



Registration of a Charge

Company Name: **SHOP DIRECT GROUP FINANCIAL SERVICES LIMITED**

Company Number: **05200103**



Received for filing in Electronic Format on the: **11/08/2021**

XAAMVQHS

Details of Charge

Date of creation: **09/08/2021**

Charge code: **0520 0103 0002**

Persons entitled: **THE LAW DEBENTURE TRUST CORPORATION P.L.C.**

Brief description: **N/A**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S. 859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **BENJAMIN JUDGE**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5200103

Charge code: 0520 0103 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 9th August 2021 and created by SHOP DIRECT GROUP FINANCIAL SERVICES LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 11th August 2021 .

Given at Companies House, Cardiff on 12th August 2021

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

Execution Version

9 August 2021

**SUPPLEMENTAL SHARE CHARGE
RELATING TO A SHARE CHARGE DATED 3 NOVEMBER 2017**

between

**SHOP DIRECT GROUP FINANCIAL SERVICES LIMITED
as Chargor**

and

**THE LAW DEBENTURE TRUST CORPORATION P.L.C.
as Security Agent**

THIS DEED IS SUBJECT TO THE TERMS OF AN INTERCREDITOR AGREEMENT DATED 30 OCTOBER 2017 (AS AMENDED AND/OR RESTATED FROM TIME TO TIME, MOST RECENTLY BY AN AMENDMENT AND RESTATEMENT DEED DATED 23 JULY 2021) BETWEEN, AMONG OTHERS, THE CHARGOR AND THE SECURITY AGENT

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THIS SUPPLEMENTAL SHARE CHARGE DEED (THE “**DEED**”) is made on 9 August 2021 between:

- (1) **SHOP DIRECT GROUP FINANCIAL SERVICES LIMITED** (a company incorporated in England and Wales with company number 05200103) (the “**Chargor**”); and
- (2) **THE LAW DEBENTURE TRUST CORPORATION P.L.C.** as security trustee for itself and the other Secured Parties (the “**Security Agent**”).

WHEREAS:

- (A) The Chargor and the Security Agent entered into a share charge dated 3 November 2017 for the purposes of granting Security for the payment of the Secured Obligations (as defined in the Intercreditor Agreement (as defined below)) (the “**Existing Share Charge**”).
- (B) Pursuant to an amendment and restatement deed dated 23 July 2021 (the “**Amendment and Restatement Deed**”) between, *inter alia*, The Very Group Limited as company and obligors’ agent, HSBC Bank PLC as agent, the Security Agent as security agent and Law Debenture Trustees Limited as senior secured notes trustee, the Revolving Facility Agreement, Senior Revolving Facility Agreement and Intercreditor Agreement (each as defined below) were amended and restated on the terms as set out therein.
- (C) The Chargor and the Security Agent have agreed to enter into this Deed in order to grant further continuing security to the Security Agent for the payment of the Secured Obligations (as defined in the Intercreditor Agreement, as amended and restated by the Amendment and Restatement Deed).
- (D) The Security Agent and the Chargor intend for this document to take effect as a deed (even though the Security Agent may only execute it under hand).
- (E) The Security Agent holds the benefit of this Deed for the Secured Parties on the terms of the Intercreditor Agreement.

IT IS AGREED as follows:

1 INTERPRETATION

1.1 Definitions

In this Deed:

“**Agreed Security Principles**” has the meaning given to such term in the Intercreditor Agreement.

“**Charged Property**” means the assets charged to the Security Agent by this Deed.

“**Closing Date**” has the meaning given to such term in the Intercreditor Agreement.

“**Declared Default**” has the meaning given to the term Acceleration Event in the Intercreditor Agreement.

“**Delegate**” has the meaning given to such term in the Intercreditor Agreement.

“**Event of Default**” has the meaning given to such term in the Intercreditor Agreement.

“**Existing Security**” means the Security created under the Existing Share Charge.

“**Instructing Group**” has the meaning given to such term in the Intercreditor Agreement.

“Intercreditor Agreement” means the intercreditor agreement dated 30 October 2017 (as amended and/or restated from time to time, including pursuant to the Amendment and Restatement Deed) between, among others, The Very Group Limited (formerly known as Shop Direct Limited) as the Company and The Law Debenture Trust Corporation p.l.c. as the Security Agent.

“Quasi-Security” means a transaction to:

- (a) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired;
- (b) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
- (c) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
- (d) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising indebtedness or of financing the acquisition of an asset.

“Receiver” means a receiver and manager or other receiver appointed in respect of all or any part of the Security and shall, if allowed by law, include an administrative receiver.

“Related Rights” means, in relation to any Shares:

- (a) any dividends, proceeds of sale, transfer or other disposal, lease, licence, sub-licence or agreement, or for sale, transfer or other disposal, lease, licence or sub-licence, of those Shares;
- (b) any moneys or proceeds or interest paid or payable deriving from those Shares;
- (c) any rights, claims, guarantees, indemnities, Security or covenants for title in relation to those Shares;
- (d) any awards or judgments in favour of the Chargor in relation to those Shares;
- (e) any other assets (including shares and property) deriving from, or relating to, those Shares; and
- (f) any other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to those Shares.

“Revolving Facility Agreement” means the super senior revolving facility agreement dated 30 October 2017 (as amended and/or restated from time to time, including pursuant to the Amendment and Restatement Deed) between, among others, the Company, the Revolving Facility Agent, the Security Agent, the Arrangers and the Revolving Facility Lenders (each term as defined therein). **“Secured Obligations”** has the meaning given to such term in the Intercreditor Agreement.

“Secured Parties” has the meaning given to such term in the Intercreditor Agreement.

“Security” has the meaning given to such term in the Intercreditor Agreement.

“Security Interests” means all or any of the Security created or expressed to be created in favour of the Security Agent by or pursuant to this Deed.

“Senior Revolving Facility Agreement” means the revolving facility agreement dated 30 October 2017 (as amended and/or restated from time to time, including pursuant to the Amendment and Restatement Deed) between, among others, the Company, the Senior Revolving Facility Agent, the Security Agent, the Arrangers and the Senior Revolving Facility Lenders (each term as defined therein).

“Senior Secured Finance Document” has the meaning given to such term in the Intercreditor Agreement.

“Shares” means all rights, title and interest from time to time in and to:

- (a) the shares described in Schedule 1 (*Shares*) and any other shares issued in the future by any person identified in Schedule 1 (*Shares*) as the issuer of any such shares;
- (b) warrants, options and other rights to subscribe for, purchase or otherwise acquire any such shares; and
- (c) any other securities or investments deriving from any such shares or any rights attaching or relating to any such shares).

1.2 Incorporation of defined terms

Unless a contrary intention appears, terms defined in the Intercreditor Agreement have the same meaning in this Deed.

1.3 Construction

- (a) In this Deed, unless a contrary intention appears, a reference to:
 - (i) a “Senior Secured Finance Document” or any other agreement or instrument is a reference to that Senior Secured Finance Document or other agreement or instrument as amended, novated, supplemented, extended, restated (however fundamentally and whether or not more onerously) or replaced and includes any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under that Senior Secured Finance Document or other agreement or instrument;
 - (ii) “losses” includes losses, actions, damages, claims, proceedings, costs, demands, expenses (including fees) and liabilities and “loss” shall be construed accordingly; and
 - (iii) any Clause or Schedule is a reference to, respectively, a Clause of and Schedule to this Deed and any reference to this Deed includes its Schedules.
- (b) The provisions in clause 1.2 (*Construction*) of the Intercreditor Agreement apply to this Deed, except that references to the Intercreditor Agreement shall be construed as references to this Deed.

1.4 Third party rights

- (a) A Delegate will have the right to enforce the provisions of this Deed which are given in its favour. However, the consent of a Delegate is not required for the rescission or variation of this Deed.
- (b) Subject to paragraph (a), a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

- (c) Notwithstanding any term of any Senior Secured Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Deed at any time.

1.5 Intercreditor Agreement

This Deed is subject to, and has the benefit of, the Intercreditor Agreement. In the event of any inconsistency between this Deed and the Intercreditor Agreement, the Intercreditor Agreement shall prevail.

1.6 Security Agent

In acting hereunder, the Security Agent does so in accordance with and subject to the Intercreditor Agreement and has the benefit of the rights and protections set out therein. The Security Agent shall be entitled to act or refrain from acting in accordance with the provisions of the Intercreditor Agreement.

1.7 Confirmation of Existing Security and ranking

- (a) Notwithstanding any references to a “fixed charge” or any assets being free from any Security other than the security created by this Deed, the existence of and the Security created by the Existing Share Charge is acknowledged and there shall be no breach of this Deed or any other Senior Secured Finance Document by reason of the Security created hereby ranking after the security created by the Existing Share Charge and such references shall be construed accordingly.
- (b) The Chargor acknowledges, agrees and hereby confirms that:
 - (i) Notwithstanding: (i) entry into the Amendment and Restatement Deed and the amendments to the Revolving Facility Agreement, the Senior Revolving Facility Agreement and the Intercreditor Agreement contemplated thereby; and (ii) the execution of this Deed, the Existing Share Charge remains in full force and effect in accordance with its terms and continues to secure the payment, discharge and performance of the Secured Obligations under or in relation to the Senior Secured Finance Documents (as amended and/or otherwise modified from time to time, including by way of the Amendment and Restatement Deed) in favour of the Secured Parties on the terms set out therein.
 - (ii) For the avoidance of doubt, and further to paragraph (a) above, where this Deed purports to create Security, that Security will be subject to the equivalent Security created by the Existing Share Charge until such time as the Security created by the Existing Share Charge ceases to have effect.
- (c) The parties hereby confirm that it is the intention that this Deed does not affect the rights of the Secured Parties under the Existing Share Charge.

