

395

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number

14

198168

Name of company

* UMBRO (EUROPE) LIMITED (the "Chargor")

* insert full name
of company

Date of creation of the charge

9th April, 1997

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

Pledge Agreement (the "Agreement") dated 9th April, 1997 among the
Chargor, Umbro Ventures, Inc. (a Delaware Corporation) and Bank of
America N.T. & S.A. as agent for itself and the Lenders (the "Agent").

Amount secured by the mortgage or charge

Payment and performance in full of the Obligations.

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

Bank of America N.T. & S.A. as Agent for itself and the Lenders, at PO
Box 407 Bank of America House, 1 Alie Street, London E1 8DE
(SEEDERATIONS FOR FULL NAME)

ANDREW FLAISER

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

Allen & Overy
One New Change
London
EC4M 900

B2:86292

Time critical reference

For official use
Mortgage Section

i Post room

NON-PART
SIGN & DATE
395 ONLY
REG 1ST
DATE
(28-4-97)



PMQ *P840R00S* 2165
COMPANIES HOUSE 28/04/97
COMPANIES HOUSE 28/04/97

Short particulars of all the property mortgaged or charged

The Chargor transfers, grants, bargains, sells, conveys, hypothecates, pledges, sets over, endorses over, and delivers unto the Agent, and grants to the Agent, for its own benefit and for the benefit of the Lenders, a security interest and lien on the Pledged Collateral.

For the purposes of this 395:

"Assigned Rights" means all the Chargor's rights under the Partnership Agreements or arising at law in its capacity as a partner with respect to any of the property and operations of any Partnership including, without limitation, the right to (i) enter into leases, (ii) enter into service contracts, (iii) make determinations, (iv) exercise any election (including, without limitation, election or remedies) or option, (v) give or receive any notice, consent, amendment, waiver or approval, (vi) enforce or execute any cheques, or other instruments or orders, (vii) file any claims and (viii) take any action which may be necessary or advisable in connection with any of the foregoing or any property of the Partnerships, as assigned and transferred to the Agent for its own benefit and for the benefit of the Lenders under the Agreement.

(See Continuation Sheet 1)

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this margin

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

Particulars as to commission allowance or discount (note 3)

Signed Allen & Overy
On behalf of [company] mortgagee/chargee †

Date 2nd May, 1997

† delete as
appropriate

NOTES

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

Please do not
write in this
binding margin

**Particulars of a mortgage or charge
(continued)**

Continuation sheet No 1
to Form No 395 and 410 (Scot)

CHA 116

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

Company Number

198168

Name of Company

UMBRO (EUROPE) LIMITED (the "Chargor")

Limited*

* delete if
inappropriate

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

"Closing Date" means 9th April, 1997.

"Collateral" shall mean any and all assets and properties of the Loan Parties pledged to secure all or part of the Obligations pursuant to the UK Facility Agreement or any of the Security Documents.

"Collateral Agency Agreement" means the collateral agency agreement as defined in the US Loan Agreement.

"Debenture (Borrower)" means the debenture dated 9th April, 1997 between the Chargor and the Agent.

"Debenture ((UK) Parent)" means the debenture dated 9th April, 1997 between the UK Parent and the Agent.

"Dollars" means the lawful currency for the time being of the United States of America.

"Dollar Equivalent" means such amount in Dollars and of any amount expressed in a currency other than Dollars means at any time the amount in Dollars for which such amount of such other currency could be exchanged as determined by the spot rate quoted by the principal office of Bank of America at such time as the Agent shall designate on the date on which such equivalent is to be determined.

"Fee Letter" means the fee letter as defined in Section 3.4 of the UK Facility Agreement.

"Finance Parties" means the Lenders and the Agent.

"Lenders" means Bank of America National Trust and Savings Association together with its successors and assigns.

"Loan Documents" means the UK Facility Agreement, the Fee Letter, the Security Documents and any other agreements, instruments and documents heretofore, now or hereafter evidencing, securing, guaranteeing or otherwise relating to the Obligations, any Collateral, or any other aspect of the transactions contemplated by the UK Facility Agreement.

"Loan Parties" means each of the Parent, the UK Parent, NKI, Inc., Umbro Finance Inc., Umbro Footwear, Inc., NKI-TM, Inc., Umbro Trademark, Inc., Umbro Ventures, Inc., Umbro (Brazil) Industria E Comercio LTDA, Umbro Deutschland Sportswear Vertriebs GmbH, Umbro Hong Kong, Limited and Umbro International, J.V.

"Midland Agreement" means the side letter dated 9th April, 1997 between the Agent, the Chargor and Midland Bank plc pursuant to which Midland Bank plc agrees to limit its right to set off against any amounts of the Chargor that are on deposit with Midland Bank plc.

(See Continuation Sheet 2)

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Particulars of a mortgage or charge (continued)

Continuation sheet No 2
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

198168

Name of Company

UMBRO (EUROPE) LIMITED (the "Chargor")

Limited*

* delete if
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Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"Obligations" means the Dollar Equivalent of all present and future loans, advances, liabilities, obligations, covenants, duties and debts owing by the Chargor or other Loan Party to the Agent and/or any Lender, arising under or pursuant to the UK Facility Agreement or any of the other Loan Documents, whether or not evidenced by any note or other instrument or document, whether arising from an extension of credit, opening of a letter of credit, acceptance, loan, guaranty, indemnification or otherwise, whether direct or indirect (including, without limitation, those acquired by assignment from others, and any participation by the Agent, the US Agent, the Lenders and/or any US Lender in the Chargor's debts (other than any "Obligations" under and as defined in the US Loan Agreement) owing to others), absolute or contingent, due or to become due, primary or secondary, as principal or guarantor, and including, without limitation, all principal, interest, charges, expenses, fees, attorneys' fees, filing fees and any other sums chargeable to the Chargor under the UK Facility Agreement or under any of the other Loan Documents.

"Parent" means Umbro International Inc., a South Carolina Corporation.

"Pledged Collateral" means:

(a) all right, title and interest of the Chargor as a partner (limited or general) now existing or hereafter acquired in (i) any person which is a partnership, including, without limitation, Umbro International, J.V., a Delaware partnership (collectively the "Partnerships"), (ii) the partnership agreements (as the same may be from time to time amended, supplemented, restated or otherwise modified from time to time in accordance with the terms of the Agreement and of the Loan Agreement, the "Partnership Agreements"), if any, under which any of the Partnerships exist, and (iii) all certificates, instruments or other documents evidencing or representing the same, if any (collectively the "Pledged Equity Interests");

(b) all right, title and interest of the Chargor in and to all present and future payments, proceeds, distributions, instruments, compensation, property, assets, interests and rights, and all monies due or to become due and payable to the Chargor in connection with the Pledged Equity Interests, or otherwise paid, issued or distributed from time to time in respect of or in exchange therefor, and any certificate, instrument or other document evidencing or representing the same (including, without limitation, all proceeds of dissolution or liquidation);

(c) all of the Chargor's rights, interests, powers and privileges, if any, now owned or hereafter acquired in or with respect to each of the Partnerships, whether as a partner (general or limited) of any of the Partnerships or creditor thereof, including, without limitation, the Chargor's right, title and interest in, to and under (i) the capital of any of the Partnerships, (ii) any subscription and antidilution rights with respect to interest in any of the Partnerships, (iii) any of the Chargor's claims, rights, powers, privileges, security interests, liens and remedies against any of the Partnerships or any partner (general or limited) with respect to any such partnership's property or operations, under the Partnership Agreements or at law, and (iv) all other rights, title and interest of any Chargor in and to any of the Partnerships, and the proceeds of and distributions in respect of any of the foregoing;

(See Continuation Sheet 3)

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

**Particulars of a mortgage or charge
(continued)**

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write in this
binding margin

Continuation sheet No 3
to Form No 395 and 410 (Scot)

CHA 116

Please complete
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Company Number

198168

Name of Company

UMBRO (EUROPE) LIMITED

Limited*

* delete if
inappropriate

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

(d) all proceeds of every kind and nature, including proceeds of proceeds, of any and all of the Pledged Equity Interests (including, without limitation, proceeds which constitute property of the type described in (a), (b) or (c) above) and to the extent not otherwise included, all money and cash; and

(e) the Assigned Rights.

"Priority Deed" means the priority deed dated 9th April, 1997 among the Chargor, the UK Parent, the Agent and Midland Bank plc.

"Security Assets" means all assets of the Chargor the subject of any security created by the Agreement.

"Security Documents" means each of the following:

- (a) the Agreement;
- (b) the Debenture (Borrower);
- (c) the Debenture (UK Parent);
- (d) the Collateral Agency Agreement;
- (e) the Midland Agreement;
- (f) the Trademark Agreement (Umbro J.V.); and
- (g) the Priority Deed.

"Security Interest" means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security.

"Trademark Agreement (Umbro J.V.)" means the security agreement - Trademarks, Patents and Copyrights, dated as of the Closing Date, executed and delivered by Umbro International, J.V. to the Agent to evidence and perfect the Agent's security interest in such person's present and future patents, trademarks, copyrights and related licences and rights, for the benefit of the Agent and the Lenders.

"UK Facility Agreement" means the loan agreement dated 9th April, 1997 among the Agent, the Lenders, the Loan Parties, the Chargor and the UK Parent.

"US Agent" means BankAmerica Business Credit, Inc. and any successor agent appointed in accordance with the provisions of the US Loan Agreement.

"UK Parent" means Umbro Europe (Holdings) Limited.

"US Lenders" means BankAmerica Business Credit, Inc., the other lenders party to the US Loan Agreement and their respective successors and assigns.

"US Loan Agreement" means the loan and security agreement dated 9th April, 1997 among the US Agent, the US Lenders, the Parent, NKI, Inc., the Chargor and various affiliates of the Chargor named therein.

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 00198168

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A PLEDGE AGREEMENT WHICH WAS CREATED OUTSIDE THE UNITED KINGDOM AND COMPRISING PROPERTY SITUATED OUTSIDE THE UNITED KINGDOM DATED THE 9th APRIL 1997 AND CREATED BY UMBRO EUROPE LIMITED FOR SECURING THE DOLLAR EQUIVALENT OF ALL PRESENT AND FUTURE LOANS ADVANCES LIABILITIES OBLIGATIONS COVENANTS DUTIES AND DEBTS OWING BY THE CHARGOR (THE COMPANY) OR OTHER LOAN PARTY TO BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION AS AGENT FOR ITSELF AND THE LENDERS AND/OR ANY LENDER ARISING UNDER OR PURSUANT TO THE UK FACILITY AGREEMENT (AS DEFINED) OR ANY OF THE OTHER LOAN DOCUMENTS (AS DEFINED) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 28th APRIL 1997.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 8th MAY 1997.

A handwritten signature in dark ink, appearing to read 'A. J. Wakeham', written over the printed name.

A. J. WAKEHAM

for the Registrar of Companies



C O M P A N I E S H O U S E

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