

Fill in this information to identify the case:

United States Bankruptcy Court for the:

Southern District of New York

Case number (if known): _____ Chapter 15

☐ Check if this is an amended filing

Official Form 401

Chapter 15 Petition for Recognition of a Foreign Proceeding

12/15

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write debtor's name and case number (if known).

1. Debtor's name Matalan Finance Plc

2. Debtor's unique identifier

For non-individual debtors:

☐ Federal Employer Identification Number (EIN) _____

☒ Other 05962488. Describe identifier company number.

For individual debtors:

☐ Social Security number: xxx - xx- _____

☐ Individual Taxpayer Identification number (ITIN): 9 xx - xx - _____

☐ Other _____. Describe identifier _____.

3. Name of foreign representative(s) Stephen Mark Hill

4. Foreign proceeding in which appointment of the foreign representative(s) occurred MATTER OF MATALAN FINANCE PLC

5. Nature of the foreign proceeding

Check one:

☒ Foreign main proceeding

☐ Foreign nonmain proceeding

☐ Foreign main proceeding, or in the alternative foreign nonmain proceeding

6. Evidence of the foreign proceeding

☐ A certified copy, translated into English, of the decision commencing the foreign proceeding and appointing the foreign representative is attached.

☐ A certificate, translated into English, from the foreign court, affirming the existence of the foreign proceeding and of the appointment of the foreign representative, is attached.

☒ Other evidence of the existence of the foreign proceeding and of the appointment of the foreign representative is described below, and relevant documentation, translated into English, is attached.
Sanction Order and Board Resolution

7. Is this the only foreign proceeding with respect to the debtor known to the foreign representative(s)?

☐ No. (Attach a statement identifying each country in which a foreign proceeding by, regarding, or against the debtor is pending.)

☒ Yes

Debtor

Matalan Finance Plc

Name

Case number (if known)

8. Others entitled to notice

Attach a list containing the names and addresses of:

- (i) all persons or bodies authorized to administer foreign proceedings of the debtor,
- (ii) all parties to litigation pending in the United States in which the debtor is a party at the time of filing of this petition, and
- (iii) all entities against whom provisional relief is being sought under § 1519 of the Bankruptcy Code.

9. Addresses

Country where the debtor has the center of its main interests:

United Kingdom

Debtor's registered office:

Perimeter Road, Knowsley Industrial Park
Number Street

P.O. Box

Liverpool L33 7SZ

City State/Province/Region ZIP/Postal Code

United Kingdom

Country

Individual debtor's habitual residence:

Number Street

P.O. Box

City State/Province/Region ZIP/Postal Code

Country

Address of foreign representative(s):

Perimeter Road, Knowsley Industrial Park
Number Street

P.O. Box

Liverpool L33 7SZ

City State/Province/Region ZIP/Postal Code

United Kingdom

Country

10. Debtor's website (URL)

11. Type of debtor

Check one:

☐ Non-individual (check one):

☒ Corporation. Attach a corporate ownership statement containing the information described in Fed. R. Bankr. P. 7007.1.

☐ Partnership

☐ Other. Specify: _____

☐ Individual

Debtor Matalan Finance Plc
Name

Case number (if known) _____

12. Why is venue proper in this district?

Check one:

- ☒ Debtor's principal place of business or principal assets in the United States are in this district.
- ☐ Debtor does not have a place of business or assets in the United States, but the following action or proceeding in a federal or state court is pending against the debtor in this district:
- _____
- ☐ If neither box is checked, venue is consistent with the interests of justice and the convenience of the parties, having regard to the relief sought by the foreign representative, because:
- _____

13. Signature of foreign representative(s)

I request relief in accordance with chapter 15 of title 11, United States Code.

I am the foreign representative of a debtor in a foreign proceeding, the debtor is eligible for the relief sought in this petition, and I am authorized to file this petition.

I have examined the information in this petition and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

x 

Signature of foreign representative

STEPHEN HILL

Printed name

Executed on _____
MM / DD / YYYY

x

Signature of foreign representative

Printed name

Executed on _____
MM / DD / YYYY

14. Signature of attorney

x



Signature of Attorney for foreign representative

Date

7/29/2020
MM / DD / YYYY

Douglas E. Deutsch

Printed name

Clifford Chance US LLP

Firm name

31 West 52nd Street

Number Street

New York

City

NY

State

10019

ZIP Code

(212) 878-8000

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New York, New York 10022
Telephone: (212) 878-8000

Attorneys for the Foreign Representative

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----	x	
	:	
In re:	:	Chapter 15
	:	
MATALAN FINANCE PLC,	:	Case No. 20-_____ ()
	:	
Debtor in a Foreign Proceeding.¹	:	
	:	
-----	x	

**STATEMENTS OF FOREIGN REPRESENTATIVE REQUIRED BY SECTION 1515(C)
OF THE BANKRUPTCY CODE AND RULE 1007(A)(4) OF THE
FEDERAL RULES OF BANKRUPTCY PROCEDURE**

Stephen Mark Hill, in his capacity as the foreign representative (the "**Foreign Representative**" or "**Petitioner**") of Matalan Finance Plc (the "**Debtor**" or the "**Company**") which is the subject of proceedings before the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies Court (the "**English Court**") pursuant to the Companies Act 2006 (the "**English Proceeding**") concerning a scheme of arrangement (the "**Scheme**"), files this list pursuant to Rule 1007(a)(4) of the Federal Rules of Bankruptcy Procedure, and makes the following statements required by section 1515(c) of title 11 of the United States Code (the "**Bankruptcy Code**"):

¹ Matalan Finance Plc is incorporated and registered in England and Wales with company number 05962488. The Company has its registered office at Matalan Head Office, Perimeter Road, Knowsley Industrial Park, Liverpool L33 7SZ, England, United Kingdom.

A. Statement Required by Section 1515(c) of the Bankruptcy Code

The Foreign Representative submits that there is no foreign proceeding with respect to the Debtor known to him other than the English Proceeding.

B. Administrators in Foreign Proceeding Concerning the Debtor

Stephen Mark Hill is the only authorized foreign representative in the Foreign Proceeding. The Foreign Representative's address is as follows:

Matalan Head Office, Perimeter Road
Knowsley Industrial Park
Liverpool L33 7SZ
England, United Kingdom

C. All Parties to Litigation Pending in the United States in which the Debtor is a Party at the Time of Filing of the Petition

None.

D. Entities Against Whom Provisional Relief of Sought

Holders of the Company's 9½ percent second lien secured notes due 2024 issued pursuant to that certain senior notes indenture dated January 25, 2018 between, among others, the Company and the Trustee, as supplemented, amended and restated from time to time.

Chapter 15 Petition

Item 6: Sanction Order and Board Resolution

Sanction Order

Case No. CR-2020-002802



**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
OF ENGLAND AND WALES
COMPANIES LIST (ChD)**

CR-2020-002802

Before the Honourable Mr Justice Miles

On the 27th day of July 2020

IN THE MATTER OF MATALAN FINANCE PLC

AND IN THE MATTER OF THE COMPANIES ACT 2006

MINUTE OF ORDER

UPON THE APPLICATION by Part 8 Claim Form dated 19 June 2020 (the "**Claim Form**")
of Matalan Finance Plc (the "**Company**")

AND UPON HEARING Ms Felicity Toubé QC and Mr Adam Al-Attar for the Company

AND UPON READING the Claim Form and the written evidence filed in these proceedings

IT IS ORDERED AND DIRECTED THAT:

1. The Court hereby sanctions the scheme of arrangement (the "**Scheme**") as set out in the Schedule hereto.
2. The Company or its solicitors shall deliver, as soon as reasonably practicable, an office copy of this Order to the Registrar of Companies for England and Wales.

Service of this order

The Court has provided three sealed copies of this Order to the serving party:

Clifford Chance LLP at 10 Upper Bank Street, London E14 5JJ

DATED 27 July 2020

IN THE HIGH COURT OF JUSTICE

CR-2020-002802

**BUSINESS AND PROPERTY COURTS
OF ENGLAND AND WALES**

**INSOLVENCY AND COMPANIES
COURT (ChD)**

IN THE MATTER OF
MATALAN FINANCE PLC
(THE "**COMPANY**")

AND

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT
(UNDER PART 26 OF THE COMPANIES ACT 2006)

BETWEEN

MATALAN FINANCE PLC
(A COMPANY INCORPORATED IN ENGLAND AND
WALES)

AND

THE SCHEME CREDITORS OF THE COMPANY
(AS DEFINED IN THE SCHEME)

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PRELIMINARY

1. DEFINITIONS

The following definitions shall apply to words and phrases used in this Scheme, except where the context otherwise requires.

"Account Holder" means any person recorded directly in the records of a Clearing System as holding an interest in any Second Lien Notes in an account with the relevant Clearing System either for its own account or on behalf of its client.

"Account Holder Letter" means the account holder letter substantially in the form set out in Appendix E (*Account Holder Letter*) of the Explanatory Statement, subject to any amendments made in accordance with this Scheme Document.

"Additional Liquidity Arrangements" means the additional liquidity package being provided to the Group pursuant to the CLBILS Facilities, the Additional Notes, the cancellation of £50,000,000 of the principal amount of Second Lien Notes held by the Shareholder in exchange for the Shareholder PIK Notes as well as amendments to be effected by this Scheme.

"Additional Noteholders" means the holders of the Additional Notes.

"Additional Notes" means the additional 16.5 per cent. notes due July 2022 generating net proceeds of £25,000,000 issued by the Company to certain holders of the First Lien Notes.

"Additional Waivers" means the waivers with respect to certain terms of the Second Lien Notes and the Intercreditor Agreement contained within the Second Lien Supplemental Indenture and the Intercreditor Agreement Side Letter.

"Advisers" means each of:

- (a) Clifford Chance LLP, as legal adviser to the Company and Affiliates;
- (b) Cahill Gordon & Reindel (UK) LLP, as legal adviser to the Company and Affiliates;
- (c) Deloitte LLP, as financial adviser to the Company and certain of its Affiliates;
- (d) DLA Piper International LLP, as legal adviser to the Company and Affiliates;
- (e) Kirkland & Ellis International LLP, as legal adviser to the Additional Noteholders;
- (f) Perella Weinberg Partners, as financial adviser to the Additional Noteholders;
- (g) Latham & Watkins, as legal adviser to the Existing RCF Lenders and the Security Agent;
- (h) White & Case LLP, as legal adviser to the Trustee;

- (i) Paul Hastings LLP, as legal adviser to the Shareholder;
- (j) Lucid Issuer Services Limited, as Information Agent; and
- (k) any of the foregoing's partners, employees and affiliated partnerships and the partners and employees of such affiliated partnerships and their respective Subsidiaries and Holding Companies and any local counsel engaged by any of the foregoing on behalf of their client or by the client directly in connection with the Additional Liquidity Arrangements.

"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 or a Related Fund, as at the Scheme Effective Date.

"Allowed Proceeding" means any Proceeding against a Released Party to enforce rights in accordance with Clause 7.3.

"Amended Global Notes" means the Global Notes as amended, substantially in the form appended to the Explanatory Statement, subject to any amendments made in accordance with the Scheme.

"Book Entry Interests" means, in relation to the Second Lien Notes, a beneficial interest in a Global Note, in each case held through and shown on, and transferred only through, records maintained in book entry form by a Clearing System or an Account Holder.

"Business Day" means a day other than a Saturday, Sunday or other day on which banking institutions in London or New York are authorised or required by law to close.

"CLBILS Facilities" means the CLBILS super senior revolving facilities in an aggregate amount of £25,000,000 provided by Barclays Bank Plc, and Lloyds Bank Plc on 8 June 2020.

"Clearing Systems" means either or both of Euroclear and Clearstream, as applicable, and any other system designed for similar or analogous purposes, and each of their nominees and successors.

"Chapter 15 Filing" means the petition prepared for filing for recognition under Chapter 15 of the US Bankruptcy Code.

"Clearstream" means Clearstream Banking, S.A.

"Common Depositary" means Deutsche Bank AG, London Branch.

"Companies Act" means the Companies Act 2006 (as amended from time to time).

"Company" means Matalan Finance Plc.

"Court" means the High Court of Justice, the Court of Appeal of England and Wales and the UK Supreme Court.

"Deed of Release" means the English law deed of release between, among others, the Company and the Scheme Creditors which gives effect to the release set out in Clause 7 of this Scheme, substantially in the form appended to the Explanatory Statement, subject to any amendments made in accordance with the Scheme.

"Director or Former Director" means any person who is, or has been at any time, a director, manager, general partner, officer (or equivalent) of the Company and/or any member of the Group.

"Euroclear" means Euroclear Bank SA/NV.

"Excluded Person" has the meaning given to it in Clause 16 of this Scheme Document.

"Existing RCF Lenders" has the meaning given to the term Senior Lenders in the Intercreditor Agreement.

"Explanatory Statement" means the explanatory statement issued by the Company relating to the Scheme provided to Scheme Creditors pursuant to section 897 of the Companies Act and dated on or around the date of this Scheme Document.

"First Lien Notes" means the £350,000,000 6¾ per cent. first lien secured notes due 2023 issued by the Company.

"First Lien Notes Indenture" means the first lien notes indenture dated 25 January 2018 between, among others, the Company and Deutsche Trustee Company Limited as trustee, as supplemented, amended and restated from time to time.

"Global Notes" means individually and collectively, each of the global notes deposited with the Common Depositary and registered in the name of the nominee of the Common Depositary, substantially in the form of Exhibit A of the Second Lien Indenture.

"Group" means the Parent and its Subsidiaries as at the Scheme Effective Date.

"Holder" means a person with a Book Entry Interest in the Second Lien Notes.

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

"Information Agent" means Lucid Issuer Services Limited, a company incorporated in England and Wales with registered number 05098454, whose registered office is at Tankerton Works, 12 Argyle Walk London, WC1H 8HA (or any successor in title) as the information agent with respect to the Scheme.

"Instruction Letters" means the Security Agent Instruction Letter and the Trustee Instruction Letter.

"Intercreditor Agreement" means the intercreditor agreement dated 25 January 2018 as amended and restated on 8 June 2020, between, amongst others, the Parent, the Company and Lloyds Bank plc as security agent and Barclays Bank plc, Lloyds Bank plc, Morgan Stanley Senior Funding, Inc. as senior lenders.

"Intercreditor Agreement Side Letter" means the waiver letter between, among others, the Company, the Trustee and the Security Agent in respect of the amendments to the Intercreditor Agreement, substantially in the form appended to the Explanatory Statement, subject to any amendments made in accordance with the Scheme.

"Liability" or "Liabilities" means any present or future obligation, liability, claim, counterclaim, debt, demand, action, right of set-off, indemnity, cause of action or right or interest of any kind or nature whatsoever at any time including without limitation, for the payment of money, performance of an act or obligation, or otherwise, whether in respect of principal, interest or otherwise, whether actual or contingent, whether fixed or undetermined, whether known or unknown, whether suspected or unsuspected, whether direct or indirect, whether owed jointly or severally and whether owed as principal, surety or in any capacity whatsoever and whether it arises at common law, in equity, in contract, in tort, by statute in the State of New York or England and Wales or in any other jurisdiction under whatever applicable law, under any legal theory, and in any manner whatsoever, including any amount which would constitute such a liability but for any discharge, non-provability, unenforceability or non-allowance of the same in any insolvency or other Proceedings, including any claim for breach of representation, warranty or undertaking or on an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other Liability falling within this definition, and any claim for damages or restitution.

"Lock-Up Agreement" means the lock-up agreement dated 8 June 2020 between the Company and the Participating Second Lien Noteholders (as defined therein).

"Longstop Date" means 5:00 p.m. on 15 August 2020 or such other date as may be agreed in accordance with the terms of the Lock-up Agreement.

"Proceeding" means any process, suit, action, legal or other proceeding in any jurisdiction, including without limitation any arbitration, mediation, alternative dispute resolution, judicial review, adjudication, demand, execution, distraint, restraint, forfeiture, re-entry, seizure, lien, enforcement of judgment or enforcement of any security.

"Prohibited Proceeding" has the meaning given to such term in Clause 7.8.

"Parent" means Missouri Topco Limited.

"PIK Interest" means payment-in-kind interest.

"Related Fund" means, in relation to a fund (the **"First Fund"**), a fund which is (i) managed or advised by the same investment manager or investment adviser as the First Fund or (ii) if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the First Fund.

"Released Party" means any party released in accordance with Clause 7.2.

"Scheme" means this scheme of arrangement in respect of the Company under Part 26 of the Companies Act, the terms and conditions of which are set out in this document

in its present form or subject to any modification, addition or condition which the Court may think fit to approve or impose.

"Scheme Claims" means, in respect of the Second Lien Notes:

- (a) the right to the cash interest coupon payable, including any cash interest accrued and unpaid; and
- (b) the rights which are the subject of the Additional Waivers,

in each case in respect of the Second Lien Notes in accordance with the terms of the Second Lien Amendments Documents.

"Scheme Consideration" means the Second Lien Deferral Fee and the go forward PIK Interest coupon payable in accordance with the terms of the Second Lien Amendments Documents.

"Scheme Creditors" means a Holder of the Second Lien Notes in its capacity as a creditor of the Company, and **"Scheme Creditor"** shall mean any one of them.

"Scheme Document" means this document setting out the terms and conditions of the Scheme in its present form or with and subject to any modifications made pursuant to Clause 5 to this Scheme Document.

"Scheme Effective Date" means the date on which an office copy of the Scheme Sanction Order is delivered for registration to the Registrar of Companies in England and Wales, within the meaning of the Companies Act.

"Scheme Effective Date Notice" means the notice to be sent by the Company substantially in the form set out in Schedule 1 (*Scheme Effective Date Notice*).

"Scheme Effective Time" means the earliest time at which the Scheme Effective Date Notice is issued by the Company to one or more addressees in accordance with Clause 3.2 of this Scheme Document.

"Scheme Meeting" means the meeting of the Scheme Creditors convened at the direction of the Court for the purposes of considering and, if thought fit, approving the terms of the Scheme.

"Scheme Sanction Hearing" means the Court hearing in the Companies Court, Business List (ChD) to be held on or around 27 July 2020 for the purposes of obtaining the Scheme Sanction Order.

"Scheme Sanction Order" means the order or orders of the Court sanctioning the Scheme under section 899 of the Companies Act.

"Scheme Steps" has the meaning given to it in Clause 6.

"Scheme Undertaking Party" means each of the Trustee, the Security Agent, the Second Lien Notes Guarantors and any other party that provides an undertaking in connection with this Scheme.

"Scheme Website" means the website set up for Scheme Creditors by the Information Agent at www.lucid-is.com/matalan.

"Second Lien Amendments" means the amendments to the Second Lien Notes Documents and the Intercreditor Agreement in substantially the form contemplated by the terms of the Scheme, the Explanatory Statement and the Second Lien Amendments Documents, taken as a whole.

"Second Lien Amendments Documents" means the following documents:

- (a) Security Agent Instruction Letter;
- (b) Trustee Instruction Letter;
- (c) Second Lien Supplemental Indenture;
- (d) Intercreditor Agreement Side Letter;
- (e) Amended Global Notes;
- (f) Deed of Release, and

any other documents which in the reasonable opinion of the Company are necessary for the implementation of the Scheme.

"Second Lien Amendments Effective Date" means the date on which the Second Lien Amendments become effective in accordance with the terms of the Second Lien Amendments Documents.

"Second Lien Deferral Fee" means a cash payment of £5.00 per £1,000 principal amount of Second Lien Notes, calculated as at the Voting Instruction Deadline.

"Second Lien Notes" means the 9.5% senior secured notes due 2024 issued by the Company under the Second Lien Notes Indenture of which an aggregate principal of £80,000,000 is outstanding as at the date of the Explanatory Statement.

"Second Lien Notes Documents" means each of the Second Lien Indenture, the Second Lien Notes Guarantee, the Global Notes, the Intercreditor Agreement and any other documents entered into in connection therewith.

"Second Lien Notes Guarantees" means the guarantees provided by each Second Lien Notes Guarantor in accordance with article 11 of the Second Lien Notes Indenture, of obligations under the Second Lien Notes Indenture and the Second Lien Notes and any other guarantee granted by any member of the Group in relation to the Second Lien Notes.

"Second Lien Notes Guarantors" means the providers of the Second Lien Notes Guarantees including, without limitation, those listed in Schedule 4 (*Second Lien Guarantors*).

"Second Lien Notes Guarantors Undertaking" means the undertaking provided by the Second Lien Notes Guarantors to, among other things, be bound by the Scheme.

"Second Lien Notes Indenture" means the senior notes indenture dated 25 January 2018 between, among others, the Company and the Trustee, as supplemented, amended and restated from time to time.

"Second Lien Supplemental Indenture" means the supplemental indenture to the Second Lien Notes Indenture to be entered into by, amongst others, the Company, the Second Lien Notes Guarantors substantially in the form appended to the Explanatory Statement, subject to any amendments made in accordance with the Scheme.