2 LIMITED RECOURSE

2.1 Limited recourse

The obligations of the Chargor under this Deed shall be limited to an amount equal to the proceeds of enforcement of the Charged Property and the Secured Parties shall have no remedy against the Chargor other than the enforcement of the security granted by this Deed.

2.2 Covenant not to sue

Except as may be necessary or desirable in order to permit or enable the Security Agent or any Secured Party to facilitate the realisation of the assets which are, or are intended to be, the subject

of the Security Interests (subject always to the limitation under Clause 2.1 (*Limited recourse*)), none of the Security Agent or any Secured Party (or any successor or assign of any of them) shall be entitled to sue or to commence or join any action or proceeding against the Chargor in relation to this Deed and, in consideration of the Chargor entering into this Deed, the Security Agent agrees not to sue or to commence or join any such action or proceeding.

3 CHARGING CLAUSE

3.1 The Chargor, as continuing security for the payment and discharge of the Secured Obligations, charges in favour of the Security Agent by way of first fixed charge with full title guarantee (subject to the Existing Security) all of the Shares and all corresponding Related Rights both present and future, from time to time owned by it or in which it has an interest.

3.2 Immediately upon its becoming the beneficial or registered owner of any Shares not charged on the date of this Deed, the Chargor shall ensure that such Shares (unless already charged) are charged in the name of the Chargor and shall promptly notify the Security Agent of such circumstances.

4 CONTINUING SECURITY

4.1 Continuing security

This security is to be a continuing security which shall not be released or discharged notwithstanding any intermediate payment or settlement of all or any part of the Secured Obligations or any other matter or thing, the security shall continue in full force and effect until the Secured Obligations have been unconditionally and irrevocably paid and discharged in full, or until such time as the security created under this Deed has been released in accordance with the Intercreditor Agreement.

4.2 Other security

- (a)** This security is to be in addition to and shall neither be merged into nor in any way exclude or prejudice or be affected by any other security or other right which the Security Agent or any other Secured Party may now or after the Closing Date or the date of this Deed hold for any of the Secured Obligations.
- (b)** This security may be enforced against the Chargor without first having recourse to any other rights of the Security Agent or any other Secured Party.

5 FURTHER ASSURANCE

5.1 Subject to the Agreed Security Principles, the Chargor shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):

- (a)** to perfect any Security created or intended to be created under or evidenced by this Deed (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Security Interests) or for the exercise of any rights, powers and remedies of the Security Agent, any Receiver or the Secured Parties provided by or pursuant to this Deed, the Senior Secured Finance Documents or by law; and
- (b)** to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security Interests.

- 5.2** Subject to the Agreed Security Principles, the Chargor shall take all such actions as is available to it (including making all filings and registrations) as may be necessary for the purposes of creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Secured Parties by or pursuant to this Deed.

6 NEGATIVE PLEDGE AND DISPOSAL RESTRICTIONS

6.1 Negative pledge

Unless otherwise permitted by the terms of the Senior Secured Finance Documents, the Chargor may not create or permit to subsist any Security or Quasi-Security over all or any part of the Charged Property.

6.2 Disposal restrictions

Unless otherwise permitted by the terms of the Senior Secured Finance Documents, the Chargor may not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of all or any part of the Charged Property.

7 REPRESENTATIONS

- 7.1** The Chargor makes the representations and warranties set out in this Clause 7 to each Secured Party.

7.2 Status

- (a)** It is a limited liability corporation, duly incorporated and validly existing under the law of its Original Jurisdiction.
- (b)** It has the power to own its assets and carry on its business as it is being conducted.

7.3 Non-Conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Senior Secured Finance Documents do not and will not conflict with:

- (a)** any law or regulation applicable to it in any material respect;
- (b)** the constitutional documents of any member of the Group; or
- (c)** any agreement or instrument binding upon it or any member of the Group or any of its or any member of the Group's assets or constitute a default or termination event (however described) under any such agreement or instrument, to the extent such conflict is reasonably likely to have a Material Adverse Effect (as defined in the Senior Secured Finance Documents).

7.4 Binding Obligations

Subject to the Legal Reservations:

- (a)** the obligations expressed to be assumed by it in each Senior Secured Finance Document to which it is a party are legal, valid, binding and enforceable obligations; and
- (b)** (without limiting the generality of paragraph (a) above), each Transaction Security Document to which it is a party creates the security interests which that Transaction Security Document purports to create and those security interests are valid and effective.

7.5 Power and Authority

- (a)** It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Senior Secured Finance Documents to which it is or will be a party and the transactions contemplated by those Senior Secured Finance Documents.
- (b)** No limit on its powers will be exceeded as a result of the borrowing, grant of security or giving of guarantees or indemnities contemplated by the Senior Secured Finance Documents to which it is a party.

7.6 Good title to assets

It has a good, valid and marketable title to, or valid leases or licences of, and all appropriate Authorisations (as defined in the Senior Secured Finance Documents) to use, the assets necessary to carry on its business as presently conducted.

7.7 Legal and beneficial ownership

It is the sole legal and beneficial owner of the respective assets over which it purports to grant Security.

7.8 Shares

The Shares are fully paid and not subject to any option to purchase or similar rights. The constitutional documents of the issuer of the Shares do not and could not restrict or inhibit any transfer of those shares on creation or enforcement of the Charged Property. There are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any of the Charged Property of the Chargor (including any option or right of pre-emption or conversion).

7.9 Times when representations made

The representations and warranties in Clauses 7.2 to 7.8 above are made by the Chargor on the date of this Deed, on the Closing Date, on the date of each Utilisation Request, on each Utilisation Date and on the first day of each Interest Period.

8 PROTECTION OF SECURITY

8.1 Dividends prior to a Declared Default

Prior to the occurrence of a Declared Default, the Chargor shall be entitled to receive and retain all dividends, distributions and other monies paid on or derived from the Charged Property.

8.2 Dividends after a Declared Default

Upon the occurrence of a Declared Default, the Security Agent may, in accordance with the terms of the Intercreditor Agreement, (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor) apply all dividends, interest and other monies arising from the Charged Property as though they were the proceeds of sale under this Deed.

8.3 Voting rights prior to Security Agent Notice

Prior to the giving of notice pursuant to Clause 8.4, the Chargor shall be entitled to exercise all voting and other rights and powers attaching to the Charged Property provided that it shall not exercise any such voting rights or powers in a manner which would prejudice the interests of the Secured Parties under this Deed.

8.4 Voting rights after Security Agent Notice

Subject to Clause 8.5 upon the occurrence of a Declared Default, the Security Agent may (but without having any obligation to do so) give notice to the Chargor (with a copy to the Agent) that this Clause 8.4 will apply. With effect from the giving of that notice the Security Agent may, at its discretion, (in the name of the Chargor or otherwise and without any further consent or authority from the Chargor) instruct the Chargor to:

- (a) exercise (or refrain from exercising) any voting rights in respect of the Charged Property;
- (b) transfer the Charged Property into the name of such nominee(s) of the Security Agent as it shall require; and
- (c) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Charged Property including the right, in relation to any company whose shares or other securities are included in the Charged Property, to concur or participate in:
 - (i) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof);
 - (ii) the release, modification or variation of any rights or liabilities attaching to such shares or securities; and
 - (iii) the exercise, renunciation or assignment of any right to subscribe for any shares or securities,

in each case in accordance with the terms of the Intercreditor Agreement and the proceeds of any such action shall form part of the Charged Property.

8.5 Waiver of voting rights by Security Agent

- (a) The Security Agent may, after consultation with the Instructing Group, at any time, by notice to the Chargor (which notice shall be irrevocable), with a copy to the Agent, elect to give up the right to exercise (or refrain from exercising) all voting rights and powers in respect of the Charged Property conferred or to be conferred on the Security Agent pursuant to Clause 8.4 and the other Secured Parties unconditionally waive any rights they may otherwise have to require the Security Agent not to make such election or to require the Security Agent to indemnify, compensate or otherwise make them good for any losses, costs or liabilities incurred by any of them in relation to or as a consequence of the Security Agent making such election.
- (b) Once a notice has been issued by the Security Agent under paragraph (a) of this Clause 8.5, on and from the date of such notice the Security Agent shall cease to have the rights to exercise or refrain from exercising voting rights and powers in respect of the Charged Property conferred or to be conferred on it pursuant to Clause 8.4 or any other provision of this Deed and all such rights will be exercisable by the Chargor. The Chargor shall be entitled on and from the date of such notice, to exercise all voting rights and powers in relation to the Charged Property.
- (c) If, following the occurrence of a Declared Default, any Shares are registered in the name of the Security Agent or its nominee, the Security Agent will not be under any duty to ensure that any dividends, distributions, collateral calls or other monies payable in respect of those Shares are duly and promptly paid or received by it or its nominee, or to verify that the correct amounts are paid or received, or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, moneys or other property

paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of or in substitution for, any of those Shares.

