



Registration of a Charge

Company name: **SIMPLICITY MARKETING LIMITED**

Company number: **04339257**



X8DM1103

Received for Electronic Filing: **09/09/2019**

Details of Charge

Date of creation: **05/09/2019**

Charge code: **0433 9257 0005**

Persons entitled: **SILICON VALLEY BANK AS SECURITY AGENT**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **OSBORNE CLARKE LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4339257

Charge code: 0433 9257 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 5th September 2019 and created by SIMPLICITY MARKETING LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th September 2019 .

Given at Companies House, Cardiff on 10th September 2019

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

We certify that, save for material redacted pursuant to s. 859G of the Companies Act 2006, this copy instrument is a correct copy of the original instrument.

Dated this 09.09.2019

Signed OSBORNE CLARKE LLP

Osborne Clarke LLP

STOCK PLEDGE AGREEMENT

2 Temple Back East
Temple Quay, Bristol
BS1 6EG

This **STOCK PLEDGE AGREEMENT** (this "**Agreement**") is made this 5th day of September, 2019, by and between **SILICON VALLEY BANK**, a California corporation, with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054, acting through its branch at Alphabeta, 14-18 Finsbury Square, London EC2A 1BR, with Treaty Passport scheme reference number 13/S/0299723/DTTP and tax resident in the United States of America, in its capacity as lender under the Senior Credit Agreement ("**SVB**") and its capacity as security agent for the lenders under the Senior Credit Agreement and the Mezzanine Credit Agreement ("**Security Agent**"), and **SIMPLICITY MARKETING LIMITED**, a limited liability company incorporated under the laws of England & Wales with company number 04339257 and its registered office at 5th Floor, 19-22 Rathbone Place, London W1T 1HY ("**Pledgor**").

RECITALS

A. Bank has made loans and credit accommodations to Pledgor, **FLASHTALKING, INC.**, a Delaware corporation and **SPONGECELL, INC.**, a Delaware corporation (each such party, including Pledgor, are jointly and severally, individually and collectively referred to herein as "**Obligor**") pursuant to a Credit Agreement dated as of the date hereof (as may be amended, modified, restated, replaced or supplemented from time to time, the "**Senior Credit Agreement**").

B. **WESTRIVER INNOVATION LENDING FUND VIII, L.P.**, a Delaware limited partnership ("**WRG**") has made loans and credit accommodations to Obligor pursuant to a Mezzanine Credit Agreement dated as of the date hereof (as may be amended, modified, restated, replaced or supplemented from time to time, the "**Mezzanine Credit Agreement**"). All references to the "**Credit Agreement**" herein shall be deemed to be a reference to the Senior Credit Agreement, provided, however, upon termination of the Senior Credit Agreement, "**Credit Agreement**" shall be deemed a reference to the Mezzanine Credit Agreement.

C. To secure the payment and performance in full of all of the Obligations and the Pledgor's obligations under the Credit Agreement and Mezzanine Credit Agreement, Pledgor has agreed to pledge to Security Agent, for the benefit of the lenders under the Senior Credit Agreement and the Mezzanine Credit Agreement, one hundred percent (100.0%) of the outstanding capital stock of the Person listed on Exhibit A hereto (the "**Pledged Subsidiary**") in which Pledgor now owns or hereafter acquires an interest (collectively, the "**Shares**"). The current issued and outstanding Shares are listed on Exhibit A hereto. Any capitalized terms used without definition herein shall have the meanings assigned to them in the Credit Agreement.

NOW, THEREFORE, Pledgor and Security Agent agree as follows:

1. Pledge of Securities.

A. Pledgor hereby pledges, assigns and delivers to Security Agent and grants to Security Agent, for the benefit of the lenders under the Senior Credit Agreement and the Mezzanine Credit Agreement, a security interest in the Shares, together with all proceeds and substitutions thereof, all cash, stock and other moneys and property paid thereon, all rights to subscribe for securities declared or granted in connection therewith, and all other cash and noncash proceeds of the foregoing (all hereinafter called the "**Pledged Collateral**"), as security for the prompt payment and performance in full of all of the Obligations under the Transaction Security Documents and this Agreement (collectively, the "**Secured Obligations**").

B. The term "**Pledged Collateral**" shall also include any securities, instruments or distributions of any kind issuable, issued or received by Pledgor upon conversion of, in respect of, or in exchange for any other Pledged Collateral, including, but not limited to, those arising from a stock dividend, stock split, reclassification, reorganization, merger, consolidation, sale of assets or other exchange of securities or any dividends or other distributions of any kind upon or with respect to the Pledged Collateral.

C. The certificate or certificates for the securities included in the Pledged Collateral (if such securities are certificated), accompanied by an instrument of assignment duly executed in blank by Pledgor, have been, or will be immediately upon the subsequent receipt thereof by Pledgor, delivered by Pledgor to Security Agent. To the

extent such securities are uncertificated, Pledgor hereby acknowledges and agrees that such securities shall only be certificated after prior written notice has been provided to Security Agent, and upon such certification, such securities shall promptly be delivered to Security Agent, accompanied by an instrument of assignment duly executed in blank by Pledgor. Pledgor shall cause the books of Pledged Subsidiary to reflect the pledge of the Shares. Upon the occurrence of an Event of Default hereunder, Security Agent may effect the transfer of any securities included in the Pledged Collateral into the name of Security Agent and cause new certificates representing such securities to be issued in the name of Security Agent. Pledgor will execute and deliver such documents, and take or cause to be taken such actions, as Security Agent may reasonably request to perfect or continue the perfection of Security Agent's security interest in the Pledged Collateral for the benefit of the lenders under the Senior Credit Agreement and the Mezzanine Credit Agreement

D. Pledgor agrees to execute any further instruments and take further action as Security Agent reasonably requests to perfect or continue Security Agent's Lien in the Pledged Collateral or to effect the purposes of this Agreement.

2. Representations, Warranties and Covenants. Pledgor represents and warrants to and covenants with Security Agent that:

A. The Pledged Collateral is owned by Pledgor free and clear of any security interests, liens or encumbrances;

B. Pledgor has full power and authority to create a first lien on the Pledged Collateral in favor of Security Agent and no disability or contractual obligation exists which would prohibit Pledgor from pledging the Pledged Collateral pursuant to this Agreement, and Pledgor will not assign, create or permit to exist any other claim to, lien or encumbrance upon, or security interest in any of the Pledged Collateral;

C. There are no subscriptions, warrants or other options exercisable with respect to the Shares;

D. The Shares have been duly authorized and validly issued, and are fully paid and non-assessable; and

E. The Pledged Collateral is not the subject of any present or threatened suit, action, arbitration, administrative or other proceeding, and Pledgor knows of no reasonable grounds for the institution of any such proceedings.

All the above representations and warranties shall survive the making of this Agreement.

3. Voting Prior to Demand. Unless an Event of Default (as defined below) shall have occurred and be continuing, Pledgor shall be entitled to exercise any voting rights with respect to the Pledged Collateral and to give consents, waivers and ratifications in respect thereof, provided that no vote shall be cast or consent, waiver or ratification given or action taken which would be inconsistent with any of the terms of this Agreement or which would constitute or create any violation of any of such terms. All such rights of Pledgor to vote and give consents, waiver and ratifications shall upon notice to Pledgor cease in case such an Event of Default hereunder shall occur and be continuing.

4. Events of Default. Each of the following shall constitute an event of default ("**Event of Default**") hereunder:

A. The occurrence of an Event of Default (as defined in the Credit Agreement) under the Credit Agreement.

5. Security Agent's Remedies Upon Default.

A. Upon the occurrence and during the continuance of an Event of Default, Security Agent shall have the right to exercise all such rights as a secured party under the Uniform Commercial Code of the State of New York as it, in its sole judgment, shall deem necessary or appropriate, including the right to sell all or any part of the

Pledged Collateral at one or more public or private sales upon ten (10) days' written notice to Pledgor, and any such sale or sales may be made for cash, upon credit, or for future delivery, and in connection therewith, Security Agent may grant options, provided that any such terms or options shall, in the best judgment of Security Agent, be extended only in order to obtain the best possible price.

B. Pledgor recognizes that Security Agent may be unable to effect a public sale of all or a part of the Pledged Collateral by reason of certain prohibitions contained in the Securities Act of 1933, as amended (the "**Act**"), so that Security Agent may be compelled to resort to one or more private sales to a restricted group of purchasers who will be obliged to agree, among other things, to acquire the Pledged Collateral for their own account, for investment and without a view to the distribution or resale thereof. Pledgor understands that private sales so made may be at prices and on other terms less favorable to the seller than if the Pledged Collateral were sold at public sales, and agrees that Security Agent has no obligation to delay the sale of any of the Pledged Collateral for the period of time necessary (even if Security Agent would agree), to register such securities for sale under the Act. Pledgor agrees that private sales made under the foregoing circumstances shall be deemed to have been made in a commercially reasonable manner.

C. After the sale of any of the Pledged Collateral, Security Agent may deduct all reasonable and documented out-of-pocket legal and other expenses and attorney's fees for preserving, collecting, selling and delivering the Pledged Collateral and for enforcing its rights with respect to the Secured Obligations, and shall apply the residue of the proceeds to the Secured Obligations in such manner as Security Agent in its reasonable discretion shall determine, and shall pay the balance, if any to Pledgor.

6. Pledgor Waivers. Pledgor waives any right to require Security Agent to (a) proceed against Obligor, any guarantor or any other person; (b) proceed against or exhaust any security held from Obligor; (c) marshal any assets of Obligor; or (d) pursue any other remedy in Security Agent's power whatsoever. Security Agent may, at its election, exercise or decline or fail to exercise any right or remedy it may have against Obligor or any security held by Security Agent, including without limitation the right to foreclose upon any such security by judicial or nonjudicial sale, without affecting or impairing in any way the liability of Pledgor hereunder. Pledgor waives any defense arising by reason of any disability or other defense of Obligor or by reason of the cessation from any cause whatsoever of the liability of Obligor. Pledgor waives (i) any setoff, defense or counterclaim that Pledgor or Obligor may have against Security Agent; (ii) any right of subrogation or reimbursement, contribution or other rights against Obligor; (iii) any right to enforce any remedy that Security Agent now has or may hereafter have against Obligor; (iv) any defense arising out of the absence, impairment or loss of any right of reimbursement or subrogation or any other rights against Obligor; (v) all rights to participate in any security now or hereafter held by Security Agent; and (vi) all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of acceptance of this Agreement, notices of any default, notices of payment and nonpayment, or any nonpayment at maturity, notices of release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees at any time held by Security Agent on which Pledgor may in any way be liable, and notices of the existence, creation, or incurring of new or additional indebtedness. Pledgor assumes the responsibility for being and keeping itself informed of the financial condition of Obligor and of all other circumstances bearing upon the risk of nonpayment of any indebtedness or nonperformance of any obligation of Obligor, warrants to Security Agent that it will keep so informed, and agrees that absent a request for particular information by Pledgor, Security Agent shall have no duty to advise Pledgor of information known to Security Agent regarding such condition or any such circumstances.

7. Security Filings. Pledgor hereby authorizes Security Agent to file financing statements and other similar forms, without notice to the Pledgor, with all appropriate jurisdictions in the United States to perfect or protect any security interests of Security Agent in the Pledged Collateral, including a notice that any disposition of the Pledged Collateral, by either Pledgor or any other party, shall be deemed to violate the rights of Security Agent. Any such financing statements and other similar forms may indicate the covered assets as "all assets of the Debtor" or words of similar effect, or as being of an equal or lesser scope, or with greater detail, all in Security Agent's discretion.

8. Obligor Insolvency. If Obligor becomes insolvent or is adjudicated bankrupt or files a petition for reorganization, arrangement, composition or similar relief under any present or future provision of the United States Bankruptcy Code, or if such a petition is filed against Obligor, and in any such proceeding some or all of any indebtedness or obligations under the Transaction Security Documents are terminated or rejected or any obligation of Obligor is modified or abrogated, or if Obligor's obligations are otherwise avoided for insolvency, bankruptcy or

any similar reason, Pledgor agrees that Pledgor's liability hereunder shall not thereby be affected or modified and such liability shall continue in full force and effect as if no such action or proceeding had occurred. This Agreement shall continue to be effective or be reinstated, as the case may be, if any payment must be returned by Security Agent or any of the lenders under the Senior Credit Agreement and the Mezzanine Credit Agreement, upon the insolvency, bankruptcy or reorganization of Obligor, Pledgor, any other person, or otherwise, as though such payment had not been made.

9. Indemnification. Pledgor agrees to defend, indemnify and hold harmless Security Agent and its officers, employees, and agents against: (a) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this Agreement, and (b) all losses or expenses in any way suffered, incurred, or paid by Security Agent as a result of or in any way arising out of, following, or consequential to transactions between Security Agent and Pledgor, under this Agreement (including without limitation reasonable and documented attorneys' fees and expenses), except for obligations, demands, claims, liabilities, losses and Security Agent expenses caused by Security Agent's gross negligence or willful misconduct.

10. Withholding. In the event any payments are received by any of the lenders under the Senior Credit Agreement or the Mezzanine Credit Agreement from Pledgor hereunder, such payments will be subject to clause 14 of the Senior Credit Agreement or Mezzanine Credit Agreement as applicable.

11. Notices. All notices, requests and demands to or upon Security Agent or Pledgor hereunder shall be effected in the manner provided for in Section 30.3 of the Credit Agreement.

12. GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

13. Submission to Jurisdiction; Waivers. Pledgor hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to Pledgor in accordance with Section 11;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 13 any special, exemplary, punitive or consequential damages.

14. JURY TRIAL WAIVER. PLEDGOR AND SECURITY AGENT EACH HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.

15. Amendment of Transaction Security Documents. Pledgor authorizes Security Agent, without notice or demand and without affecting its liability hereunder, from time to time to (a) renew, extend, or otherwise change the terms of the Transaction Security Documents, or any part thereof; (b) take and hold security for the payment of the Transaction Security Documents, and exchange, enforce, waive and release any such security; and

(c) apply such security and direct the order or manner of sale thereof as Security Agent in its sole discretion may determine. This Agreement may not be amended or modified except by a written instrument signed by Security Agent and Pledgor.

16. Intercreditor Agreement. Pledgor acknowledges that Security Agent, SVB (as lender), WRG (as lender), Pledgor and the Obligors have entered into that certain Intercreditor Agreement dated as of the date hereof (the "Intercreditor Agreement") and agrees that (i) this Agreement and each party's rights hereunder shall at all times but subject to the terms of the Intercreditor Agreement, (ii) to the extent of any inconsistency between this Agreement and the Intercreditor Agreement, the terms of the Intercreditor Agreement shall govern and (iii) any replacement Security Agent (under and as defined in the Intercreditor Agreement) shall upon appointment pursuant to the terms of the Intercreditor Agreement be deemed to be the "Security Agent" hereunder.

17. Entire Agreement. This Agreement and the agreements and instruments executed in connection therewith constitute the entire agreement between Security Agent and Pledgor with respect to the subject matter hereof and supersede all prior agreements, understandings, offers and negotiations, oral or written, other than with respect to the Intercreditor Agreement

18. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same document. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (i.e., "pdf" or "tif" format) shall be effective as delivery of a manually executed counterpart of this Agreement.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

PLEDGOR:

SIMPLICITY MARKETING LIMITED

By:

Name: John Nardone

Title: Chief Executive Officer and Secretary

SECURITY AGENT:

SILICON VALLEY BANK, as lender and as security agent.

By:

Name:

Title:

Acknowledged and Agreed:

PLEDGED SUBSIDIARY:

FLASHTALKING, INC.

By:

Name: John Nardone

Title: Chief Executive Officer and Secretary

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

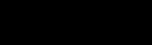
PLEDGOR:

SIMPLICITY MARKETING LIMITED

By: _____
Name: _____
Title: _____

SECURITY AGENT:

SILICON VALLEY BANK, as lender and as security agent

By:  _____
Name: TIM LOSSING
Title: VP DIRECTOR

Acknowledged and Agreed:

PLEDGED SUBSIDIARY:

FLASHTALKING, INC.

By: _____
Name: _____
Title: _____

Exhibit A

Pledged Shares

<u>Pledgor</u>	<u>Issuer</u>	<u>Interest in Issuer</u>	<u>% of Ownership</u>	<u>% of Ownership Pledged*</u>
SIMPLICITY MARKETING LIMITED	FLASHTALKING, INC.	Stock	100%	100%