"Security Agent" means Lloyds Bank plc as security agent under the Intercreditor Agreement.

"Security Agent Instruction Letter" means the instruction letter from the Company (for and on behalf of the Scheme Creditors) instructing the Security Agent to enter into the Second Lien Supplemental Indenture, the Intercreditor Agreement Side Letter, and the Deed of Release and to carry out all other legally permitted steps within their control as may be necessary or desirable to be carried out by it for the purposes of facilitating the implementation of, and giving effect to, the terms of the Scheme and the Second Lien Amendments, substantially in the form set out in Schedule 3 (*Form of Security Agent Instruction Letter*) to this Scheme Document.

"Security Agent Undertaking" means the undertaking provided by the Security Agent to, among other things, be bound by the Scheme.

"Shareholder" means John Hargreaves.

"Shareholder PIK Notes" means the £50,000,000 aggregate principal amount of subordinated unsecured notes issued by the Company pursuant to an indenture dated 9 June 2020 in exchange for the £50,000,000 principal amount of Second Lien Notes (which were cancelled upon completion of the exchange).

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

"Trustee" means Deutsche Trustee Company Limited in its capacity as trustee under the Second Lien Notes Indenture.

"Trustee Instruction Letter" means the instruction letter from the Company (for and on behalf of the Scheme Creditors) instructing the Trustee to enter into the Second Lien Supplemental Indenture, the Amended Global Notes, and the Intercreditor Agreement Side Letter and to carry out all other legally permitted steps within their control as may be necessary or desirable to be carried out by it for the purposes of facilitating the implementation of, and giving effect to, the terms of the Scheme and the Second Lien Amendments, substantially in the form set out in Schedule 2 (*Form of Trustee Instruction Letter*) to this Scheme Document.

"Trustee Undertaking" means the undertaking provided by the Trustee to, among other things, be bound by the Scheme.

"Voting Instruction Deadline" means 5:00 p.m. on 16 July 2020.

2. INTERPRETATION

Unless the context otherwise requires:

- (a) references to any provision of any law or regulation are to be construed as referring to that provision as it may have been, or may from time to time be, amended or re-enacted, and as referring to all by-laws, instruments, orders and regulations for the time being made under or deriving validity from that provision;
- (b) a reference to any party or person shall be construed as including its and any subsequent successors in title, permitted transferees and permitted assigns, in each case in accordance with their respective interests;
- (c) a reference to an agreement, indenture, deed or other document is a reference to such agreement, indenture, deed or other document as amended and an amendment includes a supplement, novation, restatement or replacement (however fundamental) and "**as amended**" will be construed accordingly;
- (d) references to "**include**" mean including without limitation;
- (e) references to "**Clauses**" or "**Schedules**" are to clauses or schedules (as applicable) of this Scheme Document;
- (f) references to a "**person**" include references to an individual, firm, partnership, company, corporation, other legal entity, unincorporated body of persons or any state or state agency;
- (g) the singular includes the plural and vice versa and words importing one gender include the other gender;
- (h) headings to paragraphs and schedules, are for ease of reference only and shall not affect the interpretation of this Scheme Document;
- (i) to the extent that there is any conflict or inconsistency between the terms of this Scheme Document and the Explanatory Statement, the terms of this Scheme Document shall prevail;
- (j) any obligation or Liability of a Scheme Creditor shall apply to its successors, transferees and assigns; and
- (k) unless otherwise stated, all references to a time of day in this Scheme Document are to the time in London (Greenwich Mean Time or British Summer Time as applicable).

3. SCHEME EFFECTIVENESS

- 3.1 The Scheme shall become effective and legally binding on the Company and its Scheme Creditors in accordance with its terms for all purposes, on and from the Scheme Effective Date. The arrangements effected by the Scheme shall apply to all Scheme Claims and shall bind all Scheme Creditors and each of their respective successors and assigns.

- 3.2 Upon the occurrence of the Scheme Effective Date, the Company shall issue the Scheme Effective Date Notice confirming that the Scheme Effective Date has occurred.
- 3.3 Unless the Scheme has become effective on or before the Longstop Date the Scheme shall never become effective.

4. **AUTHORISATION TO EXECUTE AND UNDERTAKING TO BE BOUND BY THE SECOND LIEN AMENDMENTS DOCUMENTS**

- 4.1 With effect on and from the Scheme Effective Time, in consideration of the rights provided to the Scheme Creditors under this Scheme and notwithstanding any term of any relevant document, each Scheme Creditor hereby appoints, and shall for all purposes be treated as having hereby appointed, the Company as its attorney and agent and irrevocably authorises, directs, instructs and empowers the Company (represented by any duly authorised representative) to:
- (a) enter into, execute and deliver (whether as a deed or otherwise), for and on behalf of such Scheme Creditors, the Second Lien Amendments Documents to which the Scheme Creditors, or any of them, are named as a party and any other document referred to, contemplated by or ancillary to any of the foregoing, and, where applicable, complete, date and release the Second Lien Amendments Documents; and
 - (b) for and on behalf of Scheme Creditors, to take all actions necessary to ensure that the books and records of the Clearing Systems are updated to reflect the terms of this Scheme Document, including without limitation to take or carry out any other step or procedure reasonably required to give effect to the provisions of this Scheme Document.
- 4.2 The authority and power granted and conferred on the Company under Clause 4.1 and 4.4 shall be treated, for all purposes whatsoever and without limitation, as having been granted and conferred by deed and the Company shall be entitled to delegate the authority granted and conferred by Clause 4.1 and 4.4 to any duly authorised officer or agent of the Company as necessary.
- 4.3 Notwithstanding any other provision of this Scheme, each Scheme Creditor agrees to and shall be bound by and shall comply with, and shall for all purposes be treated as having agreed to and be bound by, each of its obligations under each applicable Second Lien Amendments Document after it has been executed by the Company (or any delegate appointed pursuant to Clause 4.2) on its behalf in accordance with this Clause 4.
- 4.4 Without prejudice to the authority conferred on the Company pursuant to Clause 4.1, the Scheme Creditors hereby irrevocably authorise and instruct, and shall for all purposes be treated as having hereby irrevocably authorised and instructed, the Company, the Security Agent and the Trustee (as applicable) to enter into, execute and deliver (as a deed or otherwise) the Instruction Letters and to take all steps reasonably necessary to comply with their respective obligations under the Instruction Letters and any other Second Lien Amendments Document to which they are a party. For the avoidance of doubt, each Scheme Creditor hereby confirms and shall for all purposes be treated as having hereby confirmed each instruction, authorisation, direction and

confirmation given on its behalf in the Instruction Letters and as having agreed that each of the Company, the Security Agent and the Trustee shall be entitled to enforce and enjoy the benefit of, and rely upon each term in, this Scheme and the Instruction Letters.

5. AMENDMENTS TO THE SECOND LIEN AMENDMENTS DOCUMENTS

5.1 With effect on and from the Scheme Effective Time, each Scheme Creditor hereby irrevocably authorises, directs, instructs and empowers, and shall be treated for all purposes as having hereby irrevocably authorised, directed, instructed and empowered, the Company (represented by any duly authorised representative) to, in respect of the Second Lien Amendments Documents:

- (a) agree on their behalf to any amendments which the Company may deem necessary or desirable in order to correct any manifest error or otherwise to ensure that they reflect the terms of the Scheme and the transactions intended to be entered into in order to effect the Second Lien Amendments;
- (b) complete any blanks including, without limitation, any dates, times, figures, bank account details, notice provisions or legal entity names, lists of parties and/or signature blocks;
- (c) make any other minor amendments which would not have an adverse effect on the interests of the Company or the Scheme Creditors;
- (d) make or agree amendments to ensure that they are legal, valid, binding and enforceable upon the parties to them in accordance with this Scheme, **provided that** such amendments do not have a material adverse effect on the interests of the Company or the Scheme Creditors; and/or
- (e) make or agree amendments to take into account any modification of, or addition to, this Scheme and/or the Second Lien Amendments Documents approved or imposed by the Court in accordance with Clause 10 or otherwise,

provided that none of the above amendments impose on a Scheme Creditor an additional obligation not already contained in or contemplated by the Scheme or the Second Lien Amendments Documents.

6. SCHEME STEPS

Following the Scheme Effective Time, the following steps shall take effect in the order set out below (each a "**Scheme Step**" and together, the "**Scheme Steps**").

Step 1 (Instructions)

- (a) The Company shall execute and deliver the Trustee Instruction Letter.
- (b) The Company shall execute and deliver the Security Agent Instruction Letter.

Step 2 (Amendments and waivers under the Second Lien Notes Indenture, the Intercreditor Agreement and the Global Notes)

- (a) The Company (for and on behalf of itself and the Scheme Creditors as appropriate), the Second Lien Notes Guarantors (in accordance with the Second Lien Notes Guarantors Undertaking), the Trustee (in accordance with the Trustee Instruction Letter) and the Security Agent (in accordance with the Security Agent Undertaking) shall execute and deliver (as applicable):
 - (i) the Second Lien Supplemental Indenture;
 - (ii) the Amended Global Notes; and
 - (iii) the Intercreditor Agreement Side Letter.

Step 3 (Releases)

Immediately following Step 2 (*Amendments and waivers under the Second Lien Notes Indenture, the Intercreditor Agreement and the Global Notes*) above:

- (a) all of the rights, title and interest of the Scheme Creditors to and in the Scheme Claims shall be discharged and released fully and absolutely and treated as discharged and released fully and absolutely by operation of the Scheme and without any action on the part of the Scheme Creditors, in each case so as to bind the Scheme Creditors; and
- (b) the Company (for and on behalf of itself and the Scheme Creditors) and the Security Agent shall execute and deliver the Deed of Release.

Step 4 (Payment of Second Lien Deferral Fee)

The Company shall within two Business Days of the Second Lien Amendments Effective Date pay all Scheme Creditors the Second Lien Deferral Fee.

7. RELEASES, WAIVERS AND UNDERTAKINGS IN CONNECTION WITH THE SECOND LIEN AMENDMENTS DOCUMENTS

- 7.1 In accordance with the terms of the Deed of Release and at the time and sequence specified in the Scheme Steps, all of the rights, title and interest of each Scheme Creditor to its Scheme Claims shall be discharged and released fully and absolutely by operation of this Scheme, without any action on the part of that Scheme Creditor, in each case so as to bind that Scheme Creditor.
- 7.2 Subject to Clause 7.3 and at the time and sequence specified in the Scheme Steps, each Scheme Creditor shall, irrevocably and unconditionally, fully and finally waive and release and forever discharge to the fullest extent permitted by applicable law any and all Liabilities, in each case that it ever had, may have or hereafter can, shall or may have, against each of the following (in each case, in its or their capacity as such):
 - (a) the Company;
 - (b) the Second Lien Notes Guarantors;
 - (c) the Advisers;

- (d) the Trustee;
- (e) the Security Agent;
- (f) the Directors and Former Directors;
- (g) any other Scheme Creditor; and

in each case, their Affiliates and all of their respective present or past officers, directors, employees, agents, representatives and advisers (in each case excluding, for the avoidance of doubt, any past or present auditors of the Group and any Liability of any Adviser arising under or relating to a duty of care to such Adviser's client or arising under a duty of care to another person which has been specifically accepted or acknowledged in writing by the relevant Adviser),

(each person referred to above in this Clause a "**Released Party**", and together the "**Released Parties**"),

whatsoever and howsoever arising, in connection with or by reason of or resulting directly or indirectly from a Released Party's participation (as applicable) prior to the Second Lien Amendments Effective Date:

- (i) in the formulation, negotiation, promotion or provision of the Additional Liquidity Arrangements; and/or
- (ii) in the formulation, negotiation, promotion or the entry into this Scheme and the Second Lien Amendments.

7.3 Clause 7.2 shall not:

- (a) have the effect of waiving, releasing or discharging any rights of any Scheme Creditor arising under:
 - (i) this Scheme or any Second Lien Amendments Documents;
 - (ii) any report or advice provided by any Adviser, on which report or advice such Scheme Creditor is entitled to rely; and
 - (iii) any claims arising as a result of any breach of any Second Lien Amendments Document that remains in effect following the Second Lien Amendments Effective Date,or any remedy in respect of any such rights arising under the documents described at sub-paragraphs (i) to (iii) hereof; or
- (b) apply to any Liability in respect of fraud, wilful misconduct, or gross negligence by any Released Party.

7.4 A Released Party shall be entitled to enforce and enjoy the benefit of and rely upon this Clause 7, whether or not it is a party to the Scheme. The parties to this Scheme shall not be entitled to rescind or vary any term of this Clause 7 in a manner prejudicial to a Released Party without the consent of the relevant Released Party.

Waivers and undertakings

- 7.5 Each Scheme Creditor hereby irrevocably acknowledges and agrees, and shall for all purposes be treated as having hereby acknowledged and agreed, that any action taken by the Company in accordance with this Scheme, the Chapter 15 Filing, the Additional Liquidity Arrangements, or the Second Lien Amendments Documents will not constitute a breach of, or default under, the Second Lien Notes Documents or the Intercreditor Agreement (or any other agreement or document governing the terms of any Scheme Claim) or the Second Lien Amendments Documents, which would otherwise restrict the implementation of the Scheme.
- 7.6 On and from the Scheme Effective Date, the Scheme Creditors shall for all purposes agree, and shall for all purposes be treated as having agreed, that the Scheme shall, fully, finally and irrevocably waive and release each and every default or event of default howsoever described that has occurred or may occur or arise and any acts or omissions of the Trustee or the Security Agent, in each case under the Second Lien Notes Documents or the Intercreditor Agreement.
- 7.7 Each Scheme Creditor shall agree, and shall for all purposes be treated as having hereby agreed, on and from the Scheme Effective Date:
- (a) irrevocably to ratify and confirm everything which the Company, the Trustee, and the Security Agent, and their respective Affiliates, directors, managers and officers may lawfully do or cause to be done pursuant to the terms of this Scheme; and
 - (b) to undertake to the Company, the Trustee and the Security Agent and their respective Affiliates, directors, managers and officers to take all such actions as may be reasonably required to implement the Scheme.

Stay of Prohibited Proceedings

- 7.8 Subject to Clause 7.9, on and from the Scheme Effective Date, no Scheme Creditor shall be permitted to commence or continue any Proceedings, or support any person commencing, or instruct any person to commence any Proceedings, or other judicial, quasi-judicial, administrative or regulatory process in any jurisdiction whatsoever against any Released Party in each case, arising out of or in connection with the Additional Liquidity Arrangements or the Second Lien Amendments, including but not limited to:
- (a) the execution of:
 - (i) the Second Lien Amendments Documents; and/or
 - (ii) any other documents required in order to implement the Scheme; and
 - (b) actions, omissions or circumstances on or prior to the Second Lien Amendments Effective Date arising out of or in connection with the Scheme Claims and/or the negotiation and the implementation of this Scheme and the Second Lien Amendments,
- any such Proceeding being a "**Prohibited Proceeding**".

- 7.9 On and from the Scheme Effective Date, a Scheme Creditor may commence or continue, or support any person commencing, or instruct any person to commence, an Allowed Proceeding.
- 7.10 Each Scheme Creditor will hold on trust for the benefit of the Company any recovery made pursuant to any Prohibited Proceeding in breach of Clause 7.8 and will turn over any such recovery forthwith upon demand being made by the Company without set-off, counterclaim or deduction. To the extent that the asset comprising the recovery cannot be held on trust by the Scheme Creditor, the Scheme Creditor shall pay to the Company an amount equal to that recovery immediately upon demand being made by the Company without set-off, counterclaim or deduction, to be held on trust by the Company for the persons entitled to it.
- 7.11 The directions, instructions, ratifications, authorisations and authority granted under this Clause 7 shall be treated for all purposes whatsoever, and without limitation, as having been granted by deed.

8. TERMINATION OF THE SCHEME

If the Second Lien Amendments Effective Date does not occur on or before the Longstop Date, the terms of and the obligations on, and rights granted to, the parties under or pursuant to this Scheme shall lapse and all and any of the compromises and arrangements provided by this Scheme and any releases granted pursuant to this Scheme shall be of no effect and shall be construed as if it had never become effective, and the rights and obligations of the Scheme Creditors shall not be affected and shall be reinstated and remain in full force and effect, and any defaults under the Second Lien Notes and any consequences thereof, including any alleged deemed or actual acceleration, shall be reinstated as if such default has been continuing since the date it originally occurred or was deemed to occur.

9. COSTS

Without prejudice to any other agreements between the Company and any other party, the Company (or, to the extent legally permitted, another member of the Group) shall pay in full all costs, charges, expenses and disbursements reasonably incurred by or on behalf of the Company in respect of the implementation of the Scheme by the Company, including but not limited to the costs of holding the Scheme Meeting as convened by the Court, the costs of obtaining the Scheme Sanction Order and the costs of placing any notices required by the Scheme.

10. SANCTION HEARING MODIFICATIONS

Without prejudice to Clause 5.1, the Scheme Creditors agree, and shall be treated for all purposes as having agreed, that the Company may, at the Scheme Sanction Hearing, consent on behalf of the Scheme Creditors to any modification of the Scheme, the Scheme Document and the Second Lien Amendments Documents that the Court may think fit to approve or impose for the purpose of implementing and/or consummating the Scheme. However, if such modifications could reasonably be expected directly or indirectly to have a material adverse effect on the rights of one or more of the Scheme Creditors as Scheme Creditors then the Company may not give such consent without the prior written consent of the relevant Scheme Creditor(s).

11. OBLIGATIONS ON DAYS OTHER THAN A BUSINESS DAY

If any obligation is to be performed under the terms of the Scheme on a day other than a Business Day, the relevant obligation shall be performed on the next Business Day.

12. PROVISION OF INFORMATION BY SCHEME CREDITORS

12.1 An Account Holder Letter submitted by or on behalf of any Scheme Creditor shall be submitted in accordance with the instructions set out in the Account Holder Letter and this Scheme.

12.2 If the Information Agent refuses to accept an Account Holder Letter, it shall promptly prepare a written statement setting out the basis for its determination and send that statement by electronic mail to the party that provided such Account Holder Letter. A Scheme Creditor may resubmit such Account Holder Letter together with such additional information as may be required by the Information Agent.

12.3 The Company may disclose the Account Holder Letter and its contents to such persons and Advisers as are necessary to facilitate the Second Lien Amendments.

13. EXERCISE OF DISCRETION

13.1 Where, under or pursuant to any provision of this Scheme, a matter is to be determined by:

- (a) the Company, it shall be determined by the board of directors of the Company, in their discretion in such manner as they may consider appropriate for the Company and the Scheme Creditors and any other affected party; or
- (b) the Information Agent, it shall be determined in its discretion in such manner as it considers reasonable in all the circumstances having regard to the interest of the Company and the Scheme Creditors.

14. NOTICES

14.1 Any notice or other written communication to be given under or in relation to the Scheme (other than any Account Holder Letter), which are to be delivered in accordance with the instructions therein) shall be given in writing in the English language and shall be duly given if:

- (a) in the case of the Company, it is sent by email to lodder_w@matalan.co.uk, **provided that** a copy of the notice or written communication is also sent to projectkansascorrec@cliffordchance.com, marked for the attention of Melissa Coakley and Philip Hertz, and matalan@lucid-is.com, marked for the attention of David Shilson;
- (b) in the case of the Scheme Creditors (other than the Trustee) it is sent by the Information Agent to the Clearing Systems and posted on the Scheme Website for the attention of the Scheme Creditors;

- (c) in the case of the Information Agent, it is sent by email to matalan@lucid-is.com, marked for the attention of David Shilson;
- (d) in the case of the Trustee, it is sent by email to tss-gds.eur@db.com, marked for the attention of: Managing Director;
- (e) in the case of the Security Agent, it is sent by letter, fax, or email to New Ueberior House, 11 Earl Grey Street, Edinburgh, EH3 9BN, fax: 0131 229 0234, email: John.Togher@lloydsbanking.com (respectively), in each case marked for the attention of: John Togher – Agency; and
- (f) in the case of any other person, any address set forth for that person in any agreement entered into in connection with this Scheme shall be their address for notices.

14.2 Any notice or other written communication to be given under the Scheme shall be duly served:

- (a) if posted on the Clearing Systems, on the Business Day on which it is posted or (if not a Business Day or it is posted after 5:00 p.m. (London time)) at 9:00 a.m. on the first Business Day after posting;
- (b) if posted on the Scheme Website, at the time of being published; and
- (c) if sent by email, on the Business Day on which it is sent or (if not a Business Day or it is sent after 5:00 p.m. (London Time)) at 9:00 a.m. on the first Business Day after sending.

In proving service, it shall be sufficient proof, in the case of a notice sent by post, that the envelope was properly stamped, addressed and placed in the post.

14.3 The accidental omission to send any notice, written communication or other document in accordance with this Clause 14, or the non-receipt of any such notice by any Scheme Creditor or Company, shall not affect the operation of the Scheme or the validity of anything done in accordance with its terms.

14.4 The Company shall not be responsible for any loss or delay in the transmission of any notices, other documents or payments posted by or to any Scheme Creditors which shall be posted at the risk of such Scheme Creditors.

15. **ASSIGNMENTS AND TRANSFERS AFTER THE VOTING INSTRUCTION DEADLINE**

15.1 Unless expressly provided otherwise herein, all Scheme Consideration shall be determined in respect of the Scheme Creditors as at the Voting Instruction Deadline.

15.2 The Company shall not be under any obligation to recognise any assignment or transfer of a Scheme Claim that occurs after the Voting Instruction Deadline for the purposes of the Scheme or the Scheme Amendment Documents; or have any obligations hereunder to any person other than a Scheme Creditor, **provided that**, where the Company has received from the relevant parties notice in writing of an assignment or transfer prior to the Scheme Effective Date, the Company, may, in its sole discretion

and subject to the production of such other evidence in relation to such transfer or assignment as they may require and to any other terms and conditions which the Company may consider necessary or desirable, agree to recognise such assignment or transfer for the purposes of the Scheme. Any assignee or transferee of a Scheme Claim so recognised by the Company shall be bound by the terms of the Scheme as a Scheme Creditor and shall produce such evidence as the Company may reasonably require to confirm that it has agreed to be bound by the terms of the Scheme.

- 15.3 Without prejudice to Clause 15.2, any assignee, successor or transferee of a Scheme Creditor after the Voting Instruction Deadline shall be bound by the terms of this Scheme and the Second Lien Amendments Documents and will be a Scheme Creditor for the purposes of this Scheme and the Second Lien Amendments Documents.

16. EXCLUSION OF LIABILITY

- 16.1 To the extent permitted by law, no Scheme Creditor shall be entitled to challenge the validity of any act done or omitted to be done in good faith by any of the Advisers, the Second Lien Notes Trustee, the Security Agent, or the Second Lien Notes Guarantors (or any of their respective authorised signatories, agents, employees and/or delegates) (the "**Excluded Persons**") in connection with their actions or omissions pursuant to the provisions of this Scheme or the exercise by any of the Excluded Persons in good faith of any power conferred upon them for the purposes of this Scheme if exercised in accordance with the provisions of this Scheme.
- 16.2 To the extent permitted by law, the Company shall not be entitled to challenge the validity of any act done or omitted to be done in good faith by the Excluded Persons in accordance with the provisions of this Scheme or the exercise by the Excluded Persons in good faith of any power conferred upon it for the purposes of this Scheme if exercised in accordance with the provisions of this Scheme.
- 16.3 No Excluded Person shall be liable for any cost, loss or Liability in connection with this Scheme unless such loss is attributable to its gross negligence, wilful misconduct or fraud.

17. GOVERNING LAW AND JURISDICTION

- 17.1 The Scheme and any non-contractual obligations arising out of or in connection with the Scheme shall be governed by, and construed in accordance with, the laws of England and Wales.
- 17.2 The Court shall, and the Scheme Creditors shall agree, and for all purposes be treated as having agreed that the Court shall, have exclusive jurisdiction to hear and determine any suit, action or Proceeding and to settle any dispute which may arise out of or in connection with the Explanatory Statement or any provision of the Scheme, or out of any action taken or omitted to be taken under the Scheme or the Scheme Document or any non-contractual obligations arising out of or in connection with the Scheme. For such purposes the Scheme Creditors irrevocably submit, and shall for all purposes be treated as having irrevocably submitted to the jurisdiction of the Court **provided, however, that** nothing in this Clause 17.2 shall:

- (a) affect the validity of other provisions determining governing law and jurisdiction as between the Company and any of the Scheme Creditors whether contained in any contract (including the Second Lien Amendments Documents) or otherwise; or
- (b) prevent the Company from relying upon the provisions of the Scheme in any foreign court or in any foreign Proceedings.

18. **SCHEME SUBJECT TO PROVISIONS OF MANDATORY LAW**

The terms of this Scheme and the obligations imposed on the Company and the Scheme Creditors (and, for the avoidance of doubt, those terms and obligations which may be construed as being imposed on any Scheme Undertaking Party) hereunder shall take effect subject to any prohibition or condition imposed by applicable law.

**SCHEDULE 1
FORM OF SCHEME EFFECTIVE DATE NOTICE**

To: The Scheme Creditors

To: Deutsche Trustee Company Limited as trustee under the Second Lien Notes Indenture

To: Deutsche Bank Luxembourg S.A. as transfer agent and registrar under the Second Lien Notes Indenture

To: Deutsche Bank AG, London Branch as paying agent under the Second Lien Notes Indenture

To: Lucid Issuer Services Limited as Information Agent under the Scheme

To: Lloyds Bank Plc as Security Agent

To: The Second Lien Guarantors

From: Matalan Finance plc

Dear Sir or Madam

Date: [•] 2020

**Scheme of arrangement in respect of Matalan Finance plc under Part 26 of the
Companies Act 2006 (the "Scheme")**

1. We refer to the Scheme. Capitalised terms defined in the Scheme shall have the same meaning when used in this letter.
2. By an order dated [*insert date*] July 2020, the High Court of Justice of England and Wales sanctioned the Scheme (appended hereto as Appendix A).
3. This is the Scheme Effective Date Notice as contemplated by Clause 3 of the Scheme.
4. We hereby confirm that the Scheme Effective Date is [*insert date*] 2020.

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

Yours faithfully

.....
For and on behalf of
MATALAN FINANCE PLC

SCHEDULE 2
FORM OF TRUSTEE INSTRUCTION LETTER

From: Matalan Finance plc (the "**Company**") on behalf of each of the Scheme Creditors

To: Deutsche Trustee Company Limited as trustee under the Second Lien Notes Indenture

[•] 2020

Dear Sir or Madam

1. The Company proposed a scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Scheme**") between the Company and its Scheme Creditors, which is set out in the scheme document provided by the Company to the Scheme Creditors on or around [insert date] pursuant to Section 897 of the Companies Act 2006 (the "**Scheme Document**") and which was sanctioned by the Court on [insert date] (*attached*).
2. Capitalised terms used but not defined in this Trustee Instruction Letter shall, unless otherwise indicated, have the meaning given to them in the Scheme Document. This is a Trustee Instruction Letter for the purposes of the Scheme.
3. Pursuant to Clause 4 of the Scheme Document, the Scheme Creditors (other than the Trustee) have irrevocably instructed and authorised the Company, upon the Scheme Effective Time, to execute this Trustee Instruction Letter and deliver it to the Trustee on behalf of the Scheme Creditors.

Instructions

4. The Company (acting on behalf of the Scheme Creditors pursuant to the authority granted by Clause 4 of the Scheme Document) hereby instructs, authorises and directs the Trustee, pursuant to the terms of the Scheme Document and at the cost of the Company to:
 - (a) enter into (as trustee in respect of the Second Lien Amendments Documents, as applicable) the Trustee Undertaking, and each of the Second Lien Amendments Documents to which the Trustee is a party, subject to any modifications that the Company confirms in writing to the Trustee are authorised pursuant to Clause 5 of the Scheme Document; and
 - (b) execute, deliver (if applicable) and perform its obligations under any agreement, letter or other document, and do all such acts or things as may be reasonably necessary or desirable to be executed or done by it for the purposes facilitating the implementation of, and giving effect to, the terms of the Scheme and/or the implementing the Second Lien Amendments.

Miscellaneous

5. Pursuant to this Trustee Instruction Letter, each party hereto shall perform and execute, or procure to be done and executed, all necessary acts, deeds, documents and things reasonably within its power to give effect to this Trustee Instruction Letter.
6. This Trustee Instruction Letter may be executed in any number of counterparts and it shall have the same effect as if the signatures on the counterparts were on a single copy of this Trustee Instruction Letter.
7. This Trustee Instruction Letter and any obligations arising out of or in connection with this Trustee Instruction Letter shall be governed by, and construed in accordance with, the laws of England and Wales, and the Company, the Scheme Creditors and the Trustee hereby agree that the courts of England and Wales shall have the exclusive jurisdiction to hear and determine any claim, action, Proceeding or dispute (whether contractual or non-contractual) arising out of or in connection with this Trustee Instruction Letter and, for such purposes, each of the Scheme Creditors and the Trustee irrevocably submits to the jurisdiction of the courts of England and Wales.

Yours faithfully,

Signed

For and on behalf of

THE SCHEME CREDITORS

(other than the "Trustee")

by MATALAN FINANCE PLC

pursuant to the irrevocable instructions and authorisations of the Scheme Creditors (other than the "Trustee") under Clause 4 of the Scheme Document and without personal liability

SCHEDULE 3
FORM OF SECURITY AGENT INSTRUCTION LETTER

From: Matalan Finance plc (the "**Company**") on behalf of each of the Scheme Creditors

To: Lloyds Bank plc as security trustee under the Intercreditor Agreement

[•] 2020

Dear Sir or Madam

1. The Company proposed a scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Scheme**") between the Company and its Scheme Creditors, which is set out in the scheme document provided by the Company to the Scheme Creditors on or around [insert date] pursuant to Section 897 of the Companies Act 2006 (the "**Scheme Document**") and which was sanctioned by the Court on [insert date] (*attached*).
2. Capitalised terms used but not defined in this Security Agent Instruction Letter shall, unless otherwise indicated, have the meaning given to them in the Scheme Document. This is a Security Agent Instruction Letter for the purposes of the Scheme.
3. Pursuant to Clause 4 of the Scheme Document, the Scheme Creditors (other than the Trustee) have irrevocably instructed and authorised the Company, upon the Scheme Effective Time, to execute this Security Agent Instruction Letter and deliver it to the Trustee on behalf of the Scheme Creditors.

Instructions

4. The Company (acting on behalf of the Scheme Creditors pursuant to the authority granted by Clause 4 of the Scheme Document) hereby instructs, authorises and directs the Security Agent, pursuant to the terms of the Scheme Document and at the cost of the Company to:
 - (a) enter into (for itself and, as security agent) the Security Agent Undertaking, and each of the Second Lien Amendments Documents to which the Security Agent is a party, subject to any modifications that the Company confirms in writing to the Security Agent are authorised pursuant to Clause 5 of the Scheme Document; and
 - (b) execute, deliver (if applicable) and perform its obligations under any agreement, letter or other document, and do all such acts or things as may be necessary or desirable to be executed or done by it for the purposes of giving effect to, the terms of the Scheme.

Miscellaneous

5. Pursuant to this Security Agent Instruction Letter and the Security Agent Undertaking, the parties hereto shall perform and execute, or procure to be done and executed, all necessary acts, deeds, documents and things reasonably within its power to give effect to this Security Agent Instruction Letter.

6. This Security Agent Instruction Letter may be executed in any number of counterparts and it shall have the same effect as if the signatures on the counterparts were on a single copy of this Security Agent Instruction Letter.
7. This Security Agent Instruction Letter and any obligations arising out of or in connection with this Security Agent Instruction Letter shall be governed by, and construed in accordance with, the laws of England and Wales, and the Company, the Scheme Creditors and the Security Agent hereby agree that the courts of England and Wales shall have the exclusive jurisdiction to hear and determine any claim, action, Proceeding or dispute (whether contractual or non-contractual) arising out of or in connection with this Security Agent Instruction Letter and, for such purposes, each of the Scheme Creditors and the Security Agent irrevocably submits to the jurisdiction of the courts of England and Wales.

Yours faithfully,

Signed

For and on behalf of

THE SCHEME CREDITORS

(other than the "Trustee")

by MATALAN FINANCE PLC

pursuant to the irrevocable instructions and authorisations of the Scheme Creditors (other than the "Trustee") under Clause 4 of the Scheme Document and without personal liability

**SCHEDULE 4
SECOND LIEN GUARANTORS**

1. Missouri Topco Limited
2. Matalan Group Limited
3. Matalan Limited
4. Matalan Investments Limited
5. Matalan Retail Limited
6. Matalan Holding Company Limited
7. Jonmar Limited
8. Matalan Travel Limited
9. Matalan Direct Limited
10. HPO1 Nominees Limited

Board Resolution

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS

Matalan Finance plc
Company Number 05962488
(the "Company")

held by telephone on 7 June 2020 at 6.30p.m.

PRESENT: Stephen Mark Hill (by telephone)
Gregory Vincent Pateras (by telephone)
John Nicholas Mills (by telephone)

1. CHAIRMAN

1.1 **IT WAS RESOLVED** that Stephen Mark Hill be appointed Chairman of the meeting.

2. QUORUM

2.1 The Chairman declared that the meeting had been properly convened and that a quorum was present.

3. BACKGROUND

3.1 The Chairman explained that, as a result of the Covid-19 pandemic and the resulting "lockdown", 232 Matalan stores were closed in the United Kingdom on 23 March 2020. This resulted in a significant reduction in the revenue of Missouri Topco Limited (the "**Parent**") and its subsidiaries (the "**Group**"). The Group began a phased reopening of its stores in accordance with the UK Government guidelines on 19 May 2020.

3.2 In the interim, the Group took extensive measures to seek to contain the impact of the Covid-19 pandemic on the Group's business wherever possible. The nature and extent of these measures are set out in the statements made on 11 April 2020 and 27 April 2020 which are available on the Group's website.

3.3 Despite the steps taken by the Group, the Group's revised projections indicated that solely due to the direct impact of the Covid-19 pandemic the Group would require an additional injection of funding to enable it to manage its short to medium term liquidity.

3.4 Following extensive discussions with a variety of financing parties, including certain of the Group's existing lenders and noteholders and approximately 30 alternative capital providers, the Group agreed a term sheet in respect of the Additional Liquidity Arrangements (as defined below).

4. DESCRIPTION OF TRANSACTION AND DOCUMENTS

4.1 The Chairman reminded the meeting that the Company is a party to the following documents:

- 4.1.1 the multicurrency revolving facility agreement dated 25 January 2018 between, amongst others, Missouri Topco Limited as the parent (the "**Parent**"), the Company, Matalan Limited and Matalan Retail Ltd. as the original borrowers (the "**Original Borrowers**"), certain of the Parent's subsidiaries as Guarantors (the "**Subsidiary Guarantors**") and Barclays Bank PLC, Lloyds Bank plc and Morgan Stanley Senior Funding, Inc. as the Original Lenders (the "**Existing RCF**");
- 4.1.2 the first lien notes indenture dated 25 January 2018 entered into between, among others, the Company as the issuer, the Parent, the Subsidiary Guarantors, Lloyds Bank plc as the Security Agent and Deutsche Trustee Company Limited as First Lien Note Trustee (the "**First Lien Notes Indenture**");
- 4.1.3 the second lien notes indenture dated 25 January 2018 entered into between, among others, the Company as the issuer, the Parent, the Subsidiary Guarantors, Lloyds Bank plc as the Security Agent and Deutsche Trustee Company Limited as Second Lien Note Trustee (the "**Second Lien Notes Indenture**");
- 4.1.4 the intercreditor agreement dated 25 January 2018, between amongst others, the Company as the issuer, the Parent, the Subsidiary Guarantors, Lloyds Bank plc as Security Agent and Barclays Bank PLC, Lloyds Bank plc and Morgan Stanley Senior Funding, Inc. as Senior Lenders (the "**Existing Intercreditor Agreement**"); and
- 4.1.5 the debenture dated 25 January 2018 between, amongst others, the Company and certain of the Parent's subsidiaries as Chargors (the "**Subsidiary Chargors**") and Lloyds Bank plc as security agent (the "**Existing Debenture**").
- 4.2 The Group is seeking to improve its liquidity position by:
 - 4.2.1 amending and restating the Existing RCF to, amongst other things, include an additional aggregate of £25,000,000 revolving credit facilities pursuant to the Coronavirus Large Business Interruption Scheme (the "**New Money Facilities**") to be provided by certain financial institutions (the "**Lenders**");
 - 4.2.2 issuing a series of new senior secured notes due 2022 to certain additional noteholders (the "**New Priority Noteholders**") of the Existing First Lien Notes generating proceeds to the Company of £25,000,000 (the "**New Priority Notes**"); and
 - 4.2.3 the Company proposing a scheme of arrangement pursuant to Part 26 of the Companies Act 2006 (the "**Scheme**") in respect of the Second Lien Notes Indenture pursuant to which the £130,000,000 9.5% senior secured notes due 2024 were issued (the "**Second Lien Notes**") (other than the principal amount of £50,000,000 of Second Lien Notes held by John Hargreaves) (the "**Shareholder Notes**" and the "**Scheme Creditors**") to, among other things, temporarily amend the terms relating to the payment of the cash interest coupon under the Second Lien Notes Indenture so that payment-in-kind interest is paid instead until the New Money Facilities and the New Priority Notes have been reduced to certain agreed levels and liquidity reaches an agreed threshold,

(together, the "**Additional Liquidity Arrangements**").

- 4.3 As a condition of the New Money Facilities, the Parent is required to use commercially reasonable endeavours to sell the head office property at Knowsley, Liverpool on terms on which it is leased back to the Group (the "HQ Sale and Leaseback") with any net proceeds being applied in prepayment and cancellation of the New Money Facilities and the Existing RCF.
- 4.4 In connection with the HQ Sale and Leaseback, John Hargreaves (as shareholder of the Parent) has agreed to invest up to £25,000,000 of additional equity in the Parent subject to certain conditions (the "**Shareholder Equity Commitment**"). The Parent has assigned its rights under the Shareholder Equity Commitment (to the extent permitted thereunder) and related bank guarantee as security for the Secured Parties (as defined in the Existing Intercreditor Agreement).
- 4.5 As a condition of the New Money Facilities and the New Priority Notes, John Hargreaves has agreed to exchange his Shareholder Notes for subordinated, unsecured notes which are on substantially the same terms as the Second Lien Notes (the "**Shareholder PIK Notes**") except that, amongst other things, the Shareholder PIK Notes are unsecured and do not have the benefit of any guarantee and interest payable on the Shareholder PIK Notes is "payment-in-kind" interest.
- 4.6 The Chairman described the transaction to be entered into, outlined the main commercial terms and explained that in connection with the Additional Liquidity Arrangements, the Company would enter into the following documents, each of which was tabled to the meeting, in order to consider (amongst other things) continuing to provide a guarantee and indemnity in respect of the obligations under the certain of the following Documents on the terms and conditions set out therein (the "**Guarantee**");
 - 4.6.1 an amendment and restatement agreement to be entered into by, amongst others, the Parent, the Original Borrowers, the Subsidiary Guarantors, the Original Lenders and Lloyds Bank plc as agent (the "**Agent**") and security agent (the "**Security Agent**"), which will amend and restate certain terms of the Existing RCF and will attach as a schedule the Existing RCF as restated by the amendment and restatement agreement to the Existing RCF (the "**Amended Facility Agreement**");
 - 4.6.2 an amendment and restatement deed to the Existing Intercreditor Agreement to be entered into by, amongst others, the Parent, Barclays Bank PLC, Lloyds Bank plc, Morgan Stanley Senior Funding, Inc. as Senior Lenders, the Agent, Security Agent and Lucid Trustee Services Limited as trustee under the New Priority Notes (the "**NPN Trustee**"), which will amend and restate certain terms of the Existing Intercreditor Agreement and will attach as a schedule the Existing Intercreditor Agreement as restated by the amendment and restatement deed to the existing Intercreditor Agreement (the "**Amended Intercreditor Agreement**");
 - 4.6.3 a supplemental debenture to the Existing Debenture entered into by, amongst others, the Company as Supplemental Chargor and the Security Agent, which confirms the existing security created pursuant to the Existing Debenture and

grants security over certain charged property to secure certain obligations (the **"Supplemental Debenture"**);

- 4.6.4 an agreement entered into by, amongst others, the Parent, the Company, the Security Agent, Barclays Bank PLC, Lloyds Bank plc and Morgan Stanley Senior Funding, Inc. as Senior Lenders and the NPN Trustee, which sets out certain additional priority arrangements relating to the Amended Intercreditor Agreement;
- 4.6.5 an indenture entered into by, amongst others, the Parent, the Company, the Security Agent and the NPN Trustee, setting out certain arrangements in relation to the New Priority Notes;
- 4.6.6 one or more Regulation S Global Notes and Rule 144A Global Notes evidencing the New Priority Notes to be issued pursuant to the NPN Indenture;
- 4.6.7 a note purchase agreement entered into by, amongst others, the Company, the Parent, the Company, the Security Agent and Lucid Issuer Services Limited as New Priority Notes Trustee, setting out certain arrangements in relation to the New Priority Notes;
- 4.6.8 a settlement agency agreement entered into by the Company and Elavon Financing Services DAC, setting out certain arrangements in relation to the New Priority Notes;
- 4.6.9 documents required for The International Stock Exchange listing application in relation to certain of the Documents (as defined herein);
- 4.6.10 a letter from the Company appointing Corporation Services Company (or any other company) as the agent for services of process for the Company in relation to certain of the Documents;
- 4.6.11 a subscription agreement pursuant to which the Company will issue £50,000,000 aggregate principal amount of Shareholder PIK Notes in exchange for the Shareholder Notes;
- 4.6.12 an indenture entered into by, amongst others, the Company, U.S. Bank Trustees Limited as trustee and paying agent, setting out certain arrangements in relation to the Shareholder PIK Notes;
- 4.6.13 a note subscription agreement entered into by the Company and the purchaser of the Shareholder PIK Notes;
- 4.6.14 a second supplemental indenture to the First Lien Notes Indenture to be entered into by, amongst others, the Company, other members of the Group who are acceding as Guarantors, the Security Agent and the First Lien Notes Trustee;
- 4.6.15 a supplemental indenture to the Second Lien Notes Indenture to be entered into by, amongst others, the Company, other members of the Group who are acceding as Guarantors, the Security Agent and Deutsche Trustee Company Limited as trustee under the Second Lien Notes (the **"Supplemental Second Lien Indenture"**);

- 4.6.16 a state aid attestation in the form required by each Lender, signed by the Company as a Borrower under the New Money Facilities;
- 4.6.17 certain declarations as to the Company's data and the business and operations of the Company, in the form required by the CLBILS website maintained by the Secretary of State, signed by the Company as a Borrower under the New Money Facilities;
- 4.6.18 a CLBILS eligibility criteria certificate and product profile in the form required by each Lender signed by the Company as a Borrower under the New Money Facilities;
- 4.6.19 a side letter from the Parent, the Issuer, Matalan Limited and Jonmar Limited to the NPN Trustee and holders of the New Priority Notes setting out, among other things, the terms of the Shareholder Equity Commitment and the HQ Sale and Leaseback;
- 4.6.20 a certificate in the agreed form signed by a director of the Company confirming, amongst other things, that since the date of the Existing RCF there have been no amendments to the Company's constitutional documents and attaching copies of the resolutions of the board of directors of the Company (the "**Board**") approving action taken in relation to the Additional Liquidity Arrangements;
- 4.6.21 a certificate in the agreed form signed by a director of the Company providing certain confirmations and attaching certain documents (including copies of the resolutions of the Board approving action taken in relation to the Additional Liquidity Arrangements) as required in connection with the New Priority Notes;
- 4.6.22 a fee letter between the Company and the NPN Trustee;
- 4.6.23 an instruction letter from the Scheme Creditors (signed by the Company pursuant to the Scheme) to Deutsche Trustee Company Limited as trustee under the Second Lien Notes (the "**Instruction Letter to the Trustee**");
- 4.6.24 a waiver letter from Deutsche Trustee Company Limited as trustee under the Second Lien Notes to the Senior Agent and the Security Agent (each as defined in the Existing Intercreditor Agreement) covering the priority of the Existing RCF, the New Money Facilities and the New Priority Notes (the "**ICA Waiver Letter**");
- 4.6.25 an amended and restated Global Note (as defined in the Second Lien Notes Indenture);
- 4.6.26 the PSL (as defined below);
- 4.6.27 the Explanatory Statement (as defined below);
- 4.6.28 an engagement letter between the Company and Dan Glosband in respect of the US expert opinion for the purposes of the Scheme; and
- 4.6.29 an engagement letter between the Company and Lucid Issuer Services Limited,

(together with the Lock Up-Agreement (as defined below), the "**Documents**").

- 4.7 The Chairman explained that although the parties to the Documents had already had substantial negotiations on the terms of the Documents, further amendments may be made to the Documents before execution.
- 4.8 The Chairman explained that, as a condition precedent to the Additional Liquidity Arrangements, an English-law lock-up agreement (the "**Lock-Up Agreement**") will be entered into between the Company and certain holders of the Second Lien Notes (the "**Original Participating Second Lien Noteholders**"), which was also tabled to the meeting. In summary, the purpose of the Lock-Up Agreement is to provide the Company and its stakeholders with evidence that certain of its creditors will support the Scheme.
- 4.9 In particular, under the terms of the Lock-Up Agreement, the Original Participating Second Lien Noteholders (and any subsequent Scheme Creditor who accedes to the Lock-Up Agreement) will agree, amongst other things:
 - 4.9.1 to promptly take all actions which are reasonably required or desirable to support, facilitate, implement or otherwise give effect to the Scheme;
 - 4.9.2 to support and vote promptly in favour of the Scheme; and
 - 4.9.3 not to intentionally take any action which would or would reasonably be expected to frustrate, delay, impede or prevent the Scheme, until such time as the Lock-Up Agreement is terminated.

5. **SCHEME**

- 5.1 As the amendments to the interest provisions under the Second Lien Notes Indenture require the consent of 90 per cent. of the holders of the Second Lien Notes, the Company agreed to propose the Scheme as a condition subsequent to the New Money Facilities and the New Priority Notes. Although the Company is required to propose the Scheme and to use all reasonable endeavours to ensure that the Scheme is successful, the failure of the scheme is not an event of default under the New Money Facilities or the New Priority Notes.
- 5.2 A scheme of arrangement is a compromise or arrangement between a company and one or more of its classes of creditors or members. In the event that the scheme of arrangement is:
 - 5.2.1 approved by a majority in number representing at least 75 per cent by value of the creditors who attend a meeting convened for that purpose at the direction of the English court;
 - 5.2.2 approved by the English court at a court hearing; and
 - 5.2.3 filed at Companies House,
- 5.2.4 it would bind all creditors who are subject to the terms of the scheme, whether or not they voted in favour of it or indeed whether they voted at all. As such, schemes of arrangement are an effective way in which to force a minority of dissenting or apathetic

creditors into a proposed course of action which would otherwise require the consent of higher proportion of creditors but which is considered beneficial by the majority of affected creditors as well as the Company proposing the scheme. Creditors who do not attend the meeting either in person or by proxy, or who do not otherwise vote, are not counted for the purposes of determining whether the requisite approval thresholds have been met. However, voting is divided into classes such that only creditors with similar rights in respect of the proposed scheme are required to vote together, and the voting threshold must be met by each class. In respect of the Scheme, it is proposed that there will be only one class for voting comprising all holders of the Second Lien Notes (other than the Shareholder Notes), as further described in the draft letter (the "PSL") to be sent by the Company to each Scheme Creditor, advising them of the intention to propose the Scheme.

- 5.3 The principal purpose of the proposed Scheme is to facilitate the Additional Liquidity Arrangements by, amongst other things, granting authority to the Company and others to execute the Supplemental Second Lien Indenture, the Instruction Letter to the Trustee and the ICA Waiver Letter which is required to implement the Scheme on behalf of the Scheme Creditors.
- 5.4 Pursuant to the Scheme, the Company will be released from all liability arising out of or in connection with the Scheme subject to certain exceptions as set out in the Scheme.
- 5.5 In connection with the Scheme all Scheme Creditors will be entitled to receive a cash payment of £5 per £1,000 principal amount of Second Lien Notes (the "**Deferral Fee**"). The Deferral Fee will be paid two business days following implementation of the Scheme.
- 5.6 Implementing the Scheme requires the following steps:
 - 5.6.1 issuing the PSL to the Scheme Creditors;
 - 5.6.2 applying to the English Court to request permission to convene the scheme meeting and obtain any other relevant directions (the "**First Court Application**");
 - 5.6.3 sending copies of all documents required to the Scheme Creditors;
 - 5.6.4 holding the meeting of Scheme Creditors for the purpose of voting on the Scheme (the "**Scheme Meeting**");
 - 5.6.5 applying to the English Court for the purpose of obtaining the Court's sanction of the Scheme (assuming the Scheme is approved by the requisite majority at the Scheme Meeting) (the "**Second Court Application**");
 - 5.6.6 assuming that the English Court sanctions the Scheme, filing an office copy of the order sanctioning the Scheme with the English registrar of companies; and
 - 5.6.7 following the sanction of the Scheme, the Chapter 15 Filing (as defined below) will occur;
 - 5.6.8 execution of the Supplemental Second Lien Indenture and an instruction letter to the Second Lien Note Trustee regarding the entry into the Supplemental

Second Lien Indenture, the ICA Waiver Letter, the amended and restated Global Note and any other documents, undertakings or steps required to implement the Scheme; and

5.6.9 payment of the Deferral Fee to all Scheme Creditors

(together, the "**Scheme Steps**").

5.7 The proposed timeline for the Scheme was provided by Clifford Chance and is as set out below:

5.7.1 distribution of the PSL to Scheme Creditors on 8 June 2020;

5.7.2 the Court hearing pursuant to the First Court Application to take place on or around 29 June 2020

5.7.3 the Scheme Meeting to take place on or around 20 July 2020;

5.7.4 the Court hearing pursuant to the Second Court Application to take place on or around 27 July 2020; and

5.7.5 the implementation of the amendments to the Second Lien Notes and the Ch 15 Filing to take place on or around 28 July 2020;

5.7.6 the Chapter 15 Filing to take place on or around 29 July 2020 with the Chapter 15 Hearing to follow a minimum of 21 days from the filing; and

5.7.7 payment of the Deferral Fee to all Scheme Creditors to take place on or around 29 July 2020.

5.8 This timetable is subject to change.

5.9 Following the issuance of the PSL, an explanatory statement in respect of the Scheme (the "**Explanatory Statement**") will be issued to Scheme Creditors, explaining, among other things, the primary objectives and key elements of the Additional Liquidity Arrangements, and the purpose and terms of the Scheme. The Board reviewed the initial draft of the Explanatory Statement and noted that this document was subject to further refinement and completion.

Chapter 15 Filing

5.10 As the Second Lien Notes are governed by New York law and certain of the Scheme Creditors are expected to be US persons, the Company will seek recognition and enforcement ("**Chapter 15 Recognition**") under Chapter 15 of the US Bankruptcy Code (the "**Chapter 15 Filing**") for the Scheme.

5.11 As such, to help ensure enforcement in the US and to give effect to the Scheme (if approved by the requisite majority of Scheme Creditors and sanctioned by the Court) in the US, it was resolved that the Company would commence and pursue the Chapter 15 Filing with the US Bankruptcy Court immediately following the Scheme becoming effective. To effect the Chapter 15 Filing, it was resolved that Mr Stephen Hill would be appointed as the Company's foreign representative.

6. DECLARATION OF INTERESTS IN CONTRACTS/ARRANGEMENTS

- 6.1 The Chairman noted that John Mills had declared an interest in the Additional Liquidity Arrangements, the Documents or the transactions contemplated by them as set out above. It was noted that his interest cannot reasonably be regarded as likely to give rise to a conflict of interest and therefore, in accordance with article 16.2 of the articles of association of the Company, that he would count towards the quorum for the meeting and was entitled to vote at the meeting as he had not been disqualified from voting by the articles of association.
- 6.2 The Board noted that no other director present had declared to the meeting any interest direct or indirect in the Additional Liquidity Arrangements, the Documents or the transactions contemplated by them which was required by section 177 or section 182 of the Companies Act 2006 or the Company's articles of association.
- 6.3 The Board noted that no director present, therefore was disqualified from voting at the meeting or from forming part of the quorum for the meeting.

7. BENEFIT

- 7.1 After due and careful consideration, the Board was unanimously of the view that the Additional Liquidity Arrangements were the most attractive sources of additional liquidity available to the Group. The blended costs of the Additional Liquidity Arrangements provided the lowest of the options identified by the Group and evidences the support of a significant portion of its existing banks and noteholders. In addition, the Board considered that the Additional Liquidity Arrangements were deliverable in the timeframe available, whereas each of the alternative financing proposals identified and considered contained significant practical hurdles or required additional stakeholder consent which may well not have been forthcoming.
- 7.2 In the absence of (i) the Additional Liquidity Arrangements; or (ii) a suitable alternative capable of implementation, the Group would have been unable to make significant payments due in early June and would have been required to consider all alternatives to preserve value for all stakeholders.
- 7.3 After due and careful consideration (and on the basis of professional advice), the Board was of the opinion that the Additional Liquidity Arrangements and the entry into the Documents are necessary for the continuing operation of the Group on a going concern basis.
- 7.4 Accordingly, the Board was unanimously of the opinion that in resolving that the Company should enter into the Additional Liquidity Arrangements and the Documents to which it is to be a party, including continuing to provide the Guarantee and to secure the obligations thereunder by executing the Supplemental Debenture, the members of the Board were acting in good faith in the manner most likely to promote the success of the Company for the benefit of its members as a whole and in accordance with their other duties. The Board also is unanimously of the opinion that the entry into the Documents is in the best interests of the Company's creditors as a whole.
- 7.5 After due and careful consideration the Board was unanimously of the opinion that the Company would materially benefit from the Additional Liquidity Arrangements and

from executing and delivering the Documents to which it is to be a party, and from entering the transactions contemplated by them.

- 7.6 After due and careful consideration the Board was unanimously of the opinion that (1) it would enter into the Additional Liquidity Arrangements and the Documents to which it is to be a party in good faith, (2) it was acting for the purpose of carrying on its business and (3) there are reasonable grounds for believing that entering into the Additional Liquidity Arrangements and the Documents to which it is to be a party would benefit the Company.

8. SOLVENCY

- 8.1 There was produced to the meeting a copy of the 12 month liquidity forecast relating to the Group.

- 8.2 After due and careful consideration of the materials made available to the Board, the Board was of the opinion that:

8.2.1 the additional liquidity supplied by the Additional Liquidity Arrangements provides a stable platform for the Group to trade during the remainder of the "lockdown" period and ensures adequate headroom thereafter during a gradual and potentially uneven period of recovery;

8.2.2 the obligors under the applicable Documents are likely to be able to meet their obligations under the Documents to which they are a party when due and therefore it is unlikely that either a claim will be made on the Guarantee or that the security granted by the Company will be enforced; and

8.2.3 (i) the Company will not be deemed to be unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 and will not become so in consequence of entering into the Documents, and (ii) immediately prior to and subsequent to entry into the Documents the Company will be able to meet its liabilities as they fall due in the ordinary course of business.

9. SUBSIDIARY

- 9.1 The Chairman noted that the Company is the sole shareholder in Matalan Limited (the "Subsidiary").

- 9.2 The Chairman reported that it was proposed that the Subsidiary enter into certain of the Documents and certain other documents required to implement the Additional Liquidity Arrangements.

- 9.3 The following documents were presented to the meeting:

9.3.1 proposed written resolutions of the Company as sole shareholder in the Subsidiaries (the "Resolutions") passing, if thought fit, ordinary resolutions authorising the directors of the Subsidiary to approve the terms of, and the transactions contemplated by, the Documents and certain other documents required to implement the Additional Liquidity Arrangements to which it is to be party.

9.4 **IT WAS RESOLVED** that:

- 9.4.1 the Resolutions be approved;
- 9.4.2 the Resolutions be signed on behalf of the Company; and
- 9.4.3 any Director of the Company be authorised to:
 - (a) sign the Resolutions; and
 - (b) agree any amendments to the Resolutions.

10. **GENERAL MEETING**

10.1 It was proposed that a general meeting of the Company be convened for the purpose of considering and, if thought fit, passing the resolutions to authorise the Company to enter into the Documents (the "**Ordinary Resolutions**").

10.2 A notice convening a general meeting for these purposes was produced to the meeting. **IT WAS RESOLVED** that:

- 10.2.1 the notice be approved and signed by a director or the secretary;
- 10.2.2 the secretary be directed to deliver the notice to the persons entitled to receive it; and
- 10.2.3 subject to the necessary consents being obtained, the meeting be held immediately.

11. **ADJOURNMENT**

The meeting was then adjourned until after the general meeting had been held. On resumption it was reported that the Ordinary Resolutions set out in the notice of meeting had been passed at the general meeting.

12. **APPROVAL OF TRANSACTION AND DOCUMENTS**

12.1 After due and careful consideration, **IT WAS RESOLVED** that,

- 12.1.1 the proposal of the Scheme, including the issuance of the PSL and the entry into the Documents in connection thereto, be approved;
- 12.1.2 the Company entering into the Documents and continuing to provide the Guarantee under the Documents, be approved;
- 12.1.3 the Company continuing to secure the obligations under the Documents on the terms of the Existing Debenture and the Supplemental Debenture be approved; and
- 12.1.4 the terms of, and the transactions contemplated by, the Documents to which the Company is to be a party as produced to the meeting, or the Documents to which it is to be a party with amendments authorised by a director of the Company, be approved.

13. **EXECUTION OF DOCUMENTS**

13.1 **IT WAS RESOLVED** that:

- 13.1.1 each director of the Company (each an "**authorised signatory**") be severally authorised to execute, on behalf of the Company, the Documents to which it is to be a party, in the form of the copy produced to the meeting, with any amendments he/she may approve; and
- 13.1.2 execution of the Documents to which the Company is to be a party by the authorised signatories in accordance with resolution 13.2 shall be conclusive evidence of his/her approval of the amendments made to them.

13.2 **IT WAS RESOLVED** that:

- 13.2.1 each authorised signatory shall be severally authorised to sign and despatch (by whatever means, including electronically) on behalf of the Company any document, agreement, witness statement, notice as he/she may consider necessary in connection with the Documents and the Scheme;
- 13.2.2 a director and the secretary or any two directors or any director in the presence of a witness who attests the signature shall be authorised on behalf of the Company to execute and deliver any agreement, power of attorney, deed or other document required to be executed and delivered as a deed as he/she may consider to be necessary in connection with the Documents and the Scheme; and
- 13.2.3 each authorised signatory shall be severally authorised to do all other acts and things not otherwise the subject of an authorisation in these minutes as he/she may consider necessary or desirable in connection with the Additional Liquidity Arrangements (including the Scheme and the Ch 15 Filing) and the Documents.

14. **FILING OF DOCUMENTS**

- 14.1 **IT WAS RESOLVED** that the secretary of the Company and each director and is severally authorised to despatch to the Agent:
- 14.2 to despatch to Lucid Trustee Services Limited a copy of the Lock-Up Agreement and all documents required to be distributed to the Scheme Creditors pursuant to the terms of the Scheme;
- 14.3 to despatch to Walkers (Guernsey) LLP copies of all announcements which need to be published by on The International Stock Exchange;
- 14.4 a copy of the constitutional documents of the Company;
- 14.5 a copy of the resolutions passed at this meeting, and/or extract resolutions passed at this meeting, and/or a copy of the Minutes of this meeting signed by the Chairman;
- 14.6 a certificate displaying the name, title and specimen signature of each of the authorised signatories of the Company;

- 14.7 a certificate signed by an authorised signatory of the Company certifying that each copy document referred to in this paragraph 12 is correct, complete and in full force and effect as at a date no earlier than the date of the Documents; and
- 14.8 a certificate signed by a director of the Company confirming that the guaranteeing of the Total Commitments (as defined in the Amended Facility Agreement) by the Company would not cause any guaranteeing or similar limit binding on any Original Obligor (as defined in the Amended Facility Agreement) to be exceeded.

15. **CLOSE OF MEETING**

There being no further business, the Chairman declared the meeting closed.



.....
Chairman

Chapter 15 Petition

Item 11: Corporate Ownership Statement

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New York, New York 10022
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Attorneys for the Foreign Representative

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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	:	
In re:	:	Chapter 15
	:	
MATALAN FINANCE PLC,	:	Case No. 20-_____ ()
	:	
Debtor in a Foreign Proceeding.¹	:	
	:	
-----	X	

**CORPORATE OWNERSHIP STATEMENT OF STRONGHOLD INSURANCE
COMPANY LIMITED PURSUANT TO BANKRUPTCY RULES 1007(A)(4) AND 7007.1
AND LOCAL RULE 1007-3**

1. List of corporations, other than governmental units, that directly or indirectly own ten percent (10%) or more of any class of the Debtor's equity interests:

Corporation Name	Percentage Ownership
Missouri Topco Limited	100%

2. List of all entities whose securities are publicly traded in which the Debtor directly or indirectly owns 10% or more of any class of the corporation's equity interests, and any general or limited partnership or joint venture in which any of the Debtors owns an interest: None

¹ Matalan Finance Plc is incorporated and registered in England and Wales with company number 05962488. The Company has its registered office at Matalan Head Office, Perimeter Road, Knowsley Industrial Park, Liverpool L33 7SZ, England, United Kingdom.

VERIFICATION OF CHAPTER 15 PETITION


Pursuant to 28 U.S.C. § 1746, Stephen Mark Hill declares as follows:

I am the authorized foreign representative of Matalan Finance Plc (the “**Debtor**”).

I have full authority to verify the foregoing chapter 15 petition for recognition of a foreign main proceeding, including each of the attachments and appendices thereto, and I am informed and believe that the statements contained therein are true and accurate to the best of my knowledge, information, and belief.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this ____ day of July, 2020



By: Stephen Mark Hill
As: Authorized Foreign Representative
of the Debtor