8.6 Perfection of security

- (a)** The Chargor shall within three Business Days of this Deed, or in respect of any other Shares acquired after the date of this Deed, within three Business Days following the date of that acquisition, deposit with the Security Agent (or as it shall direct and to the extent not already deposited with the Security Agent) all share certificates relating to the Shares together with stock transfer forms executed in blank and left undated on the basis that the Security Agent shall be able to hold such share certificates and stock transfer forms until the Secured Obligations have been irrevocably and unconditionally discharged in full and shall be entitled, at any time following the occurrence of a Declared Default, to complete, under its power of attorney given by Clause 9 (*Attorney*) below, the stock transfer forms on behalf of the Chargor in favour of itself or its nominee(s).
- (b)** For the avoidance of doubt, any documents referred to in Clause 8.6(a) above which were provided by the Chargor to the Security Agent pursuant to the terms of the Existing Share Charge prior to the date of the Deed shall be deemed to have been additionally delivered to the Security Agent hereunder.
- (c)** For the avoidance of doubt, any grace periods referred to in any of the Finance Documents shall not apply to Clauses 8.6(a) and (b) above, including without limitation, the 60 day remedy period described in clause 26.3(b) (*Other Obligations*) of the Revolving Facility Agreement and clause 26.3(b) (*Other Obligations*) of the Senior Revolving Facility Agreement.

8.7 Documents relating to Charged Property

- (a)** Following the occurrence of a Declared Default, the Chargor will as soon as reasonably practicable following any request from the Security Agent, deliver to the Security Agent all documents relating to the Charged Property which the Security Agent reasonably requires.
- (b)** The Security Agent may retain any document delivered to it under this Deed for so long as any security constituted by this Deed remains in force and, if for any reason it returns any document to the Chargor (or its nominee) before that time, it may by notice to the Chargor require that the relevant document be redelivered to it and the Chargor shall as soon as reasonably practicable comply (or procure compliance) with that notice.
- (c)** If reasonably required to effect any transaction which is permitted under any Senior Secured Finance Document, the Security Agent shall, as soon as reasonably practicable after receipt of a request from the Chargor, return any document delivered to it under this Deed to the Chargor.

9 ATTORNEY

9.1 Subject to Clause 9.2 below, the Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and each Delegate severally to be its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed, to execute, deliver and perfect any deed, agreement or other instrument and to do any act or thing:

- (a)** which the Chargor is expressly required to do by the terms of this Deed; and/ or
- (b)** which is required to enable the exercise of any rights or powers conferred on the Security Agent, any Receiver or any Delegate by this Deed or by law.

9.2 The powers given under Clause 9.1(a) above may only be exercised at any time after an Event of Default which is continuing has occurred and the powers given under Clause 9.1(b) above may only be exercised at any time after a Declared Default has occurred.

9.3 Ratification

The Chargor ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do in the exercise or purported exercise of the power of attorney granted by it in Clause 9.1 above.

10 ENFORCEMENT AND POWERS OF THE SECURITY AGENT

10.1 When enforceable

The Security Interests shall be immediately enforceable on and at any time after the occurrence of a Declared Default.

10.2 Enforcement action

At any time following the occurrence of a Declared Default, the Security Agent may enforce all or any part of the Security Interests in accordance with the terms of the Intercreditor Agreement.

10.3 Statutory restrictions

The restrictions on the consolidation of mortgages and on exercise of the power of sale imposed by sections 93 and 103 respectively of the Law of Property Act 1925 shall not apply to the Security constituted by this Deed.

10.4 Enforcement powers

For the purpose of all rights and powers implied or granted by statute, the Secured Obligations are deemed to have fallen due on the date of this Deed. The power of sale and other powers conferred by section 101 of the Law of Property Act 1925 and all other enforcement powers conferred by this Deed shall be immediately exercisable at any time after a Declared Default has occurred.

10.5 Statutory powers

The powers conferred on mortgagees, receivers or administrative receivers by statute shall apply to the security created by this Deed, unless they are expressly or impliedly excluded. If there is ambiguity or conflict between the powers conferred by statute and those contained in this Deed, those contained in this Deed shall prevail.

10.6 Appointment of Receiver

(a) At any time after a Declared Default has occurred, or if so requested by the Chargor, the Security Agent may, by writing under hand signed by any officer or manager of the Security Agent, appoint any person (or persons) to be a Receiver of all or any part of the Charged Property.

(b) Section 109(1) of the Law of Property Act 1925 shall not apply to this Deed.

10.7 Exercise of powers

All or any of the powers conferred upon mortgagees by the Law of Property Act 1925 as varied or extended by this Deed, and all or any of the rights and powers conferred by this Deed on a Receiver (whether expressly or impliedly), may be exercised by the Security Agent without

further notice to the Chargor at any time after a Declared Default has occurred, irrespective of whether the Security Agent has taken possession or appointed a Receiver of the Charged Property.

10.8 Appropriation

- (a)** In this Deed, “financial collateral” shall mean any part of the Charged Property which falls within the definition of financial collateral in the Financial Collateral Arrangements (No. 2) Regulations 2003 (No. 3226).
- (b)** At any time after a Declared Default has occurred, the Security Agent may appropriate all or part of the financial collateral in or towards satisfaction of the Secured Obligations.
- (c)** The Security Agent must promptly attribute a value to the appropriated financial collateral as confirmed by reference to either the relevant public quoted index reflecting the right to effect an immediate sale thereof on a recognised stock exchange at such price on such date of valuation (if applicable) or a fair valuation opinion provided by an independent reputable internationally recognised third party professional firm of advisors (at the cost of the Chargor) and, in any event, attributed in a commercially reasonable manner.
- (d)** Where the Security Agent exercises its rights of appropriation and the value of the financial collateral appropriated in accordance with this Clause 10.8 differs from the amount of the Secured Obligations either:
 - (i)** the Security Agent must account to the Chargor promptly upon the determination of such value for the amount by which the value of the appropriated financial collateral exceeds the Secured Obligations; or
 - (ii)** the Chargor will remain liable to the Secured Parties for any amount whereby the value of the appropriated financial collateral is less than the Secured Obligations.

11 STATUS, POWERS, REMOVAL AND REMUNERATION OF RECEIVER

11.1 Receiver as Agent

Each Receiver appointed under this Deed shall be the agent of the Chargor which shall be solely responsible for his or her acts, omissions or defaults, and for his or her contracts, engagements, remuneration and expenses, and be liable on any agreements or engagements made or entered into by him. Neither the Security Agent nor the Chargor will be responsible for any misconduct, negligence or default of a Receiver.

11.2 Powers of Receiver

- (a)** Each Receiver appointed under this Deed shall have (subject to any limitations or restrictions which the Security Agent may incorporate in the deed or instrument appointing it) all the rights, powers, privileges and immunities conferred from time to time on receivers by law (including the Law of Property Act 1925 and the Insolvency Act 1986 (each of which is deemed incorporated in this Deed)) and shall, following the occurrence of a Declared Default, have power to:
 - (i)** exercise all voting and other rights attaching to the Shares or stocks, shares and other securities owned by the relevant Chargor and comprised in the Charged Property;
 - (ii)** redeem any prior Security on or relating to the Charged Property and settle and pass the accounts of the person entitled to that prior Security, so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and

binding on the Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver;

- (iii) settle any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor or relating to any of the Charged Property; and
- (iv) do all other acts and things (including signing and executing all documents and deeds) as the Receiver considers to be incidental or conducive to any of the matters or powers in this Clause 11.2, or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property,

and in each case may use the name of the Chargor and exercise the relevant power to the extent that he may reasonably think fit.

- (b) Notwithstanding any other provision of this Deed, the powers of the Security Agent, any Receiver and any Delegate shall only be exercisable in relation to the Charged Property, and not in relation to any other assets or operations of the Chargor.

11.3 Removal of Receiver

The Security Agent may by notice remove from time to time any Receiver appointed by it (subject to the provisions of section 45 of the Insolvency Act 1986 in the case of an administrative receivership) and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated, for whatever reason.

11.4 Remuneration of Receiver

The Security Agent may from time to time fix the remuneration of any Receiver appointed by it. Sections 109(6) and (8) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this Deed.

11.5 Several Receivers

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this Deed (unless the document appointing such Receiver states otherwise).

12 APPLICATION OF ENFORCEMENT PROCEEDS

12.1 Order of application

All amounts from time to time received or recovered by the Security Agent or any Receiver pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or any part of the Security Interests shall be applied in the order and manner specified by the Intercreditor Agreement.

13 PROTECTION OF THIRD PARTIES

13.1 No obligation to enquire

No purchaser from, or other person dealing with, the Security Agent or any Receiver (or their agents) shall be obliged or concerned to enquire whether:

- (a) the right of the Security Agent or any Receiver to exercise any of the powers conferred by this Deed has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power; or

- (b) any of the Secured Obligations remain outstanding or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters.

13.2 Receipt conclusive

The receipt of the Security Agent or any Receiver shall be an absolute and a conclusive discharge to a purchaser, and shall relieve him of any obligation to see to the application of any moneys or other consideration paid to or by the direction of the Security Agent or any Receiver.

14 PROTECTION OF SECURITY AGENT AND RECEIVER

14.1 Role of Security Agent

The provisions set out in clause 16 (*The Security Agent*) of the Intercreditor Agreement shall govern the rights, duties and obligations of the Security Agent under this Deed.

14.2 No liability

Neither the Security Agent nor any Receiver or Delegate shall be liable in respect of any of the Charged Property or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless caused by its or his or her gross negligence or wilful misconduct.

14.3 Possession of Charged Property

Without prejudice to Clause 14.2 (*No liability*), if the Security Agent a Receiver or any Delegate enters into possession of the Charged Property, it will not be liable to account as mortgagee in possession and may at any time at its discretion go out of such possession.

14.4 Waiver of defences

- (a) Neither the obligations of the Chargor under this Deed nor the Security Interests will be affected by an act, omission, matter or thing which, but for this provision, would reduce, release or prejudice any of its obligations under any Senior Secured Finance Document or any of the Security Interests (without limitation and whether or not known to it or any Secured Party) including:
 - (i) any time, waiver or consent granted to, or composition with, the Chargor, any Obligor or other person;
 - (ii) the release of the Chargor, any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
 - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of the Chargor, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Chargor, an Obligor or any other person;
 - (v) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Senior Secured Finance Document, or any other document or security including without

limitation any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Senior Secured Finance Document or other document or security;

- (vi) any unenforceability, illegality or invalidity of any obligation of any person under any Senior Secured Finance Document or any other document or security; or
- (vii) any insolvency or similar proceedings.

14.5 Chargor intent

Without prejudice to the generality of Clause 14.4 (*Waiver of defences*), but subject to the limitation on the Chargor's liability set out in Clause 2.1 (*Limited recourse*), the Chargor expressly confirms that it intends that the Security Interests shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Senior Secured Finance Documents and/or any facility or amount made available under any of the Senior Secured Finance Documents for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

14.6 Immediate recourse

The Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Chargor under this Deed. This waiver applies irrespective of any law or any provision of a Senior Secured Finance Document to the contrary.

14.7 Deferral of Chargor's rights

- (a) Subject to Clause 14.8 (*Exercise of rights*), until all the Secured Obligations have been irrevocably and unconditionally paid in full, no Secured Party shall have any actual or contingent liability to advance further monies to, or incur liability on behalf of, any member of the Group and unless the Security Agent otherwise directs, the Chargor will not exercise any rights which it may have:
 - (i) to be indemnified by an Obligor;
 - (ii) to claim any contribution from any other provider of Security for or guarantor of any Obligor's obligations under the Senior Secured Finance Documents;
 - (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Senior Secured Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Senior Secured Finance Documents by any Secured Party;
 - (iv) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which the Chargor has given a guarantee, undertaking or indemnity under this Deed;
 - (v) to exercise any right of set-off against any Obligor; and/or
 - (vi) to claim or prove as a creditor of any Obligor in competition with any Secured Party.

- (b) If the Chargor receives any benefit, payment or distribution in relation to such rights, it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Obligors under or in connection with the Senior Secured Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with this Deed.

14.8 Exercise of rights

Following the making of a demand under this Deed, the Chargor will, at its own cost promptly take such of the steps or actions as are referred to in Clause 5 (*Further Assurance*) as the Security Agent may from time to time stipulate.

14.9 Turnover

If the Chargor receives any benefit, payment or distribution in accordance with any direction given to it under Clause 14.8 (*Exercise of rights*), it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties by the Obligors under or in connection with the Senior Secured Finance Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Security Agent or as the Security Agent may direct for application in accordance with this Deed.

15 CUMULATIVE POWERS AND AVOIDANCE OF PAYMENTS

15.1 Cumulative powers

- (a) The powers which this Deed confers on the Security Agent, the other Secured Parties and any Receiver appointed under this Deed are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate.
- (b) The Security Agent, the other Secured Parties or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever.
- (c) The respective powers of the Security Agent, the other Secured Parties and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

15.2 Amounts avoided

If any amount paid by the Chargor in respect of the Secured Obligations is capable of being avoided or set aside on the liquidation or administration of the Chargor or otherwise, then for the purposes of this Deed that amount shall not be considered to have been paid. No interest shall accrue on any such amount, unless and until such amount is so avoided or set aside.

15.3 Discharge conditional

Any settlement or discharge between the Chargor and any Secured Party shall be conditional upon no security or payment to that Secured Party by the Chargor or any other person being avoided, set aside, ordered to be refunded or reduced by virtue of any provision or enactment relating to insolvency and accordingly (but without limiting the other rights of that Secured Party under this Deed) that Secured Party shall be entitled to recover from the Chargor the value which that Secured Party has placed on that security or the amount of any such payment as if that settlement or discharge had not occurred.

16 SUBSEQUENT SECURITY - RULING-OFF ACCOUNTS

If the Security Agent or any other Secured Party receives notice of any subsequent Security or other interest affecting any of the Charged Property (except as permitted by the Senior Secured Finance Documents), it may open a new account for the Chargor in its books. If it does not do so then (unless it gives express notice to the contrary to the Chargor), as from the time it receives that notice, all payments made by the Chargor to it shall (in the absence of any express appropriation to the contrary) be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations.

17 REDEMPTION OF PRIOR CHARGES

The Security Agent may, at any time after a Declared Default has occurred, redeem any prior Security on or relating to any of the Charged Property or procure the transfer of that Security to itself, and may settle and pass the accounts of any person entitled to that prior Security. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor. The Chargor will, upon receipt of a demand made in writing to it, pay to the Security Agent all principal monies and interest and all losses incidental to any such redemption or transfer.

18 CHANGES TO PARTIES

18.1 Assignment by the Security Agent

The Security Agent may at any time assign or otherwise transfer all or any part of its rights under this Deed in accordance with the Intercreditor Agreement.

18.2 Changes to Parties

The Chargor authorises and agrees to changes to parties under the relevant Senior Secured Finance Documents, in accordance with the terms thereof, and authorises the Security Agent to execute on its behalf any document required to effect the necessary transfer of rights or obligations contemplated by those provisions.

19 MISCELLANEOUS

19.1 Separate and independent obligation

The Security created by the Chargor by or in connection with any Senior Secured Finance Document is separate from and independent of the Security created or intended to be created by any other Obligor or Third Party Security Provider (as defined in the Intercreditor Agreement) or other provider of Security by or in connection with any Senior Secured Finance Document.

19.2 Certificates conclusive

A certificate or determination of the Security Agent as to any amount payable under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

19.3 Invalidity of any provision

If any provision of this Deed is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions and the effectiveness in any other respect of the Security Interests created by this Deed shall not be affected or impaired in any way.

19.4 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of any party to this Deed, any right or remedy under this Deed shall operate as a waiver of any such right or remedy or constitute an election to affirm this Deed. No election to affirm this Deed on the part of any party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in the Senior Secured Finance Documents are cumulative and not exclusive of any rights or remedies provided by law.

19.5 Counterparts

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

20 SAVING PROVISIONS

20.1 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of the Chargor or any Obligor or any security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, Security or other disposition which is avoided or must be restored in insolvency, liquidation or otherwise, without limitation, then the liability of the Chargor and any Obligor and the Security Interests will continue or be reinstated as if the discharge, release or arrangement had not occurred.

21 GOVERNING LAW AND ENFORCEMENT

21.1 This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

21.2 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a “Dispute”).

21.3 The parties to this Deed agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

IN WITNESS whereof this Deed has been duly executed and delivered on the date first above written.

SCHEDULE 1

SHARES

Name of Issuer	Company Number	Number of Shares and Class
Shop Direct Finance Company Limited	04660974	450,000,000 ordinary shares of £1 each

SIGNATORIES TO SUPPLEMENTAL SHARE CHARGE

THE CHARGOR

EXECUTED as a deed by SHOP DIRECT GROUP
FINANCIAL SERVICES LIMITED as Chargor
acting by Philip Peters, a director, in the presence
of:

Director

Witness's Signature

Name:

SUSAN D KITCHEN

Address:

Occupation:

Notice Details:

Address: First floor, Skyways House, Speke Road, Speke, Liverpool L70 1AB

Email: david.kershaw@theverygroup.com

Attention: David Kershaw

THE SECURITY AGENT

**EXECUTED as a deed by THE LAW
DEBENTURE TRUST CORPORATION
P.L.C. as Security Agent**

}

[Redacted Signature]

By: Director

}

[Redacted Signature]

By: Director/Secretary

Notice Details:

Address: 8th Floor, 100 Bishopsgate, London, EC2N 4AG

Email: legal.notices@lawdeb.com

Fax: +44 (0)20 7606 0643

Attention: Trust Management Ref: 204206