Security as soon as is reasonably practicable; and

(f) of (i) the issued share capital of a limited liability company or (ii) (if the acquisition is made by a limited liability company whose sole purpose is to make the acquisition) a business or undertaking carried on as a going concern, but only if:

(A) no Event of Default is continuing on the closing date for the acquisition or would occur as a result of the acquisition;

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(B) the acquired company, business or undertaking is incorporated or established, and carries on its principal business in, the European Union or the United States of America and is engaged in a business substantially the same as that carried on by the Group; and

(C) the consideration (including associated costs and expenses) for the acquisition and any Financial Indebtedness or other assumed actual or contingent liability, in each case remaining in the acquired company (or any such business) at the date of acquisition (when aggregated with the consideration (including associated costs and expenses) for any other Permitted Acquisition and any Financial Indebtedness or other assumed actual or contingent liability, in each case remaining in any such acquired companies or businesses at the time of acquisition does not in any Financial Year exceed in aggregate £75,000,000 (or its equivalent).

**"Permitted Disposal"** means any Disposal:

- (a) (save in relation to Debts, Network Agreements, Ancillary Documents or any sums collected on behalf of a Network Provider) made in the ordinary course of business of the disposing entity;
- (b) (save in relation to Debts, Network Agreements, Ancillary Documents or any sums collected on behalf of a Network Provider) of assets in exchange for other assets comparable or superior as to type, value and quality;
- (c) of obsolete or redundant vehicles, plant and equipment for cash;
- (d) of Cash Equivalent Investments for cash or in exchange for other Cash Equivalent Investments;
- (e) arising as a result of any Permitted Security; and
- (f) (save in relation to Debts, Network Agreements, Ancillary Documents or any sums collected on behalf of a Network Provider) where the higher of the market value or consideration receivable (when aggregated with the higher of the market value or consideration receivable for any other Disposal, other than any permitted under paragraphs (a) to (e) above) does not exceed £75,000,000 (or its equivalent in any other currency or currencies) in any Financial Year;

**"Permitted Security"** means:

- (a) any netting or set-off arrangement (including but not limited to cash-pooling arrangements) entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances, provided always that such arrangements do not extend to the proceeds of Debts or any sums collected on behalf of a Network Provider (unless such sums are the subject of a Specified Reserve);

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- (b) any lien arising by operation of law and in the ordinary course of business;
- (c) any lien created in favour of a bank in the ordinary course of its banking arrangements pursuant to standard banking terms of business;
- (d) (save in relation to Debts, Network Agreements or the Ancillary Documents) any Security Interest given on arms length and normal commercial terms in connection with an acquisition or disposal transaction which is a Permitted Acquisition or Permitted Disposal;
- (e) any Security Interest or Quasi-Security over or affecting any asset acquired by a member of the Group after the Commencement Date if:
  - (i) the Security Interest or Quasi-Security was not created in contemplation of the acquisition of that asset by the member of the Group;
  - (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by the member of the Group; and
  - (iii) the Security Interest or Quasi-Security is removed or discharged within 90 days of the date of acquisition of such asset;
- (f) any Security Interest or Quasi-Security over or affecting any asset of any company which becomes a member of the Group after the Commencement Date, where the Security Interest or Quasi-Security is created before the date on which that company becomes a member of the Group if:
  - (i) the Security Interest or Quasi-Security was not created in contemplation of the acquisition of that company;
  - (ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that company; and
  - (iii) the Security Interest or Quasi-Security is removed or discharged within 90 days of the date of that company becoming a member of the Group;
- (g) any Security Interest created with the prior written consent of the Majority Finance Parties;
- (h) any Security Interest over goods and documents of title to goods arising in the ordinary course of letter of credit transactions entered into in the ordinary course of business;
- (i) any Quasi-Security arising as a result of a Disposal which is a Permitted Disposal;
- (j) any Security Interest created or expressed to be created in favour of any Finance Party pursuant to the Finance Documents;

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(k) any Security Interest or Quasi-Security arising as a consequence of any finance or capital lease permitted pursuant to the definition of "Permitted Financial Indebtedness";

(l) any Security Interest or Quasi-Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of business and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group;

(m) save in relation to Debts, Network Agreements or the Ancillary Documents) any Security Interest or Quasi-Security securing any sale and leaseback involving an asset or assets the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other sale and leaseback involving an asset or assets given by any member of the Group) does not exceed £25,000,000 (or its equivalent in other currencies); or

(n) (save in relation to Debts, Network Agreements or the Ancillary Documents) any Security Interest or Quasi-Security securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of any Security Interest or Quasi-Security not otherwise permitted by preceding paragraphs) does not exceed £25,000,000 (or its equivalent in other currencies);

**"Permitted Share Issue"** means an issue of:

(a) ordinary shares by a member of the Group, paid for in full in cash upon issue and which by their terms are not redeemable and where such shares:

(i) are of the same class and on the same terms as those initially issued by such member of the Group; and

(ii) are issued to the same shareholder as those previously issued or are issued to another member of the Group; or

(b) shares by a member of the Group which is a Subsidiary of CPW to its immediate Holding Company where (if the existing shares of the Subsidiary are the subject of the Transaction Security) the newly-issued shares also become subject to the Transaction Security on the same terms;

**"Property"** means all estates and interests in freehold, leasehold and other immovable property now or in future belonging to any Charging Company, or in which any Charging Company has an interest at any time together with:

(a) all buildings and fixtures (including trade fixtures) and fixed plant and machinery at any time thereon;



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(b) all easements, rights and agreements in respect thereof; and

(c) the benefit of all covenants given in respect thereof;

**"Purchase Price"** means the amount received by the Receivables Purchaser towards the discharge of the Debt, less:

(a) accrued Discount; and

(b) the aggregate value of any Contra Account made by the relevant Network Provider at any time or to which such Network Provider may be entitled (for the avoidance of doubt, including the aggregate value of any Contra Account subsequently waived by the relevant Network Provider); and

(c) any other deduction permitted or provided for by the terms of the Receivables Financing Agreement.

**"Quasi-Security"** means a transaction described in clause 18.4(a)(ii) of the Receivables Financing Agreement.

**"Receiver"** means any receiver, receiver and manager or administrative receiver appointed by the Security Agent under the Deed;

**"Receivables Financing Agreement"** means the receivables financing agreement dated the same date as the Deed and made between (1) Barclays Bank PLC as the Receivables Purchaser (2) the company listed in schedule 1 thereto as the SPV (3) the companies listed in schedule 1 thereto as the Original Obligors (4) the companies listed in schedule 1 thereto as the Original Participants (5) Barclays Bank PLC and HSBC Invoice Finance (UK) Limited as the Co-Arrangers, pursuant to which the Receivables Purchaser agreed to make certain facilities available to the Original Obligors and the SPV;

**"Receivables Purchaser"** means Barclays Bank PLC;

**"Related Rights"** in relation to a Debt, means any of the following (if any):

(a) all of an Obligor's rights at law as an unpaid vendor or provider of services under a Network Agreement (without any obligation on the Receivables Purchaser to complete a Network Agreement);

(b) the benefit of all insurances;

(c) all negotiable and non-negotiable instruments, all securities, bonds, guarantees and indemnities; and

(d) subject to clause 37.1 (*Duties to Relevant Third Parties*) of the Receivables Financing Agreement,

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all of an Obligor's rights to any ledger, computer or electronic data or materials or document recording or evidencing a Debt;

**"Reserves"** means (in each case, without double-counting):

- (a) any Specified Reserve;
- (b) any Additional Reserve;
- (c) the aggregate balance of any sum in excess of a Limit; and
- (d) the aggregate value of any Contra Accounts;

**"RP Percentage"** means, at any time, a percentage equal to the percentage of a Managed Base Debt that O2 are obliged to pay to CPW for procuring or upgrading or managing a Connection on the Managed Base;

**"RP Transfer Certificate"** means a certificate substantially in the form set out in part 2 of schedule 8 (*Form of Transfer Certificates*) of the Receivables Financing Agreement or any other form agreed by the Receivables Purchaser;

**"Security"** means the Security Interests created by or pursuant to the Deed;

**"Security Agent"** means Barclays Bank PLC

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

**"Security Interest"** means any mortgage, charge (whether fixed or floating), pledge, lien, trust, assignment or tracing or other equitable right, or any other security interest securing any obligation of any person or any other agreement or arrangement intended to have and having substantially the same effect;

**"Security Obligor"** means an Obligor or an Additional Security Obligor

**"Security Period"** means the period beginning on the date of the Deed and ending on the date on which:

- (a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full; and

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(b) no Finance Party has any further commitment, obligation or liability under or pursuant to the Finance Documents.

**"Securities Rights"** means, in relation to any Charged Security:

(a) all dividends, distributions and other income paid or payable on the relevant Charged Security or on any asset referred to in paragraph (b) of this definition;

(b) all rights, monies or property accruing or offered at any time in relation to such Charged Security whether by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise;

**"SPV"** means CPWCO 18 Limited (company number 06852983).

**"Specified Reserve"** means any category of Reserve described as such in schedule 12 (*Terms specific to Network Providers*) of the Receivables Financing Agreement;

**"Subsidiary"** has the meaning given in schedule 9 (*Financial Covenants*) of the Receivables Financing Agreement;

**"Transaction Security"** means any Security Interest created or expressed to be created in favour of the Receivables Purchaser pursuant to a Transaction Security Document;

**"Transaction Security Documents"** means each of the documents specified in:

(a) paragraph 2(d) of part 1 of schedule 2 (*Conditions precedent*) of the Receivables Financing Agreement; and

(b) paragraph 10 of part 2 of schedule 2 (*Conditions precedent*) of the Receivables Financing Agreement,

together with any other document entered into by any member of the Group creating or expressed to create any Security Interest in favour of the Receivables Purchaser in relation to the obligations of any member of the Group under any Finance Document;

**"Transfer Certificate"** means a Participation Transfer Certificate or an RP Transfer Certificate;

**"Trust Account"** means any bank account in CPW's name, mandated in favour of or otherwise controlled by the Receivables Purchaser and/or declared in trust for the Receivables Purchaser, and to which, in each case, no Obligor has any right, title, interest in or to any balance standing from time to time to the credit thereof including the bank accounts specified as such in schedule 15 (*Principal commercial terms at the Commencement Date*) of the Receivables Financing Agreement;

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**"Trust Deed"** means the trust deed entered into on or around the Commencement Date in which CPW declares in trust for the Receivables Purchaser and Telefonica O2 (UK) Limited, collections which relate to the Managed Base (as defined in part 1 of schedule 12 (*Terms specific to Network Providers*) of the Receivables Financing Agreement);

**"T-Mobile"** means T-Mobile (UK) Limited (company number 02382161);

**"VAT"** means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature

**"Vest"** means, in relation to a Debt, the transfer of ownership of that Debt by assignment or the holding of that Debt in trust and **"Vested"** and **"Vesting"** shall be construed accordingly.

Addendum 3/4

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

Addendum 4/4

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

**1.2 Qualifying floating charge**

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to any floating charge created by or pursuant to the Deed (and each such floating charge is a qualifying floating charge for the purposes of the Insolvency Act 1986).

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**2. FIXED SECURITY****2.1 Fixed charges**

Each Charging Company charges and agrees to charge all of its present and future right, title and interest in and to the following assets which are at any time owned by it, or in which it from time to time has an interest:

(a) by way of first legal mortgage all Property (if any) at the date of the Deed vested in, or charged to, such Charging Company;

(b) by way of first fixed charge:

all other Property and all interests in Property (not charged by clause 5.1(a) of the Deed);

all licences to enter upon or use land and the benefit of all other agreements relating to land; and

the proceeds of sale of all Property;

(c) by way of first fixed charge all plant and machinery (not charged by clauses 5.1(a) or 5.1(b)) of the Deed and the benefit of all contracts, licences and warranties relating to the same;

(d) by way of first fixed charge:

(i) all computers, vehicles, office equipment and other equipment (not charged by clause 5.1(c) of the Deed); and

(ii) the benefit of all contracts, licences and warranties relating to the same, other than any which are for the time being part of any Charging Company's stock-in-trade or work-in-progress);

(e) by way of first fixed charge the Charged Securities referred to in schedule 3 (*Details of Charged Securities*) of the Deed;

(f) by way of first fixed charge all Securities Rights from time to time accruing to the Charged Securities referred to in schedule 3 (*Details of Charged Securities*) of the Deed;

(g) by way of first fixed charge all Non-Vesting O2 Debts and their proceeds now or in the future owing to such Charging Company;

(h) by way of first fixed charge all Related Rights relating to any Non-Vesting O2 Debts;

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(i) by way of first fixed charge all Non-Vesting T-Mobile Debts and their proceeds now or in the future owing to such Charging Company;

(j) by way of first fixed charge all Related Rights relating to any Non-Vesting T-Mobile Debts;

(k) by way of first fixed charge all Non-Vesting Debts (other than Non-Vesting O2 Debts and Non-Vesting T-Mobile Debts) and their proceeds now or in the future owing to such Charging Company;

(l) by way of first fixed charge all Related rights relating to any Non-Vesting Debts (other than Non-Vesting O2 Debts and Non-Vesting T-Mobile Debts);

(m) by way of first fixed charge the Intellectual Property;

(n) to the extent that any Assigned Asset is not effectively assigned in accordance with clause 5.2 (*Security assignments*), by way of first fixed charge, such Assigned Asset;

(o) by way of first fixed charge (to the extent not otherwise charged or assigned in the Deed):

(i) the benefit of all licences, consents, agreements and authorisations held or used in connection with the business of such Charging Company or the use of any of its Security Assets; and

(ii) any letter of credit issued in favour of such Charging Company and all bills of exchange and other negotiable instruments held by it; and

(p) by way of first fixed charge all of the goodwill and rights in relation to uncalled capital of such Charging Company.

## 2.2 Security assignments

Each Charging Company assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption and the terms of the Receivables Financing Agreement) all its present and future right, title and interest in and to:

(a) the Insurances, all claims under the Insurances and all proceeds of the Insurances;

(b) the Excluded Proceeds; and

(c) all Other Receivables.

To the extent that any Assigned Asset described in clause 5.2(a) of the Deed is not assignable, the assignment which that clause purports to effect shall operate as an assignment of all present and future rights and claims of such Charging Company to any proceeds of the Insurances.

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### 2.3 Assigned Assets

The Security Agent is not obliged to take any steps necessary to preserve any Assigned Asset, or to make any enquiries as to the nature or sufficiency of any payment received by it pursuant to the Deed.

### 3 FLOATING CHARGE

Each Charging Company charges and agrees to charge by way of first floating charge all of its present and future:

(a) assets and undertaking (wherever located) not otherwise effectively charged by way of first fixed mortgage or charged or assigned pursuant to clause 5.1 (*Fixed charges*) of the Deed, clause 5.2 (*Security assignments*) of the Deed or any other provision of the Deed; and

(b) (whether or not effectively so charged or assigned) heritable property and all other property and assets in Scotland.

### 4 CONVERSION OF FLOATING CHARGE

#### 4.1 Conversion by notice

The Security Agent may, by written notice to a Charging Company, convert the floating charge created under the Deed into a fixed charge as regards all or any of the Security Assets of such Charging Company specified in the notice if:

(a) an Event of Default has occurred and is continuing; or

(b) the Security Agent (acting reasonably and in good faith) considers any Security Assets (whether or not those specified in the notice) to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in immediate jeopardy.

#### 4.2 Small companies

The floating charge created under the Deed by any Charging Company shall not convert into a fixed charge solely by reason of a moratorium being obtained under the Insolvency Act 2000 (or anything done with a view to obtaining such a moratorium) in respect of such Charging Company.

#### 4.3 Automatic conversion

The floating charge created under the Deed shall (in addition to the circumstances in which the

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same will occur under general law) automatically convert into a fixed charge:

(a) in relation to any Security Asset which is subject to a floating charge if:

(i) such Charging Company creates (or attempts or purports to create) any Security Interest (other than Permitted Security) on or over the relevant Security Asset without the prior written consent of the Security Agent; or

(ii) any third party levies any distress, execution, attachment, sequestration or analogous legal process against that Security Asset; and

(b) over all Security Assets of a Charging Company which are subject to a floating charge if an administrator is appointed in respect of such Charging Company or the Security Agent receives notice of intention to appoint such an administrator.

#### 4.4 Partial conversion

The giving of a notice by the Security Agent pursuant to clause 7.1 (*Conversion by notice*) of the Deed in relation to any class of assets of any Charging Company shall not be construed as a waiver or abandonment of the rights of the Security Agent to serve similar notices in respect of any other class of assets or of any other right of the Security Agent and/or the other Finance Parties.

### 5 CONTINUING SECURITY

#### 5.1 Continuing security

The Security is continuing and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part. The Deed shall remain in full force and effect as a continuing security for the duration of the Security Period.

#### 5.2 Additional and separate security

The Deed is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security Interest which the Security Agent and/or any other Finance Party may at any time hold for any Secured Obligation.

#### 5.3 Right to enforce

The Deed may be enforced against each or any Charging Company without the Security Agent and/or any other Finance Party first having recourse to any other right, remedy, guarantee or Security Interest held by or available to it or any of them.



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## **6 LIABILITY OF CHARGING COMPANIES RELATING TO SECURITY ASSETS**

Notwithstanding anything contained in the Deed or implied to the contrary, each Charging Company remains liable during the Security Period to observe and perform all conditions and obligations assumed by it in relation to the Security Assets. The Security Agent is under no obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.

## **7. UNDERTAKINGS BY THE CHARGING COMPANIES**

### **7.1 Restrictions on dealing**

No Charging Company shall do or agree to do any of the following without the prior written consent of the Security Agent:

- (a) create or permit to subsist any Security Interest on any Security Asset except a Security Interest which is permitted or required by the Receivables Financing Agreement.
- (b) sell, transfer, lease, lend or otherwise dispose of (whether by a single transaction or a number of transactions and whether related or not) the whole or any part of its interest in any Security Asset except for a Disposal which is permitted or required by the Receivables Financing Agreement.

### **7.2 Property matters**

- (a) No Charging Company shall, except with the prior written consent of the Security Agent or as expressly permitted or required under the Receivables Financing Agreement confer on any person:
  - (i) any lease or tenancy of any of the Property or accept a surrender of any lease or tenancy (whether independently or under any statutory power);
  - (ii) any right or licence to occupy any land or buildings forming part of the Property; or
  - (iii) any licence to assign or sublet any part of the Property.
- (b) No Charging Company shall do, or permit to be done, anything as a result of which any lease may be liable to forfeiture or otherwise be determined.

### **7.3 Insurance**

Each Charging Company shall at all times comply with its obligations as to insurance contained in the Receivables Financing Agreement.

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#### 7.4 Intellectual Property

Each Charging Company shall at all times comply with its obligations as to Intellectual Property contained in the Receivables Financing Agreement.

#### 8. SET-OFF

##### 8.1 Set-off

(a) The Security Agent and each other Finance Party may (but shall not be obliged to) set off any matured obligation which is due by any Charging Company under the Finance Documents against any matured obligation owed by the Security Agent or such other Finance Party to such Charging Company, regardless of the place of payment, booking branch or currency of either obligation.

(b) At any time after the Security has become enforceable (and in addition to its rights under clause 19.1(a) of the Deed), the Security Agent and each other Finance Party may (but shall not be obliged to) set-off any contingent liability owed by a Charging Company under any Finance Document against any obligation (whether or not matured) owed by the Security Agent or such other Finance Party to such Charging Company, regardless of the place of payment, booking branch or currency of either obligation.

(c) If the obligations are in different currencies, the Security Agent or such other Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

##### 8.2 Time deposits

Without prejudice to clause 19.1 (*Set-off*) of the Deed, if any time deposit matures on any account which any Charging Company has with the Security Agent or any other Finance Party at a time within the Security Period when:

(a) this Security has become enforceable; and

(b) no Secured Obligation is due and payable,

such time deposit shall automatically be renewed for such further maturity as the Security Agent or such other Finance Party in its absolute discretion considers reasonably appropriate unless the Security Agent or such other Finance Party otherwise agrees in writing.

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**9. FURTHER ASSURANCES****9.1 Further action**

Each Charging Company shall at its own expense promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent or a Receiver may reasonably specify when exercising its rights under the Deed (and in such form as the Security Agent or a Receiver may reasonably require in favour of the Security Agent or a Receiver or its nominee(s)):

(a) to perfect the Security Interests created or intended to be created under or evidenced by the Deed (which may include the execution of a mortgage, charge, transfer, conveyance, assignation, assignment or other Security Interests over all or any of the Security Assets) or for the exercise of any rights, powers and remedies of the Security Agent provided by or pursuant to the Deed or by law;

(b) to confer on the Security Agent Security Interests over any property and assets of that Charging Company located in any jurisdiction equivalent or similar to the Security Interests intended to be conferred by or pursuant to the Deed; and/or

(c) to facilitate the realisation of any Security Assets.

**9.2 Specific security**

Without prejudice to the generality of clause 21.1 (*Further action*) of the Deed, each Charging Company shall forthwith at the request of the Security Agent execute a legal mortgage, charge, assignment, assignation or other security over any Security Asset which is subject to or intended to be subject to any fixed security created by the Deed in favour of the Security Agent (including any arising or intended to arise pursuant to clause 7 (*Conversion of floating charge*) of the Deed) in such form as the Security Agent may reasonably require.

**10. POWER OF ATTORNEY**

Following the occurrence of an Event of Default which is continuing each Charging Company, by way of security, irrevocably appoints the Security Agent, each Receiver and any Delegates to be its attorney in its name and on its behalf to take any action which such Charging Company is obliged to take under the Deed, including under clause 21 (*Further assurances*) of the Deed. Each Charging Company ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.



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

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

**COMPANY NO. 2142673  
CHARGE NO. 6**

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES  
HEREBY CERTIFIES THAT A COMPOSITE GUARANTEE AND  
DEBENTURES DATED 3 JULY 2009 AND CREATED BY THE  
CARPHONE WAREHOUSE LIMITED FOR SECURING ALL  
MONIES DUE OR TO BECOME DUE FROM ANY PRESENT OR  
FUTURE MEMBER OF THE GROUP TO BARCLAYS BANK PLC  
THE SECURITY AGENT AND/OR THE OTHER FINANCE PARTIES  
(OR ANY OF THEM) ON ANY ACCOUNT WHATSOEVER UNDER  
THE TERMS OF THE AFOREMENTIONED INSTRUMENT  
CREATING OR EVIDENCING THE CHARGE WAS REGISTERED  
PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT  
1985 ON THE 9 JULY 2009

**GIVEN AT COMPANIES HOUSE, CARDIFF THE 13 JULY 2009**



*Companies House*  
— for the record —



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES