

MG01s

Particulars of a charge created by a company
registered in Scotland



IRIS

LASERFORM

A fee is payable with this form.

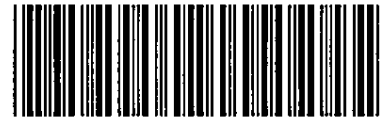
We will not accept this form unless you send the correct fee.

Please see 'How to pay' on the last page.

☒ **What this form is for**
You may use this form to register
particulars of a charge created by a
Scottish company.

☐ **What this form is NOT for**
You cannot use this form to register
particulars of a mortgage or charge
created by a company in England
and Wales or Northern Ireland. If
this, please use form MG01.

FRIDAY



SCT 17/06/2011 1136
COMPANIES HOUSE

1 Company details

Company number S C 0 2 1 9 2 8

Company name in full House of Fraser Limited (the "Chargor")

For official use
27

→ **Filling in this form**
Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

2 Date of creation of charge

Date of creation 03 01 2005 20 01 2011

3 Description

Please give a description of the instrument (if any) creating or evidencing the
charge e.g. 'Standard security', 'Floating charge' etc.

Description Debenture (the "Debenture")

4 Amount secured

Please give us details of the amount secured by the charge.

Amount secured

The "Secured Obligations" being all present and future monies, debts, liabilities and obligations
due at any time of any member of the Group (which includes the Chargor) to any Creditor (both
actual and contingent and whether incurred solely or jointly with any other person or in any other
capacity), including without limitation any amounts (such as post-insolvency interest) that would be
included in any thereof but for any discharge, non-provability, unenforceability or non-allowance of
those amounts in any insolvency or other proceedings, under:
(a) the RCF Finance Documents;
(b) the Hedging Agreements;
(c) the Senior Notes Documents;
(d) the Pari Passu Debt Documents;
(e) the Credit Facility Documents other than the RCF Finance Documents;
(f) the Junior Priority Debt Documents; and
(g) any Additional Liabilities in respect of any Secured Debt Documents, provided that (d), (e), (f)
and (g) above shall only constitute "Secured Obligations" to the extent that the Security Agent has
agreed in writing with the Parent to act as security trustee in respect of them;

Please see continuation pages for definitions.

Continuation page

Please use a continuation page if
you need to enter more details.

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5**Mortgagee(s) or person(s) entitled to the charge**

Please give the name and address of the mortgagee(s) or person(s) entitled to the charge.

Continuation page

Please use a continuation page if you need to enter more details.

Name Barclays Bank plc as security trustee for itself and the other Secured Parties (the "Security Agent")

Address 1 Churchill Place

London

Postcode E 1 4 5 H P

Name

Address

Postcode

6**Short particulars of all the property charged**

Please give the short particulars of the property charged.

Continuation page

Please use a continuation page if you need to enter more details.

Short particulars

Specific Security

The Chargor as continuing security for the payment of the Secured Obligations, has charged in favour of the Security Agent, with full title guarantee the following assets, both present and future from time to time owned by the Chargor or in which the Chargor has an interest:

(a) by way of first legal mortgage, all Property at the date of the Debenture belonging to or vested in it;

(b) by way of first equitable mortgage, all the Shares and Investments and all corresponding Related Rights;

(c) by way of first fixed charge:

(i) all other interests (not effectively charged under Clause 3.1(a) of the Debenture and described in paragraph (a) above) in any Property now or subsequently belonging to the Chargor and the benefit of all other agreements relating to land;

(ii) all of the Chargor's right, title and interest in the Intellectual Property;

(iii) all of the Chargor's right, title and interest in the Equipment;

(iv) all of the Chargor's Trading Receivables and all its rights and claims against third parties and against any security in respect of those Trading Receivables;

(v) all of the Chargor's Other Debts and all its rights and claims against third parties and against any security in respect of those Other Debts;

(vi) all monies standing to the credit of the Blocked Accounts, Operating Accounts and any other accounts which the Chargor may have with any bank, financial institution or other person and all of its rights, title and interest in relation to those accounts;

(vii) the benefit of all licences, consents and agreements held by the Chargor in connection with the use of any of its assets;

(viii) the Chargor's goodwill and uncalled capital; and

Please see continuation form.

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7 Statement, in the case of a floating charge, as to any restrictions on power to grant further securities and any ranking provision ①

The Chargor may not:

(a) create or agree to create or permit to subsist any Security or Quasi-Security over all or any part of the Charged Property;

(b) sell, transfer, lease out, lend or otherwise dispose of all or any part of the Charged Property (other than in respect of assets charged under Clause 3.2 (*Floating Charge*) of the Debenture on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so; or

(c) dispose of the equity of redemption in respect of all or any part of the Charged Property,

except where to do so is not prohibited by any of the Secured Debt Documents or with the prior consent of the Security Agent.

Please see continuation form for definitions.

① In the case of a floating charge a statement should be given of (1) the restrictions, if any, on the power of the company to grant further securities ranking in priority to, or pari passu with the floating charge; and/or (2) the provisions, if any, regulating the order in which the floating charge shall rank with any other subsisting or future floating charges or fixed securities over the property which is the subject of the floating charge or any part of it.

Continuation page

Please use a continuation page if you need to enter more details.

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8 Particulars as to commission, allowance or discount (if any)

Please insert the amount or rate percent of any commission, allowance or discount paid or made either directly or indirectly by the company to any person on consideration of his:

- subscribing or agreeing to subscribe, whether absolutely or conditionally, or
- procuring or agreeing to procure subscriptions, whether absolute or conditional,

for any debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.

Commission, allowance or discount

N/A

9 Delivery of instrument

A certified copy of the instrument, if any, creating or evidencing the charge, together with this form with the prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of the creation of the charge.

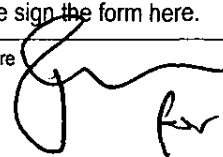
In the case of a charge created out of the United Kingdom (UK), comprising property situated outside the UK, within 21 days after the date on which the copy of the instrument creating it could, in due course of post, and if despatched with due diligence, have been received in the UK. Certified copies of any other documents relevant to the charge should also be delivered.

10 Signature ②

Please sign the form here.

Signature

Signature

X  for McInnes LLP X

② Signature

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

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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form and will establish where we return the original documents. The contact information you give will be visible to searchers of the public record.

Contact name Karen McGrath - BA0348.1099

Company name MCGRIGORS LLP

Address Princes Exchange

1 Earl Grey Street

Post town Edinburgh

County/Region

Postcode E H 3 9 A Q

Country UK

DX DX ED 723301 EDINBURGH 43

Telephone 0131 777 7000



Certificate

We will send your certificate to the presenter's address if given above or to the Company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have included a certified copy of the deed (if any) with this form.
- ☐ You have entered the date the charge was created.
- ☐ You have supplied the description of the instrument.
- ☐ You have given details of the amount secured by the chargee.
- ☐ You have given details of the mortgagee(s) or person(s) entitled to the charge.
- ☐ You have entered the short particulars of all the property charged.
- ☐ You have signed the form.
- ☐ You have enclosed the correct fee.



Important information

Please note that all information on this form will appear on the public record.



How to pay

A fee of £13 is payable to Companies House in respect of each charge.

Make cheques or postal orders payable to 'Companies House.'



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the appropriate address below:

For companies registered in England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

For companies registered in Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

For companies registered in Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

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Short particulars of all the property charged

Please give the short particulars of the property charged.

Short particulars

(ix) subject to Clause 3.5 of the Debenture, if not effectively assigned by Clause 3.3 (*Security Assignment*) of the Debenture (as set out in the paragraph headed "Security Assignment" below), all the Chargor's rights, title and interest in (and claims under) the Hedging Agreements, the Insurance Policies and the Assigned Agreements,

provided that clause 3.1 (*Specific Security*) of the Debenture (as set out in paragraphs (a) to (c) of the paragraph headed "Specific Security" in Part 6 hereof) shall not charge any Scottish Assets.

Security Assignment

As further continuing security for the payment of the Secured Obligations, the Chargor has assigned, absolutely with full title guarantee, all the Chargor's rights, title and interest in:

- (a) the Hedging Agreements;
- (b) the Insurance Policies; and
- (c) the Assigned Agreements,

subject in each case to reassignment by the Security Agent to the Chargor of all such rights, title and interest upon payment or discharge in full of the Secured Obligations.

Negative Pledge

The Chargor may not:

- (a) create or agree to create or permit to subsist any Security or Quasi-Security over all or any part of the Charged Property;
- (b) sell, transfer, lease out, lend or otherwise dispose of all or any part of the Charged Property (other than in respect of assets charged under the Floating Charge on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so; or
- (c) dispose of the equity of redemption in respect of all or any part of the Charged Property,

except where to do so is not prohibited by any of the Secured Debt Documents or with the prior consent of the Security Agent.

Continuing Security

The Security shall be a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Secured Obligations or any other act, matter or thing.

Definitions

Note - these definitions apply to all sections of the form.

"Acceleration Event" means a Credit Facility Acceleration Event, a Senior Notes Acceleration Event, a Pari Passu Debt Acceleration Event or a Junior Priority Debt Acceleration Event;

"Additional Liabilities" means, in relation to any Liability, any money, debt or liability due, owing or incurred under or in connection with:

- (a) any refinancing, novation, deferral or extension of such Liability;
- (b) any further advance which may be made under any document, agreement or instrument supplemental to any original finance document under or in connection with which such Liability was incurred or created together with any related interest, fees and costs;
- (c) any claim for damages or restitution in the event of rescission of such Liability or otherwise in connection with any relevant agreement, deed, document or instrument relating to such liability;
- (d) any claim against any Debtor or Intra-Group Borrower flowing from any recovery by a Debtor or Intra-Group Borrower or any liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer of a payment or discharge in respect of such Liability on the grounds of preference or otherwise; and
- (e) any amount (such as post-insolvency interest) which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings;

"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;

"Ancillary Lender" means:

- (a) on or prior to the RCF Discharge Date, each RCF Lender (or Affiliate of a RCF Lender) which makes an Ancillary Facility (as defined in the Intercreditor Agreement) available pursuant to the terms of the RCF Facility Agreement; and
- (b) following the RCF Discharge Date, each Credit Facility Lender (or Affiliate of a Credit Facility Lender) which makes an Ancillary Facility (as defined in the Intercreditor Agreement) available pursuant to the terms of the Credit Facility Documents;

"Arranger" means an Arranger under and as defined in the RCF Facility Agreement and any other person who becomes a party to the Intercreditor Agreement as an Arranger pursuant to Clause 21 (*Changes to the Parties*) of the Intercreditor Agreement;

"Assigned Agreements" means:

- (a) the Material Contracts;
- (b) the Intra-Group Debt Documents; and
- (c) any other agreement designated as an Assigned Agreement by the Chargor and the Security Agent;

"Blocked Accounts" means each Mandatory Prepayment Account (as defined in any Credit Facility Document) and any other account which the Chargor specifies to be a Blocked Account in Part II of Schedule 6 (*Bank Accounts*) of the Debenture or in any relevant Security Accession Deed or which the Chargor and the Security Agent agree will be designated as a Blocked Account;

"Charged Property" means assets mortgaged, charged or assigned to the Security Agent by the Debenture;

"Credit Facility" means:

- (a) on or prior to the RCF Discharge Date, the RCF Facility Agreement; and
- (b) after the RCF Discharge Date, any credit facility that meets the requirements of a "Credit Facility" under and as defined in the Senior Notes Documents which is entitled, under the terms of the Senior Notes Documents and (if applicable) the Credit Facility Documents, to share in the Transaction Security with the rights and obligations of Credit Facility Lenders as provided for in the Intercreditor Agreement, and in respect of which creditors, facility agent and arrangers have acceded to the Intercreditor Agreement in accordance with Clause 21.2 (*New Credit Facility Lenders and Creditor Representatives*) of the Intercreditor Agreement and which is permitted by the terms of the Senior Notes Documents to rank senior to the Senior Notes Liabilities with respect to the proceeds of any Enforcement of the Transaction Security;

"Credit Facility Acceleration Event" means:

- (a) on or prior to the RCF Discharge Date, the RCF Agent exercising any of its rights under clause 26.19 (*Acceleration*) of the RCF Facility Agreement including, without limitation, the making of a demand in respect of any amounts placed on demand; and
- (b) after the RCF Discharge Date, if applicable, the Creditor Representative in relation to any Credit Facility exercising any of its rights including, without limitation, the making of a demand in respect of any amounts placed on demand under any acceleration provision(s) of the relevant Credit Facility Documents;

"Credit Facility Documents" means

- (a) on or prior to the RCF Discharge Date, each "Finance Document" under, and as defined in, the RCF Facility Agreement; and

(b) after the RCF Discharge Date, if applicable, each document or instrument entered into between a member of the Group and a Finance Party setting out the terms of any loan, credit or debt facility or securities which creates, secures, guarantees or evidences any Credit Facility;

"Credit Facility Lenders" means:

(a) on or prior to the RCF Discharge Date, the RCF Lenders (being each "Lender" as referred to in the RCF Facility Agreement); and

(b) after the RCF Discharge Date, each Lender (under and as defined in the Credit Facility Documents) and Ancillary Lender (as defined in the Intercreditor Agreement);

"Credit Facility Lender Liabilities" means the Liabilities owed by the Debtors to the Credit Facility Lenders under or in connection with the Credit Facility Documents, together with any related Additional Liabilities (but excluding any Hedging Liabilities);

"Creditor" means the Primary Creditors, the Storecard Creditors, the Junior Priority Creditors, the Shareholder Creditors and the Intra-Group Lenders;

"Creditor/Creditor Representative Accession Undertaking" means:

(a) in relation to the RCF Lenders, the RCF Agent;

(b) in relation to the Credit Facility Lenders under any other Credit Facility, the facility agent in respect of that Credit Facility;

(c) in relation to the Senior Noteholders, the Senior Notes Trustee;

(d) in relation to any Pari Passu Creditors, the Pari Passu Debt Representative;

(e) in relation to any Hedge Counterparty, each Hedge Counterparty shall be its own Creditor Representative;

(f) in relation to the Storecard Finance Parties, the Storecard Security Agent; and

(g) in relation to any Junior Priority Creditors, the Junior Priority Debt Representative;

"Creditor Representative" means:

(a) in relation to the RCF Lenders, the RCF Agent;

(b) in relation to the Credit Facility Lenders under any other Credit Facility, the facility agent in respect of that Credit Facility;

(c) in relation to the Senior Noteholders, the Senior Notes Trustee (being as at 31 May 2011, Deutsche Trustee Company Limited);

(d) in relation to any Pari Passu Creditors, the Pari Passu Debt Representative;

(e) in relation to any Hedge Counterparty, each Hedge Counterparty shall be its own Creditor Representative;

(f) in relation to the Storecard Finance Parties, the Storecard Security Agent; and

(g) in relation to any Junior Priority Creditors, the Junior Priority Debt Representative;

"Debt Documents" means each of the Intercreditor Agreement, the RCF Finance Documents, the Credit Facility Documents, the Senior Notes Documents, the Pari Passu Debt Documents, the Hedging Agreements, the Transaction Security Documents, the Storecard Documents, the Junior Priority Debt Documents, the Shareholder Debt Documents, the Intra-Group Debt Documents and any other document designated as such by the Security Agent and the Parent, all terms, where not defined herein, as defined in the Intercreditor Agreement;

"Debtor" means each:

(a) Original Debtor (which for the avoidance of doubt, includes, without limitation, each Borrower and Guarantor under the RCF Facility Agreement from time to time (as those terms are defined therein), and

(b) any person which becomes a party to the Intercreditor Agreement as a Debtor in accordance with the terms of Clause 21 of the Intercreditor Agreement (*Changes to the Parties*);

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Security Agent;

"Distressed Disposal" means a disposal of an asset subject to the Transaction Security or Storecard Security of a member of the Restricted Group which is:

(a) being effected at the request of the Instructing Group in circumstances where the Transaction Security has become enforceable;

(b) being effected by enforcement of the Transaction Security or Storecard Security; or

(c) being effected, after the occurrence of a Distress Event, by a Debtor to a person or persons which is not a member of the Restricted Group (where each such term not defined herein shall have the meaning given to it in the Intercreditor Agreement);

"Distress Event" means any of:

- (a) an Acceleration Event; or
- (b) the enforcement of any Transaction Security or Storecard Security;

"Enforcement" means the enforcement of the Transaction Security or Storecard Security, the requesting of a Distressed Disposal and/or the release of claims and/or Transaction Security and/or Storecard Security on a Distressed Disposal under Clause 16.2 (*Distressed Disposals*) of the Intercreditor Agreement, the giving of instructions as to actions in respect of any Transaction Security and/or Storecard Security following an Insolvency Event under Clause 12.7 (*Security Agent Instructions*) of the Intercreditor Agreement and the taking of any other actions consequential on (or necessary to effect) the enforcement of the Transaction Security and/or Storecard Security;

"Equipment" means all plant, machinery, computers, office and other equipment, furnishings and vehicles together with any spare parts, replacements or modifications and the benefit of all contracts, licences and warranties relating thereto, including but not limited to any assets specified in Schedule 5 (*Equipment*) of the Debenture or as specified in any relevant Security Accession Deed;

"Finance Party" means:

- (a) on or prior to the RCF Discharge Date, any RCF Finance Party; and
- (b) after the RCF Discharge Date, has the meaning given to the term "Finance Party" in the relevant Credit Facility Documents.

"Guarantor" has the meaning set out in the RCF Facility Agreement;

"Group" means the Parent and each of its Subsidiaries for the time being;

"Hedging Agreements" means any master agreement together with schedule and confirmation or any other agreement entered into or to be entered into between a Debtor and a Hedge Counterparty, in each case, for the purposes of hedging that at the time such Hedging Agreement is entered into is permitted under the terms of the Credit Facility Documents and not prohibited under the terms of the Senior Notes Documents, to share in the Transaction Security;

"Hedging Liabilities" means all present and future moneys, debts and liabilities due, owing or incurred from time to time by any Debtor to any Hedge Counterparty under or in connection with any Hedging Agreement, together with any related Additional Liabilities;

"Holding Company" has the meaning given to that term in the RCF Facility Agreement and, after the RCF Discharge Date, any Credit Facility Document;

"Insolvency Event" means, in relation to any Debtor (or any member of the Group which is required to accede to the Intercreditor Agreement as a Debtor but has failed to do so):

(a) any resolution is passed or order made for the winding up, dissolution, administration or reorganisation of that member of the Group (other than in respect of a solvent winding up, dissolution, administration or reorganisation of that member of the Group), a moratorium is declared in relation to any indebtedness of that member of the Group or an administrator is appointed to that member of the Group;

(b) any composition, compromise, assignment or arrangement is made with its creditors generally;

(c) the appointment of any liquidator, receiver, administrator, administrative receiver, compulsory manager, trustee or other similar officer in respect of that member of the Group or all or substantially all of that member of the Group's assets; or

(d) enforcement of any Security over all or substantially all of the assets of that member of the Group, or any analogous procedure or step is taken in any jurisdiction (where each such term);

"Insurance Policies" means all policies of insurance and all proceeds of them either now or in the future held by, or written in favour of, a Chargor or in which it is otherwise interested, including but not limited to the policies of insurance, if any, specified in Schedule 7 (*Insurance Policies*) of the Debenture or as specified in any relevant Security Accession Deed, but excluding any third party liability or public liability insurance and any directors and officers insurance;

"Intellectual Property" means any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered and the benefit of all applications and rights to use such assets which may now or in the future subsist, including but not limited to the intellectual property, if any, specified in Schedule 4 (*Intellectual Property*) of the Debenture or as specified in any relevant Security Accession Deed;

"Intercreditor Agreement" means the intercreditor agreement dated 31 May 2011 and made between, among others, Highland Group Holdings Limited as the Parent, House of Fraser (Funding) Plc as Senior Notes Issuer, Barclays Bank Plc as the RCF Agent, Deutsche Trustee Company Limited as Notes Trustee, the financial institutions listed therein as RCF Finance Parties, the financial institutions listed therein as Hedge Counterparties, the companies listed therein as Intra-Group Lenders, the companies listed therein as Intra-Group Borrowers, the persons listed therein as Shareholder Creditors and the Security Agent;

"Intra-Group Borrowers" means each member of the Restricted Group who has had loans or credit or each other financial arrangement having similar effect made available to it by an Intra-Group Lender and which becomes a party as an Intra-Group Borrower in accordance with the terms of Clause 21 (*Changes to Parties*) of the Intercreditor Agreement, which has not ceased to be an Intra-Group Borrower in accordance with the Intercreditor Agreement;

"Intra-Group Debt Documents" means all documents, agreements and instruments evidencing any Intra-Group Liabilities.

"Intra-Group Lenders" means:

(a) each of House of Fraser (Funding) plc, the Parent, Highland Acquisitions Limited, the Chargor, House of Fraser (Finance) Ltd, House of Fraser (Storecard) Ltd and House of Fraser (Stores) Limited; and

(b) each member of the Group which has made a loan available to, granted credit to or made any other financial arrangement having similar effect with another member of the Group and which becomes a party as an Intra-Group Lender in accordance with Clause 21 (*Changes to Parties*) of the Intercreditor Agreement, which in each case has not ceased to be an Intra-Group Lender in accordance with the Intercreditor Agreement;

"Intra-Group Liabilities" means the Liabilities owed by any member of the Group to any of the Intra-Group Lenders, together with any related Additional Liabilities.

"Investment" means any stock, share, debenture, loan stock, security, bonds, options, warrants, interest in any investment fund and any other comparable investment (including rights to subscribe for, convert into or otherwise acquire the same (but not including shares in a Subsidiary which is not a Guarantor)) whether owned directly by or to the order of the Chargor or by any trustee, fiduciary or clearance system on its behalf (including, unless the context otherwise requires, the Shares) and including but not limited to the investments, if any, specified in Schedule 3 (*Shares and Investments*) of the Debenture or as specified in any relevant Security Accession Deed;

"Junior Priority Creditors" means the lenders or other creditors in respect of any Junior Priority Debt and the Junior Priority Debt Representative(s) (as defined in the Intercreditor Agreement);

"Junior Priority Debt" means the Liabilities owed by the Debtors in respect of any loan, credit or debt facility, notes, indenture or security which are permitted, under the terms of the Senior Notes Documents and the Credit Facility Documents, to share in the Transaction Security with the rights and obligations of Junior Priority Creditors as provided for in the Intercreditor Agreement, provided that the Junior Priority Creditors (or a trustee on their behalf) have acceded to the Intercreditor Agreement in accordance with Clause 21.3 (*New Pari Passu Creditors and Creditor Representatives*) of the Intercreditor Agreement, together with any related Additional Liabilities;

"Junior Priority Debt Acceleration Event" means the Creditor Representative in relation to any Junior Priority Debt (or any other Junior Priority Creditors) exercising any acceleration rights (howsoever described) or any acceleration provisions being automatically invoked in each case under the Junior Priority Debt Documents;

"Junior Priority Debt Documents" means each document or instrument entered into between any members of the Restricted Group and a Junior Priority Creditor setting out the terms of any loan, credit or debt facility, notes, indenture or security which creates or evidences any Junior Priority Debt, all terms as defined in the Intercreditor Agreement;

"Junior Priority Debt Representative" means any creditor representative for the Junior Priority Creditors which has acceded to the Intercreditor Agreement as a Creditor Representative (as defined therein) of those parties;

"Liabilities" means all present and future moneys, debts, liabilities and obligations due at any time of any member of the Restricted Group to any Creditor under the Debt Documents, both actual and contingent and whether incurred solely or jointly with any other person or in any other capacity, together with any related Additional Liabilities;

"Material Contracts" means each of the agreements specified in Part 2 of Schedule 7 of the Debenture (being none as at 31 May 2011), any contract specified as a Material Contract in any Security Accession Deed or as otherwise designated as a Material Contract by the Chargor and the Security Agent;

"Operating Accounts" means the accounts of the Chargor set out in Part I of Schedule 6 (*Bank Accounts*) of the Debenture and/or such other accounts as the Chargor may have from time to time and includes any replacement, substitute or additional account from time to time;

"Original Debtor" means each of House of Fraser (Funding) plc, the Parent, Highland Acquisitions Limited, House of Fraser (Stores) Ltd, House of Fraser (Finance) Ltd, House of Fraser (Storecard) Limited and House of Fraser Ltd;

"Other Debts" means all debts and monetary claims which have been or will be credited to the Mandatory Prepayment Account (as defined in the Credit Facility) or any other account which the Chargor specifies to be a Blocked Account in Part II of Schedule 6 (*Bank Accounts*) of the Debenture or which the Chargor and the Security Agent agree will be designated as a Blocked Account;

"Parent" means Highland Group Holdings Limited, a company incorporated under the laws of England and Wales with its registered office at 27 Baker Street, London, W1U 8AH under Company Number 05845860;

"Pari Passu Creditors" means the lenders or other creditors in respect of any Pari Passu Debt and the Pari Passu Debt Representative(s);

"Pari Passu Debt" means the Liabilities (that are not subordinated in right of payment to any Super Senior Liabilities or Senior Notes Liabilities) owed by the Debtors in respect of any loan, credit or debt facility, notes, indenture or security which are permitted, under the terms of the Senior Notes Documents and the Credit Facility Documents, to share in the Transaction Security with the rights and obligations of Pari Passu Creditors as provided for in the Intercreditor Agreement, provided that the Pari Passu Creditors (or a trustee on their behalf) have acceded to this Agreement in accordance with Clause 21.5 (*Change of Senior Creditor*) of the Intercreditor Agreement (excluding, for the avoidance of doubt, Credit Facility Lender Liabilities and Senior Notes Liabilities), together with any related Additional Liabilities, all terms as defined in the Intercreditor Agreement.

"Pari Passu Debt Acceleration Event" means the Creditor Representative in relation to any Pari Passu Debt (or any of the other Pari

Passu Creditors) exercising any acceleration rights (howsoever described) or any acceleration provisions being automatically invoked in each case under the Pari Passu Debt Documents;

"Pari Passu Debt Documents" means each document or instrument entered into between any members of the Restricted Group and a Pari Passu Creditor setting out the terms of any loan, credit or debt facility, notes, indenture or security which creates or evidences any Pari Passu Debt, all terms as defined in the Intercreditor Agreement;

"Pari Passu Debt Representative" means any creditor representative for the Pari Passu Creditors which has acceded to the Intercreditor Agreement as a Creditor Representative (as defined therein) of those parties;

"Property" means all freehold and leasehold property from time to time owned by the Chargor or in which the Chargor is otherwise interested and shall include:

(a) the proceeds of sale of all or any part of such property;

(b) all rights, benefits, privileges, warranties, covenants, undertakings, easements, servitudes, appurtenances and licences relating to such property;

(c) all money received by or payable to the Chargor in respect of such property; and

(d) all buildings, fixtures and fittings from time to time on such property,

including, but not limited to the property, if any, specified in Schedule 2 (*Properties*) of the Debenture or as specified in any relevant Security Accession Deed, but for these purposes "land" excludes heritable property situated in Scotland;

"Quasi-Security" means a transaction in which the Chargor:

(a) sells, transfers or otherwise disposes of any of its assets on terms whereby they are or may be leased to or re-acquired by the Chargor or any other member of the Group;

(b) sells, transfers or otherwise disposes of any of its receivables on recourse terms;

(c) enters 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) enters 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 Financial Indebtedness (as defined in any Credit Facility) or of financing the acquisition of an asset;

"RCF Agent" means the facility agent under the RCF Facility Agreement (being as at 31 May 2011);

"RCF Discharge Date" means the first date on which all RCF Liabilities have been fully and finally discharged to the satisfaction of the RCF Agent (acting reasonably), whether or not as the result of an enforcement, and the RCF Finance Parties are under no further obligation to provide financial accommodation to any of the Debtors under the RCF Finance Documents;

"RCF Facility Agreement" means the facility agreement comprising a £70,000,000 revolving credit facility (which may subsequently be increased by an additional £40,000,000) made between the Obligors (as defined therein), the RCF Finance Parties and others dated on or about the date of the Intercreditor Agreement;

"RCF Finance Documents" has the meaning given to the term "Finance Document" in the RCF Facility Agreement, but excluding the Hedging Agreements;

"RCF Finance Parties" means each "Finance Party" referred to in the RCF Facility Agreement, other than the Hedge Counterparties;

"RCF Liabilities" means the Liabilities owed by the Debtors to the RCF Finance Parties under the RCF Finance Documents, together with any related Additional Liabilities (but excluding any Hedging Liabilities);

"Receiver" means an administrator, a receiver and manager or (if the Security Agent so specifies in the relevant appointment) receiver in each case appointed under the Debenture.

"Related Rights" means all dividends, distributions and other income paid or payable on a Share or Investment, together with all shares or other property derived from any Share or Investment in each case which is Charged Property and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that Share or Investment (whether by way of conversion, redemption, bonus, preference, option or otherwise);

"Restricted Group" means the Parent and Restricted Subsidiaries;

"Restricted Subsidiary" has the meaning given to such term in the RCF Facility Agreement or, following the RCF Discharge Date, in the Senior Notes Indenture;

"Scottish Assets" means any assets which as a matter of Scots law are, or are deemed to be, located in Scotland or governed by Scots law.

"Scottish Floating Charges" means:

- (a) the Scottish law floating charge to be granted by the Chargor in favour of the Security Agent on 31 May 2011; and
- (b) the Scottish law floating charge to be granted by House of Fraser (Stores) Limited (registered number SC010677) in favour of the Security Agent on 31 May 2011;

"Secured Debt Documents" means the RCF Finance Documents, the Credit Facility Documents, the Hedging Agreements, the Senior Notes Documents, the Pari Passu Debt Documents and the Junior Priority Debt Documents;

"Secured Parties" means the Super Senior Creditors, the Senior Note Creditors, the Pari Passu Creditors, the Junior Party Creditors, the Arrangers, the Security Agent and any Receiver or Delegate from time to time but, in the case of a Senior Notes Trustee, Arranger, Super Senior Creditor, Pari Passu Creditor or Junior Priority Creditor, only if it is a party to the Intercreditor Agreement or has acceded to the Intercreditor Agreement, in the appropriate capacity, pursuant to Clause 21.15 (*Creditor/Creditor Representative Accession Undertaken*) of the Intercreditor Agreement;

"Security" means a mortgage, standard security, charge, pledge, assignment, assignation, transfer, lien, right of set-off, retention or extended retention of title provision, or any other security interest securing any obligation of any person or any other agreement or arrangement having the effect of giving security or preferential ranking to a creditor, or any other agreement or arrangement having a similar effect;

"Security Accession Deed" means a deed executed by a member of the Group substantially in the form set out in Schedule 9 (*Form of Security Accession Deed*) of the Debenture, with those amendments which the Security Agent may approve or reasonably require;

"Senior Noteholders" means the "Holders" as defined in the Senior Notes Indenture;

"Senior Notes" means the Sterling GBP 250,000,000 aggregate principal amount of 8.875% senior secured notes due 2018 issued by the Senior Notes Issuer (as defined in the Intercreditor Agreement) pursuant to the terms of the Senior Notes Indenture and any additional notes issued from time to time under the Senior Notes Indenture, together with any Additional Liabilities;

"Senior Notes Acceleration Event" means the Senior Notes Trustee or any of the Senior Noteholders exercising any acceleration rights (however described) or any acceleration provisions being automatically invoked in each case under section 6.02 (*Acceleration*) of the Senior Notes Indenture;

"Senior Notes Creditors" means the Senior Noteholders and the Senior Notes Trustee (being as at 31 May 2011, Deutsche Trustee Company Limited), as defined in the Intercreditor Agreement;

"Senior Notes Document" means:

- (a) the Senior Notes Indenture;
- (b) the Senior Notes;
- (c) the Intercreditor Agreement;
- (d) the Senior Notes Guarantees; and
- (e) the Transaction Security Documents;

"Senior Notes Guarantees" means the guarantees of the Senior Notes pursuant to the Senior Notes Indenture;

"Senior Notes Indenture" means the senior secured note indenture dated as of 31 May 2011 between, among others, House of Fraser (Funding) PLC and the Senior Notes Trustee (being, as at 31 May 2011, Deutsche Trustee Company Limited), as amended from time to time;

"Senior Notes Issuer" means House of Fraser (Funding) PLC;

"Senior Notes Liabilities" means the Liabilities owed by the Senior Notes Issuer (being, as at 31 May 2011, House of Fraser (Funding) PLC) to the Senior Notes Creditors under the Senior Notes Documents, together with any related Additional Liabilities (but excluding Hedging Liabilities);

"Senior Notes Trustee" means Deutsche Trustee Company Limited;

"Shareholder Creditors" means any direct or indirect shareholder (or affiliate who is not a member of the Group) of the Parent (and their respective transferees and successors) which has made a loan or financial accommodation to the Parent or another member of the Group, which is not prohibited under the terms of the Credit Facility Documents, the Senior Notes Documents, the Pari Passu Debt Documents and the Junior Priority Debt Documents and which accedes to the Intercreditor Agreement by executing a Creditor/Creditor Representative Accession Undertaking in accordance with the Intercreditor Agreement and which has not ceased to be a Shareholder Creditor in accordance with the Intercreditor Agreement;

"Shares" means all shares owned by the Chargor in each Guarantor which is a direct Subsidiary of the Chargor including but not limited to the shares, if any, specified in Schedule 3 (*Shares and Investments*) of the Debenture or as specified in any relevant Security Accession Deed;

"Storecard Creditors" the Storecard Security Agent (being as at 31 May 2011, Santander Global Consumer Finance Limited) and the Storecard Finance Parties (being as at 31 May 2011, Santander Cards UK Limited, Santander Cards Ireland Limited and Santander Global Consumer Finance Limited);

"Storecard Finance Parties" means the companies listed in Part 5 of Schedule 1 (*The Parties*) to the Intercreditor Agreement as storecard finance parties.

"Storecard Security" means the Security (as defined in the Intercreditor Agreement) created or expressed to be created in favour of the Storecard Security Agent under or pursuant to the Storecard Debenture (as defined in the Intercreditor Agreement).

"Storecard Security Agent" means Santander Global Consumer Finance Limited.

"Subsidiary" means a subsidiary within the meaning of section 1159 of the Companies Act 2006 and a subsidiary undertaking with the meaning of section 1162 of the Companies Act 2006;

"Super Senior Creditors" means the Credit Facility Lenders, the Hedge Counterparties and their respective Creditor Representatives;

"Super Senior Liabilities" means the Credit Facility Lender Liabilities and the Hedging Liabilities;

"Trading Receivables" means all book and other debts arising in the ordinary course of trading.

"Transaction Security" means the Security created or expressed to be created in favour of the Security Agent under or pursuant to the Transaction Security Documents; and

"Transaction Security Documents" means

(a) each "Transaction Security Document" as defined in the RCF Facility Agreement or, after the RCF Discharge Date, the Credit Facility;

(b) any other document entered into at any time by any of the Debtors creating any Security in favour of any of the Secured Parties as security for any of the Secured Obligations; and

(c) any Security granted under any covenant for further assurance in any of the documents set out in paragraphs (a) and (b) above,

which in each case, to the extent legally possible:

(i) is created in favour of the Security Agent as trustee for the other Secured Parties in respect of their Liabilities; or

(ii) in the case of any jurisdiction in which effective Security cannot be granted in favour of the Security Agent as trustee for the Secured Parties is created in favour of:

(A) all the Secured Parties in respect of their Liabilities; or

(B) the Security Agent under a parallel debt or independent creditor structure for the benefit of all the Secured Parties.



FILE COPY

**CERTIFICATE OF THE REGISTRATION
OF A CHARGE**

COMPANY NO. 21928
CHARGE NO. 27

I HEREBY CERTIFY THAT A CHARGE CREATED BY HOUSE OF
FRASER LIMITED

ON 31 MAY 2011

FOR SECURING ALL SUMS DUE OR TO BECOME DUE

IN FAVOUR OF BARCLAYS BANK PLC

WAS DELIVERED PURSUANT TO SECTION 878 OF THE
COMPANIES ACT 2006 ON 17 JUNE 2011

GIVEN AT COMPANIES HOUSE, EDINBURGH 20 JUNE 2011



Companies House
— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES