



Registration of a Charge

Company Name: **VIVID TOY GROUP LIMITED**

Company Number: **05812979**



Received for filing in Electronic Format on the: **09/06/2023**

XC5BQE7T

Details of Charge

Date of creation: **31/05/2023**

Charge code: **0581 2979 0012**

Persons entitled: **ING COMMERCIAL FINANCE B.V.**

Brief description:

Contains fixed charge(s).

Contains floating charge(s) .

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by: **HANNAH MACINTOSH , SOLICITOR, DLA PIPER UK LLP, LONDON**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5812979

Charge code: 0581 2979 0012

The Registrar of Companies for England and Wales hereby certifies that a charge dated 31st May 2023 and created by VIVID TOY GROUP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 9th June 2023 .

Given at Companies House, Cardiff on 14th June 2023

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**

Security Agreement

The companies listed in Schedule 1
as Chargors

ING Commercial Finance B.V.
as Chargee

Dated 31 May 2023

I certify that, save for redactions permitted under s859G of the Companies Act 2006, this is a true, complete and correct copy of the virtual PDF original of the instrument.



9 June 2023
DLA PIPER UK LLP



Contents

PARTIES	1
1 Definitions and interpretation	1
2 Covenant to pay	4
3 Grant of security	5
4 Fixed security	5
5 Notice of Chargors' interest	6
6 Floating charge	6
7 Conversion of floating charge	6
8 Accounts	7
9 Continuing security	7
10 Liability of Chargors relating to Security Assets	8
11 Undertakings by the Chargors	8
12 Power to remedy	10
13 When Security becomes enforceable	11
14 Enforcement of Security	11
15 Receiver	13
16 Powers of Receiver	13
17 Application of proceeds	15
18 Set-off	15
19 Delegation	16
20 Further assurances	16
21 Power of attorney	17
22 Payments	17
23 Stamp duty	17
24 Costs and expenses	18
25 Currency conversion	18
26 Indemnity	19
27 Changes to the parties	19
28 Miscellaneous	19
29 Notices	19
30 Calculations and certificates	20
31 Partial invalidity	20
32 Remedies and waivers	20
33 Amendments and waivers	20
34 Counterparts	20
35 Release	20
36 Enforcement	21

SIGNATURE PAGE	37
SCHEDULES	
SCHEDULE 1 THE CHARGORS.....	22
SCHEDULE 2 INSURANCES	23
SCHEDULE 3 STORAGE LOCATIONS	24
SCHEDULE 4 FORM OF NOTICE TO AND ACKNOWLEDGEMENT BY INSURERS	25
SCHEDULE 5 FORM OF NOTICE TO AND ACKNOWLEDGEMENT BY STORAGE MANAGER	28
SCHEDULE 6 FORM OF NOTICE TO AND ACKNOWLEDGEMENT BY LANDLORD OF STORAGE MANAGER	31
SCHEDULE 7 FORM OF NOTICE TO AND ACKNOWLEDGEMENT BY CUSTOMERS	34

Parties

- (1) The companies listed in Schedule 1 (*The Chargors*) (each a **Chargor** and together the **Chargors**)
- (2) **ING Commercial Finance B.V.**, in its capacity as Asset Based Security Agent under the Facilities Agreement (the **Chargee**)

It is agreed:

1 Definitions and interpretation

1.1 Definitions

In this Deed:

- (a) terms defined in, or construed for the purposes of, the Finance Documents (as defined below) have the same meanings when used in this Deed (unless the same are otherwise defined in this Deed); and
- (b) at all times the following terms have the following meanings:

Act means the *Law of Property Act 1925*;

Assigned Assets means the Security Assets expressed to be assigned pursuant to clause 4.1 (*Security assignments*);

Asset Based Security Agent Claim has the meaning given to that term in clause 31.2 (*Relevant Security Agent as holder of security*) of the Facilities Agreement;

Authorisation means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

Customer means a debtor of a Chargor under a Sale Contract;

Default Rate means the rate of interest determined in accordance with clause 12.5 (*Default Interest*) of the Facilities Agreement;

Delegate means any delegate, sub-delegate, agent, attorney or co-trustee appointed by the Chargee or by a Receiver;

Event of Default means the occurrence of one or more events described in clause 27 (*Events of Default*) of the Facilities Agreement;

Facilities Agreement means the asset based and revolving facilities agreement dated on or about the date of this Deed and made between (1) Goliath International Holding B.V. as company, (2) the entities listed therein as original borrowers and original guarantors, (3) the entities listed therein as original lenders, (4) the Chargee as asset based agent and asset based security agent, (5) ING Bank N.V. as facility agent and security agent and (6) the entity listed therein as original hedge counterparty;

Finance Document shall have the meaning given to that term in the Facilities Agreement;

Financial Indebtedness shall have the meaning given to that term in the Facilities Agreement;

Insurances means all policies of insurance (and all cover notes) which are at any time held by or written in favour of a Chargor or in which a Chargor from time to time has an interest relating to the Receivables, the Stock and the other Security Assets including, without limitation, the policies of insurance (if any) specified in Schedule 2 (*Insurances*);

Obligor shall have the meaning given to that term in the Facilities Agreement;

Party means a party to this Deed;

Permitted Security shall have the meaning given to that term in the Facilities Agreement;

Permitted Transaction shall have the meaning given to that term in the Facilities Agreement;

Receivables means all present and future book debts and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts at any time recoverable or receivable by, or due or owing to, a Chargor by a Customer pursuant to a Sale Contract and which are governed by, or otherwise subject to, the laws of England and Wales (whether actual or contingent and whether arising under contract or in any other manner whatsoever) together with:

- (a) the benefit of all rights, guarantees, Security Interests and remedies relating to any of the foregoing (including, without limitation, negotiable instruments, indemnities, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights); and
- (b) all proceeds of any of the foregoing;

Receiver means a receiver, or receiver and manager or administrative receiver of the whole or any part of the Security Assets appointed by a Chargee under this Deed;

Sale Contract means a contract between a Chargor and another person for the sale or hire of goods or the provision of services or work done and materials supplied;

Secured Obligations means:

- (a) the (obligation of each relevant Chargor to pay the Chargee its) Asset Based Security Agent Claim; or
- (b) if any of the Asset Based Security Agent Claim is invalid, the relevant Chargor's obligation (if any) to pay the Chargee or any other Finance Party the Secured Party Claim,

including, for the avoidance of doubt, any change or increase in the (obligation to pay the) Asset Based Security Agent Claim or Secured Party Claim pursuant to or in connection with any amendment or supplement to the Finance Documents or this Deed or any restatement or novation of any Finance Document, in each case whether or not anticipated as at the date of this Deed or the date of any subsequent amendment to any Finance Document;

Secured Party Claim has the meaning given to that term in clause 31.2 (*Relevant Security Agent as holder of security*) of the Facilities Agreement;

Security means the Security Interest created or evidenced by or pursuant to this Deed;

Security Assets means all assets from time to time charged or assigned (or expressed to be, charged or assigned) by or pursuant to this Deed;

Security Interest means any mortgage, pledge, lien, charge, assignment by way of security, hypothecation, security interest, title retention, preferential right or trust arrangement or any other security agreement or arrangement having the effect of security;

Security Period means the period beginning on the date of this Deed and ending on the earlier of the date on which:

- (a) all the Secured Obligations have been unconditionally and irrevocably paid and discharged in full; and
- (b) the rights and obligations arising out of this Deed have been terminated to the unconditional satisfaction of the Chargee;

Subsidiary has the meaning ascribed to it in section 1159 of the *Companies Act 2006*;

Stock means all present and future:

- (a) stock in trade of a Chargor or in which a Chargor has an interest including stock to which a Chargor has title by virtue of holding any document of title or any such document being held to its order (wherever located); and
- (b) documents of title to any of the foregoing (whether or not bearer documents) including bills of lading, warrants, delivery orders, wharfingers' and warehouse keepers' certificates and receipts;

Storage Location means each location specified in Schedule 3 (*Storage locations*);

Storage Manager means each storage managers specified in Schedule 3 (*Storage locations*) and any other storage managers notified from time to time; and

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

1.2 Interpretation

- (a) Unless a contrary indication appears, any reference in this Deed to:
 - (i) a **Chargor**, the **Chargee** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - (ii) **assets** includes present and future properties, revenues and rights of every description;
 - (iii) **this Deed**, any **Finance Document** or any other agreement or instrument is a reference to this Deed, that Finance Document or that other agreement or instrument as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time (however fundamentally and even if any of the same increases the obligations of any Chargor or provides for further advances);
 - (iv) an Event of Default that is **continuing** shall be construed in accordance with the terms of the Facilities Agreement;
 - (v) **including** or **includes** means including or includes without limitation;

- (vi) a **person** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
 - (vii) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
 - (viii) **Secured Obligations** includes obligations and liabilities which would be treated as such but for the liquidation, administration or dissolution of or similar event affecting any Chargor;
 - (ix) a provision of law is a reference to that provision as amended or re-enacted; and
 - (x) the singular includes the plural and vice versa.
- (b) References to clauses, paragraphs and schedules are to be construed, unless otherwise stated, as references to clauses, paragraphs and the schedule of this Deed and references to this Deed include its schedule.
 - (c) Clause and schedule headings are for convenience only and shall not affect the construction of this Deed.
 - (d) Each undertaking of a Chargor (other than a payment obligation) contained in this Deed must be complied with at all times during the Security Period.
 - (e) If the Chargee reasonably considers that an amount paid by a Chargor to it under a Finance Document is capable of being avoided or otherwise set aside on the liquidation or administration of that Chargor, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.
 - (f) The Parties intend that this document shall take effect as a deed notwithstanding the fact that a Party may only execute this document under hand.

1.3 Third party rights

A person who is not a Party has no right under the *Contracts (Rights of Third Parties) Act 1999* to enforce or enjoy the benefit of any term of this Deed.

2 Covenant to pay

2.1 Covenant to pay

Each Chargor, as principal obligor and not merely as surety, covenants in favour of the Chargee that it will pay and discharge the Secured Obligations from time to time when they fall due.

2.2 Default interest

Any amount which is not paid under this Deed when due shall bear interest (both before and after judgment and payable on demand) from the due date until the date on which such amount is unconditionally and irrevocably paid and discharged in full on a daily basis:

- (a) at the rate and in the manner agreed in the Finance Document under which such amount is payable; or

- (b) (in the absence of such agreement) at the Default Rate from time to time. In such a case, default interest will accrue from day-to-day on a year of 365 days and will be compounded at such intervals as the Chargee states are appropriate.

3 Grant of security

3.1 Nature of security

All Security Interest and dispositions created or made by or pursuant to this Deed are created or made:

- (a) in favour of the Chargee;
- (b) with full title guarantee in accordance with the *Law of Property (Miscellaneous Provisions) Act 1994*; and
- (c) as continuing security for payment of the Secured Obligations.

3.2 Qualifying floating charge

Paragraph 14 of Schedule B1 to the *Insolvency Act 1986* applies to any floating charge created by or pursuant to this Deed (and each such floating charge is a qualifying floating charge for the purposes of the *Insolvency Act 1986*).

4 Fixed security

4.1 Security assignments

Each Chargor assigns and agrees to assign absolutely (subject to a proviso for reassignment on redemption) all of its present and future right, title and interest in and to:

- (a) the Insurances and all claims under the Insurances and all proceeds of the Insurances; and
- (b) the Receivables.

To the extent that any Assigned Asset described in clause 4.1(a) is not assignable, the assignment which that clause purports to effect shall operate as an assignment of all present and future rights and claims of any Chargor to any proceeds of such Insurances.

4.2 Back-up fixed charge

To the extent that any asset expressed to be assigned pursuant to clause 4.1 (*Security assignments*) is not effectively so assigned by that clause, each Chargor charges and agrees to charge by way of first fixed charge all its present and future right, title and interest in and to that asset.

4.3 Assigned Assets

The Chargee is not obliged to take any steps necessary to preserve any Assigned Asset or to make any enquiries as to the nature or sufficiency of any payment received by it pursuant to this Deed.

5 Notice of Chargors' interest

- (a) Immediately upon execution of this Deed (and immediately upon the obtaining of any Insurance and immediately prior to the delivery of any Stock to a new Storage Location (as the case may be) after the date of this Deed) each Chargor shall:
- (i) in respect of each of its Insurances, deliver a duly completed notice of assignment to each other party to that Insurance, and shall use its reasonable endeavours to procure that each such party executes and delivers to the Chargee an acknowledgement, in each case in the respective forms set out in Schedule 4 (*Form of Notice to and Acknowledgement by Insurers*);
 - (ii) in respect of each Storage Location deliver a duly completed notice to the Storage Manager of such location and procure that that Storage Manager executes and delivers to the Chargee an acknowledgement, in each case, in the respective forms set out in Schedule 5 (*Form of Notice to and Acknowledgement by Storage Manager*); and
 - (iii) in respect of each Storage Location where the Storage Manager occupies pursuant to a lease, licence or other occupational interest, deliver a duly completed notice to landlord or reversioner of such location and the recipient executes and delivers to the Chargee an acknowledgement, in each case, in the respective forms set out in Schedule 6 (*Form of Notice to and Acknowledgement by Landlord of Storage Manager*).
- (b) Any time after the occurrence of an Event of Default which is continuing, each Chargor shall, immediately following a request from the Chargee, deliver a duly completed notice of assignment to each Customer, and shall use its reasonable endeavours to procure that each Customer executes and delivers to the Chargee an acknowledgement, in each case in the respective forms set out in Schedule 7 (*Form of Notice to and Acknowledgement by Customers*).

6 Floating charge

Each Chargor charges and agrees to charge by way of first floating charge:

- (a) all of its Stock; and
- (b) any Assigned Asset not otherwise effectively assigned pursuant to clause 4.1 (*Security assignments*) or charged by way of fixed charge pursuant to clause 4.2 (*Back-up fixed charge*) or any other provision of this Deed.

7 Conversion of floating charge

7.1 Conversion by notice

The Chargee may, by written notice to a Chargor, convert the floating charge created under this Deed into a fixed charge as regards all or any of the Security Assets specified in the notice if:

- (a) an Event of Default has occurred and is continuing; or
- (b) the Chargee considers any Security Assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy.

7.2 Small companies

The floating charge created under this Deed by any Chargor shall not convert into a fixed charge solely by reason of a moratorium being obtained under the *Insolvency Act 2000* (or anything done with a view to obtaining such a moratorium) in respect of such Chargor.

7.3 Automatic conversion

The floating charge created under this Deed shall (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge:

- (a) in relation to any Security Asset which is subject to a floating charge if:
 - (i) such Chargor creates (or attempts or purports to create) any Security Interest on or over the relevant Security Asset without the prior written consent of the Chargee; or
 - (ii) any third party levies or attempts to levy any distress, execution, attachment or other legal process against any such Security Asset; and
- (b) over all Security Assets of a Chargor which are subject to a floating charge if an administrator is appointed in respect of such Chargor or the Chargee receives notice of intention to appoint such an administrator (as contemplated by the *Insolvency Act 1986*).

7.4 Partial conversion

The giving of a notice by the Chargee pursuant to clause 7.1 (*Conversion by notice*) in relation to any asset or class of assets of any Chargor shall not be construed as a waiver or abandonment of the rights of the Chargee to serve similar notices in respect of any other asset or class of assets or of any other right of the Chargee.

8 Accounts

No monies at any time standing to the credit of any account (of any type and however designated) of any Chargor with any Chargee or in which any Chargor has an interest (and no rights and benefits relating thereto) shall be capable of being assigned to any person.

9 Continuing security

9.1 Continuing security

This Security is continuing and will extend to the ultimate balance of the Secured Obligations regardless of any intermediate payment or discharge in whole or in part. This Deed shall remain in full force and effect as a continuing security for the duration of the Security Period.

9.2 Additional and separate security

This Deed is in addition to, without prejudice to, and shall not merge with, any other right, remedy, guarantee or Security Interest which the Chargee may at any time hold for any Secured Obligation.

9.3 Right to enforce

This Deed may be enforced against each or any Chargor without the Chargee first having recourse to any other right, remedy, guarantee or Security Interest held by or available to it.

10 Liability of Chargors relating to Security Assets

Notwithstanding anything contained in this Deed or implied to the contrary, each Chargor remains liable to observe and perform all conditions and obligations assumed by it in relation to the Security Assets. The Chargee is under no obligation to perform or fulfil any such condition or obligation or to make any payment in respect of any such condition or obligation.

11 Undertakings by the Chargors

11.1 Negative pledge and disposals

- (a) Except as permitted under clause 11.1(b):
 - (i) no Chargor shall create or permit to subsist any Security Interest over any of the Security Assets; and
 - (ii) no Chargor shall sell, transfer or otherwise dispose of any of the Security Assets, on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Group in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.
- (b) Clause 11.1(a) does not apply to any Security Interest or arrangement or transaction, which is:
 - (i) Permitted Security; or
 - (ii) a Permitted Transaction.

11.2 Security Assets generally

Each Chargor shall:

- (a) pay all amounts owed by it in respect of the Security Assets including but not limited to:
 - (i) all rates, rents, and other outgoings in respect of each Storage Location;
 - (ii) all storage freight, dock, transit and other costs of, and incidental to the delivery and warehousing of the Stock or otherwise in connection with the Stock;
- (b) comply with:
 - (i) all obligations in relation to the Security Assets under any present or future regulation or requirement of any competent authority or any Authorisation; and
 - (ii) all covenants and obligations affecting any Security Asset (or its manner of use);
- (c) not, except with the prior written consent of the Chargee, enter into any onerous or restrictive obligation affecting any Security Assets (except as expressly permitted under the Facilities Agreement); and

- (d) not do, cause or permit to be done anything which may in any way depreciate, jeopardise or otherwise prejudice the value or marketability of any Security Asset (or make any omission which has such an effect).

11.3 Deposit of documents and notices

Each Chargor shall, unless the Chargee otherwise confirms in writing, deposit with the Chargee:

- (a) all deeds, warrants, delivery orders, wharfingers' and warehouse keepers' certificates and receipts, invoices; and
- (b) any other documents of title,

constituting or relating to the Security Assets (each of which the Chargee may hold throughout the Security Period).

11.4 Information

Each Chargor shall:

- (a) notify the Chargee, immediately upon becoming aware of the same:
 - (i) of any claim or notice relating to any of the Security Assets received from any other party; or
 - (ii) of any dispute of any kind between such Chargor and any person in relation to any Security Asset,and of all other matters relevant thereto;
- (b) provide to the Chargee such information as to the amount, nature and location of the Stock as the Chargee may from time to time reasonably require (taking into account the requirements of the Finance Documents); and
- (c) provide to the Chargee any other information which the Chargee may reasonably request in relation to the Security Assets.

11.5 Stock and Storage Locations

- (a) No Chargor shall store any Stock except at a Storage Location approved by the Chargee.
- (b) Each Chargor shall procure that the Chargee (or its designated representative) is permitted access to each and every Storage Location in accordance with the terms of the Facilities Agreement.

11.6 Insurance

- (a) If at any time any Chargor defaults in:
 - (i) effecting or keeping up the Insurances required under the Facilities Agreement; or
 - (ii) producing any insurance policy or receipt to the Chargee on demand,the Chargee may (without prejudice to its rights under clause 12 (*Power to remedy*)) take out or renew such policies of insurance in any sum which the Chargee may

reasonably think expedient. All monies which are expended by the Chargee in doing so shall be deemed to be properly paid by the Chargee and shall be reimbursed by the relevant Chargor on demand.

- (b) Each Chargor shall notify the Chargee if any claim arises or may be made under the Insurances.
- (c) Each Chargor shall, subject to the rights of the Chargee under clause 11.6(d), diligently pursue its rights under the Insurances.
- (d) In relation to the proceeds of Insurances, the Chargee shall be loss payee under and have the sole right to:
 - (i) settle or sue for any such claim (but, before an Event of Default shall do so as agent for the relevant Chargor); and
 - (ii) give any discharge for insurance monies.

All claims and monies received or receivable under any Insurances shall be applied in accordance with the Facilities Agreement or (if no requirement as to application is so imposed) in repairing, replacing and restoring the property damaged or destroyed or, after the occurrence of an Event of Default which is continuing, in permanent reduction of the Secured Obligations in accordance with the Facilities Agreement.

11.7 Dealings with and realisation of Receivables

- (a) Each Chargor shall:
 - (i) without prejudice to clause 11.1 (*Negative pledge and disposals*) (but in addition to the restrictions in that clause), not, without the prior written consent of the Chargee, sell, assign, charge, factor or discount or in any other manner deal with any Receivable;
 - (ii) collect all Receivables promptly in the ordinary course of trading as agent for the Chargee into an account of the relevant Chargor held with the Chargee; and
 - (iii) hold all monies so received upon trust for the Chargee.
- (b) Each Chargor shall deal with the Receivables (both collected and uncollected) in accordance with any directions given in writing from time to time by the Chargee and, in default of and subject to such directions, in accordance with this Deed.
- (c) Each Chargor shall deliver to the Chargee such information as to the amount and nature of its Receivables as the Chargee may from time to time reasonably require.

12 Power to remedy

12.1 Power to remedy - general

If at any time a Chargor does not comply with any of its obligations under this Deed, the Chargee (without prejudice to any other rights arising as a consequence of such non-compliance) shall be entitled (but not bound) to rectify that default. Each Chargor irrevocably authorises the Chargee and its employees and agents by way of security to do all such things (including entering the property of a Chargor) which are necessary or desirable to rectify that default.

12.2 Power to remedy - warehousing

Without prejudice to the generality of clause 12.1 (*Power to remedy - general*), if for any reason the Chargee is not at any time satisfied with the warehousing arrangements in respect of any of the Stock, the Chargee, without notice to the relevant Chargor, shall be entitled (but not bound) as agent of such Chargor to make such alternative arrangements as it in its absolute discretion deems appropriate (but without being responsible for any loss or damage resulting from an omission to do so).

12.3 Mortgagee in possession

The exercise of the powers of the Chargee under the clause 12 shall not render it liable as a mortgagee in possession.

12.4 Monies expended

Each Chargor shall pay to the Chargee on demand any monies which are expended by the Chargee in exercising its powers under this clause 12, together with interest at the Default Rate from the date on which those monies were expended by the Chargee (both before and after judgment) and otherwise in accordance with clause 2.2 (*Default interest*).

13 When Security becomes enforceable

13.1 When enforceable

This Security shall become immediately enforceable at any time after the occurrence of an Event of Default and shall remain so for so long as such Event of Default is continuing.

13.2 Statutory powers

The power of sale and other powers conferred by section 101 of the Act (as amended or extended by this Deed) shall be immediately exercisable upon and at any time after the occurrence of any Event of Default and for so long as such Event of Default is continuing.

13.3 Enforcement

After this Security has become enforceable, the Chargee may in its absolute discretion enforce all or any part of this Security in such manner as it sees fit.

14 Enforcement of Security

14.1 General

For the purposes of all rights and powers implied by statute, the Secured Obligations are deemed to have become due and payable on the date of this Deed. Sections 93 and 103 of the Act shall not apply to this Security.

14.2 Powers of leasing

The statutory powers of leasing conferred on the Chargee are extended so as to authorise the Chargee to lease, make agreements for leases, accept surrenders of leases and grant options as the Chargee may think fit and without the need to comply with section 99 or 100 of the Act.

14.3 Powers of Chargee

- (a) At any time after this Security becomes enforceable (or if so requested by any Chargor by written notice at any time), the Chargee may without further notice (unless required by law):
 - (i) appoint any person (or persons) to be a receiver, receiver and manager or administrative receiver of all or any part of the Security Assets and/or of the income of the Security Assets; and/or
 - (ii) appoint or apply for the appointment of any person who is appropriately qualified as administrator of a Chargor; and/or
 - (iii) exercise all or any of the powers which are conferred by this Deed on a Receiver, in each case without first appointing a Receiver or notwithstanding the appointment of any Receiver.
- (b) The Chargee is not entitled to appoint a Receiver in respect of any Security Assets which are subject to a charge which (as created) was a floating charge solely by reason of a moratorium being obtained under the *Insolvency Act 2000* (or anything done with a view to obtaining such a moratorium) in respect of such Chargor.

14.4 Redemption of prior charges

At any time after this Security has become enforceable, the Chargee may:

- (a) redeem any prior Security Interest against any Security Asset; and/or
- (b) procure the transfer of that Security Interest to itself; and/or
- (c) settle and pass the accounts of the holder of any prior Security Interest and any accounts so settled and passed shall be conclusive and binding on each Chargor.

All principal, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the relevant Chargor to the Chargee on demand.

14.5 Privileges

Each Receiver and the Chargee is entitled to all the rights, powers, privileges and immunities conferred by the Act on receivers when such receivers have been duly appointed under the Act, except that section 103 of the Act does not apply.

14.6 No liability

- (a) Neither the Chargee nor any Receiver shall be liable (A) in respect of all or any part of the Security Assets or (B) for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, its or his respective powers (unless such loss or damage is caused by its or his gross negligence or wilful misconduct).
- (b) Without prejudice to the generality of clause 14.6(a), neither the Chargee nor any Receiver shall be liable, by reason of entering into possession of a Security Asset, to account for any loss on realisation or for any default or omission for which the same might be liable.

14.7 Protection of third parties

No person (including a purchaser) dealing with the Chargee or any Receiver or Delegate will be concerned to enquire:

- (a) whether the Secured Obligations have become payable; or
- (b) whether any power which the Chargee or the Receiver is purporting to exercise has become exercisable; or
- (c) whether any money remains due under any Finance Document; or
- (d) how any money paid to the Chargee or to the Receiver is to be applied.

15 Receiver

15.1 Removal and replacement

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

15.2 Multiple Receivers

If at any time there is more than one Receiver of all or any part of the Security Assets and/or the income of the Security Assets, each Receiver shall have power to act individually (unless otherwise stated in the appointment document).

15.3 Remuneration

Any Receiver shall be entitled to remuneration for his services at a rate to be fixed by agreement between him and the Chargee (or, failing such agreement, to be fixed by the Chargee).

15.4 Payment by Receiver

Only monies actually paid by a Receiver to the Chargee in relation to the Secured Obligations shall be capable of being applied by the Chargee in discharge of the Secured Obligations.

15.5 Agent of Chargors

Any Receiver shall be the agent of any Chargor in respect of which it is appointed. Such Chargor shall (subject to the *Companies Act 2006* and the *Insolvency Act 1986*) be solely responsible for his acts and defaults and for the payment of his remuneration. The Chargee shall incur no liability (either to such Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

16 Powers of Receiver

16.1 General powers

Any Receiver shall have:

- (a) all the powers which are conferred on the Chargee by clause 14.3 (*Powers of Chargee*);

- (b) all the powers which are conferred by the Act on receivers appointed under the Act;
- (c) (whether or not he is an administrative receiver) all the powers which are listed in schedule 1 of the *Insolvency Act 1986*; and
- (d) all powers which are conferred by any other law conferring power on receivers.

16.2 Additional powers

In addition to the powers referred to in clause 16.1 (*General powers*), a Receiver shall have the following powers:

- (a) to take possession of, collect and get in all or any part of the Security Assets and/or income in respect of which he was appointed;
- (b) to manage the Security Assets and the business of any Chargor as he thinks fit;
- (c) to redeem any security and to borrow or raise any money and secure the payment of any money in priority to the Secured Obligations for the purpose of the exercise of his powers and/or defraying any costs or liabilities incurred by him in such exercise;
- (d) to sell or concur in selling, leasing or otherwise disposing of all or any part of the Security Assets in respect of which he was appointed without the need to observe the restrictions imposed by section 103 of the Act and without limitation:
 - (i) the consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration (and the amount of such consideration may be dependent upon profit or turnover or be determined by a third party); and
 - (ii) any such consideration may be payable in a lump sum or by instalments spread over such period as he thinks fit;
- (e) to carry out any sale, lease or other disposal of all or any part of the Security Assets by conveying, transferring, assigning or leasing the same in the name of any Chargor and, for that purpose, to enter into covenants and other contractual obligations in the name of, and so as to bind, such Chargor;
- (f) to take any such proceedings (in the name of the relevant Chargors or otherwise) as he shall think fit in respect of the Security Assets and/or income in respect of which he was appointed (including proceedings for recovery of rent or other monies in arrears at the date of his appointment);
- (g) to enter into or make any such agreement, arrangement or compromise as he shall think fit;
- (h) to insure, and to renew any insurances in respect of, the Security Assets as he shall think fit (or as the Chargee shall direct);
- (i) to appoint and employ such managers, officers and workmen and engage such professional advisers as he shall think fit (including, without prejudice to the generality of the foregoing power, to employ his partners and firm);
- (j) to form one or more Subsidiaries of any Chargor, and to transfer to any such Subsidiary all or any part of the Security Assets;

- (k) to have access to and make use of any Chargor's premises, plant, equipment, accounts, computer or other records and the services of its staff for all or any of the purposes as aforesaid; and
- (l) to:
 - (i) give valid receipts for all monies and to do all such other things as may seem to him to be incidental or conducive to any other power vested in him or necessary or desirable for the realisation of any Security Asset;
 - (ii) exercise in relation to each Security Asset all such powers and rights as he would be capable of exercising if he were the absolute beneficial owner of the Security Assets; and
 - (iii) use the name of any Chargor for any of the above purposes;

17 Application of proceeds

17.1 Application

All monies received by the Chargee or any Receiver under or in connection with this Deed or the Security Assets after this Security has become enforceable shall (subject to the rights and claims of any person having a security ranking in priority to this Security) be applied in accordance with clause 38 (*Application of proceeds*) of the Facilities Agreement.

17.2 Contingencies

If this Security is enforced at a time when no amounts are due under the Finance Documents (but at a time when amounts may become so due), the Chargee or a Receiver may pay the proceeds of any recoveries effected by it into a blocked suspense account (bearing interest at such rate (if any) as the Chargee may determine).

17.3 Appropriation and suspense account

- (a) Subject to clause 17.1 (*Application*), the Chargee shall apply all payments received in respect of the Secured Obligations in reduction of the Secured Obligations in the order set out in the Facilities Agreement.
- (b) Any such appropriation shall override any appropriation by any Chargor.
- (c) All monies received, recovered or realised by the Chargee under or in connection with this Deed may at the discretion of the Chargee be credited to a separate interest-bearing suspense account for so long as the Chargee determines (with interest accruing thereon at such rate (if any) as the Chargee may determine without the Chargee having any obligation to apply such monies and interest or any part of it in or towards the discharge of any of the Secured Obligations.

18 Set-off

- (a) The Chargee may (but shall not be obliged to) set off any obligation which is due and payable by any Chargor and unpaid (whether under the Finance Documents or which has been assigned to the Chargee by any other Chargor) against any obligation (whether or not matured) owed by the Chargee to such Chargor, regardless of the place of payment, booking branch or currency of either obligation.
- (b) At any time after this Security has become enforceable (and in addition to its rights under clause 18(a)), the Chargee may (but shall not be obliged to) set-off any contingent liability owed by a Chargor under any Finance Document against any

obligation (whether or not matured) owed by the Chargee to such Chargor, regardless of the place of payment, booking branch or currency of either obligation.

- (c) If the obligations are in different currencies, the Chargee may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.
- (d) If either obligation is unliquidated or unascertained, the Chargee may set off in an amount estimated by it in good faith to be the amount of that obligation.

19 Delegation

Each of the Chargee and any Receiver may delegate, by power of attorney (or in any other manner) to any person, any right, power or discretion exercisable by them under this Deed upon any terms (including power to sub-delegate) which it may think fit. Neither the Chargee nor any Receiver shall be in any way liable or responsible to any Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

20 Further assurances

20.1 Further action

Each Chargor shall, at its own expense, immediately do all acts and execute all documents as the Chargee or a Receiver may specify (and in such form as the Chargee or a Receiver may require) for:

- (a) creating, perfecting or protecting the Security Interests intended to be created by this Deed or any other Finance Document;
- (b) facilitating the realisation of any Security Asset; and
- (c) facilitating the exercise of any rights, powers and remedies exercisable by the Chargee, or any Receiver or any Delegate in respect of any Security Asset or provided by or pursuant to the Finance Documents or by law.

This includes:

- (i) the re-execution of this Deed or such Finance Document;
- (ii) the execution of any charge, transfer, conveyance, assignment, assignation or assurance of any property, whether to the Chargee or to its nominee; and
- (iii) the giving of any notice, order or direction and the making of any filing or registration,
- (iv) which, in any such case, the Chargee may think expedient.

20.2 Finance Documents

Each Chargor shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security Interest conferred or intended to be conferred on the Chargee by or pursuant to the Finance Documents.

20.3 Specific security

Without prejudice to the generality of clause 20.1 (*Further action*), each Chargor will immediately upon request by the Chargee execute any document contemplated by that clause over any Security Asset which is subject to or intended to be subject to any fixed security under this Deed (including any fixed security arising or intended to arise pursuant to clause 7 (*Conversion of floating charge*)).

21 Power of attorney

Each Chargor, by way of security, irrevocably and severally appoints the Chargee, each Receiver and any Delegate to be its attorney to take any action which such Chargor is obliged to take under this Deed, including under clause 20 (*Further assurances*). Each Chargor ratifies and confirms whatever any attorney does or purports to do pursuant to its appointment under this clause.

22 Payments

22.1 Payments

Subject to clause 22.2 (*Gross-up*), all payments to be made by a Chargor in respect of this Deed shall be made:

- (a) in immediately available funds to the credit of such account as the Chargee may designate; and
- (b) without (and free and clear of, and without any deduction for or on account of):
 - (i) any set-off or counterclaim; or
 - (ii) except to the extent compelled by law, any deduction or withholding for or on account of Tax.

22.2 Gross-up

If a Chargor is compelled by law to make any deduction or withholding from any sum payable under this Deed to the Chargee the sum so payable by such Chargor shall be increased so as to result in the receipt by the Chargee of a net amount equal to the full amount expressed to be payable under this Deed.

23 Stamp duty

Each Chargor shall:

- (a) pay all present and future stamp, registration and similar Taxes or charges which may be payable, or determined to be payable, in connection with the execution, delivery, performance or enforcement of this Deed, or any judgment given in connection therewith; and
- (b) indemnify the Chargee and any Receiver on demand against any and all costs, losses or liabilities (including, without limitation, penalties) with respect to, or resulting from, its delay or omission to pay any such stamp, registration and similar Taxes or charges.

24 Costs and expenses

24.1 Transaction and amendment expenses

Each Chargor shall promptly on demand pay to the Chargee the amount of all costs, charges and expenses (including legal fees, valuation, accountancy and consultancy fees (and any VAT or similar Tax thereon) subject to any agreed caps) incurred by the Chargee in connection with:

- (a) the negotiation, preparation, printing, execution, registration, perfection and completion of this Deed, the Security or any document referred to in this Deed; or
- (b) any actual or proposed amendment or extension of, or any waiver or consent under, this Deed.

24.2 Enforcement and preservation costs

Each Chargor shall promptly on demand pay to the Chargee and any Receiver the amount of all costs, charges and expenses (including, (without limitation) legal fees (and any VAT or similar Tax thereon)) incurred by it in connection with the enforcement, exercise or preservation (or the attempted enforcement, exercise or preservation) of any of its respective rights under this Deed or any document referred to in this Deed or the Security (including all remuneration of the Receiver).

24.3 Default interest

Any amount demanded under clause 24.1 (*Transaction and amendment expenses*) or 24.2 (*Enforcement and preservation costs*) shall bear interest at the Default Rate (both before and after judgment) from the day on which those costs, charges or expenses were paid, incurred or charged by the relevant person and otherwise in accordance with clause 2.2 (*Default interest*).

25 Currency conversion

25.1 Conversion

All monies received or held by the Chargee or any Receiver under this Deed may be converted from their existing currency into such other currency as the Chargee or the Receiver considers necessary or desirable to cover the obligations and liabilities comprised in the Secured Obligations in that other currency. Each Chargor shall indemnify the Chargee against all costs, charges and expenses incurred in relation to such conversion. Neither the Chargee nor any Receiver shall have any liability to any Chargor in respect of any loss resulting from any fluctuation in exchange rates after any such conversion.

25.2 Currency indemnity

No payment to the Chargee (whether under any judgment or court order or in the liquidation, administration or dissolution of a Chargor or otherwise) shall discharge the obligation or liability of such Chargor in respect of which it was made, unless and until the Chargee shall have received payment in full in the currency in which the obligation or liability was incurred and, to the extent that the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability expressed in that currency, the Chargee shall have a further separate cause of action against such Chargor and shall be entitled to enforce the Security to recover the amount of the shortfall.

26 Indemnity

Each Chargor shall indemnify the Chargee any Receiver and any attorney, agent or other person appointed by the Chargee under this Deed and the Chargee's officers and employees (each an **Indemnified Party**) on demand against any cost, loss, liability or expense (however arising) incurred by any Indemnified Party as a result of or in connection with:

- (a) anything done or omitted in the exercise or purported exercise of the powers contained in this Deed;
- (b) the Security Assets or the use or holding of them by any person; or
- (c) any breach by a Chargor of any of its obligations under this Deed.

27 Changes to the parties

27.1 Chargors

No Chargor may assign any of its rights or obligations under this Deed.

27.2 Chargee

The Chargee may assign or transfer or grant participations in all or any part of its rights under this Deed in accordance with the Facilities Agreement. Each Chargor shall, immediately upon being requested to do so by the Chargee, enter into such documents as may be necessary or desirable to effect such assignment or transfer.

28 Miscellaneous

28.1 New accounts

- (a) If the Chargee receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent Security Interest affecting any Security Asset and/or the proceeds of sale of any Security Asset or any guarantee under the Finance Documents ceases to continue in force, it may open a new account or accounts for the relevant Chargor. If it does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received such notice.
- (b) As from that time all payments made to the Chargee will be credited or be treated as having been credited to the new account and will not operate to reduce any amount of the Secured Obligations.

28.2 Tacking

- (a) The Chargee shall perform its obligations under the Facilities Agreement (including any obligation to make available further advances).
- (b) This Deed secures advances already made and further advances to be made.

29 Notices

Any communication to be made under, or in connection with, this Deed shall be made and given in accordance with the terms of clause 39 (*Notices*) of the Facilities Agreement.

30 Calculations and certificates

Any certificate of or determination by the Chargee specifying the amount of any Secured Obligation due from any Chargor (including details of any relevant calculation thereof) is in the absence of manifest error, conclusive evidence against the Chargors of the matters to which it relates.

31 Partial invalidity

All the provisions of this Deed are severable and distinct from one another and if at any time any provision is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of any of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

32 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of the Chargee, any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise, or the exercise of any other right or remedy. The rights and remedies provided are cumulative and not exclusive of any rights or remedies provided by law.

33 Amendments and waivers

Any provision of this Deed may be amended only if the Chargee and the Chargors so agree in writing and any breach of this Deed may be waived before or after it occurs only if the Chargee so agrees in writing. A waiver given or consent granted by the Chargee under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

34 Counterparts

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

35 Release

35.1 Release

Upon the expiry of the Security Period (but not otherwise) the Chargee shall, at the request and cost of the Chargors, take whatever action is necessary to release or re-assign (without recourse or warranty) the Security Assets from the Security.

35.2 Reinstatement

Where any discharge (whether in respect of the obligations of any Chargor or any security for those obligations or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be restored on insolvency, liquidation or otherwise (without limitation), the liability of the Chargors under this Deed shall continue as if the discharge or arrangement had not occurred. The Chargee may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

36 Enforcement

36.1 Governing Law

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

36.2 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a **Dispute**).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) Notwithstanding clause 36.2(a), the Chargee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Chargee may take concurrent proceedings in any number of jurisdictions.

In witness of which this Deed has been duly executed by each Chargor as a deed and duly executed by the Chargee and has been delivered on the first date specified on page 1 of this Deed.

Schedule 1 The Chargors

Chargor	Registered Office	Company Number
Vivid Imaginations Limited	Ashbourne House, The Guildway, Old Portsmouth Road, Guildford, Surrey GU3 1LS	02755261
Vivid Toy Group Limited	Ashbourne House, The Guildway, Old Portsmouth Road, Guildford, Surrey GU3 1LS	05812979

Schedule 2 Insurances

Chargor	Insurer	Insured risks	Policy number
Vivid Imaginations Limited	Atradius	Trade Debtors	792615
Vivid Imaginations Limited	NMU on behalf of Munich Re Syndicate Ltd (457 at Lloyd's)	Marine Cargo	CG220122097

Schedule 3 Storage locations

Name	Address	Details	Storage Manager at the date of this Deed
Amethyst Group Limited	Unit 3, Wellesbourne Distribution Park, Loxley Road, Wellesbourne, Warwick CV35 9JY	Inventory	Mark Gosden
Birmingham Bond	Halfords Lane, Smethwick, West Midlands B66 1BU	Inventory	Mark Gosden
Uniserve Limited	Felixstowe Mega DC, Clickett Hill Road, Felixstowe, Suffolk IP11 4BA	Inventory	Mark Gosden

Schedule 4 Form of Notice to and Acknowledgement by Insurers

To: [Insert name and address of insurer]

Dated: [****] 20[**]

Dear Sirs/Madams

[Describe insurance policies] dated [**] 20[**] between (1) You and (2) [Chargor] (the Chargor)**

- 1 We give notice that, by a security deed dated [****] 20[**] (the **Security Deed**), we have assigned to ING Commercial Finance B.V. (the **Chargee**) all our present and future right, title and interest in and to the policies (together with any other agreement supplementing or amending the same, the **Policies**) including all rights and remedies in connection with the Policies and all proceeds and claims arising from the Policies.
- 2 We irrevocably authorise and instruct you from time to time:
 - (a) to disclose to the Chargee at our expense without any reference to or further authority from us (and without any enquiry by you as to the justification for such disclosure), such information relating to the Policies as the Chargee may from time to time request;
 - (b) to hold all sums from time to time due and payable by you to us under the Policies to the order of the Chargee;
 - (c) to pay or release all or any part of the sums from time to time due and payable by you to us under the Policies only in accordance with the written instructions given to you by the Chargee from time to time;
 - (d) to comply with any written notice or instructions in any way relating to, or purporting to relate to, the Security Deed, the sums payable to us from time to time under the Policies or the debts represented by them which you may receive from the Chargee (without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction); and
 - (e) to send copies of all notices and other information given or received under the Policies to the Chargee.
- 3 [We irrevocably instruct you, with effect from the date of this notice, to note on the relevant Policies the Chargee's interest as loss payee and as first priority assignee of the Policies and the rights, remedies, proceeds and claims referred to above.]
- 4 We are not permitted to receive from you, otherwise than through the Chargee, any amount in respect of or on account of the sums payable to us from time to time under the Policies [in excess of £[****]] or to agree any amendment or supplement to, or waive any obligation under, the Policies without the prior written consent of the Chargee.
- 5 This notice may only be revoked or amended with the prior written consent of the Chargee.
- 6 Please confirm by completing the enclosed copy of this notice and returning it to the Chargee (with a copy to us) that you agree to the above and that:
 - (a) you accept the instructions and authorisations contained in this notice and you undertake to comply with this notice;
 - (b) you have not, at the date this notice is returned to the Chargee, received notice of the assignment or charge, the grant of any security or the existence of any other interest

of any third party in or to the Policies or any proceeds of them or any breach of the terms of any Policy and you will notify the Chargee promptly if you should do so in future;

- (c) you will not permit any sums to be paid to us or any other person under or pursuant to the Policies without the prior written consent of the Chargee; and
- (d) [you will not exercise any right to terminate, cancel, vary or waive the Policies or take any action to amend or supplement the Policies without the prior written consent of the Chargee.][If you make any attempt to terminate or amend the Policies, you will liaise with and notify the Chargee and not us.]

7 This notice, and any acknowledgement in connection with it, and any non-contractual obligations arising out of or in connection with any of them, shall be governed by English law.

Yours faithfully

for and on behalf of
[Chargor]

[On copy]

To: ING Commercial Finance B.V.
as Chargee
[address]

Copy to: [Chargor]

Dear Sirs/Madams

We acknowledge receipt of the above notice and consent and agree to its terms. We confirm and agree to the matters set out in paragraph 6 in the above notice.

for and on behalf of
[Name of relevant insurer]

Dated: [****] 20[**]

Schedule 5 Form of Notice to and Acknowledgement by Storage Manager

To: **[insert name of relevant Storage Manager of Storage Location and address of Storage Location]**

Dear Sirs/Madams

[describe storage agreement] [**] 20[****] between (1) You and (2) [Chargor] (the Chargor) (the Warehouse Agreement)**

- 1 We hereby give you notice that we have, by a security deed dated [****] 20[**] (the **Security Deed**), charged and agreed to charge, in favour of ING Commercial Finance B.V. (the **Chargee**) all present and future goods owned by us and stored with you at your premises located at [insert address of Storage Location] (the **Storage Location**) (the **Goods**).
- 2 We irrevocably authorise and instruct you to:
 - (a) immediately notify the Chargee if we are in breach of any of our obligations to you (including but not limited to obligations contained in the Warehouse Agreement between us and you) in respect of the Goods at any time, specifying such default(s) and the amounts, liabilities or obligations which you would require to be paid and/or discharged;
 - (b) following such notice as described in paragraph 2(a), allow the Chargee a period of 90 days (the **Remedy Period**) within which to remedy such breach directly with you, prior to taking any action whatsoever in respect of the breach (including terminating, or giving notice to terminate, the warehouse agreement or any other agreement(s) between you and us), unless the Chargee gives you written notice within the Remedy Period that it does not intend to remedy any such default;
 - (c) to disclose to the Chargee at our expense (without any reference to or further authority from us and without any enquiry by you as to the justification for such disclosure), such information relating to the Goods and the Storage Location as the Chargee may from time to time request;
 - (d) to comply with any written notice or instructions in any way relating to, or purporting to relate to, the Goods which you receive at any time from the Chargee without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction; and
 - (e) to send copies of all notices and other information given or received in connection with the Goods to the Chargee.
- 3 This notice may only be revoked or amended with the prior written consent of the Chargee.
- 4 Please confirm by completing the enclosed copy of this notice and returning it to the Chargee (with a copy to us) that you agree to the above and that:
 - (a) you accept the instructions and authorisations contained in this notice and you undertake to comply with this notice;
 - (b) you acknowledge fully the Chargee's security in respect of the Goods, and agree that:
 - (i) at any time before, on or after enforcement of the Security Deed, you will, at our cost, permit the Chargee access to the Storage Location within normal business hours in order to allow them to inspect the Goods and provide such

assistance, at our cost, as the Chargee may reasonably require in respect thereof;

- (ii) on enforcement of the Security Deed by the Chargee, you, at our cost, will permit the Chargee access to the Storage Location in order to enter and collect the Goods and provide such assistance, at our cost, as the Chargee may reasonably require in respect thereof; and
 - (iii) we shall continue to be liable for all of our obligations and liabilities, whenever occurring, to you under the terms of the Warehouse Agreement, or any other agreement(s) between you and us and the Chargee will have no liability to you under the said agreement(s), but that performance of our obligations under such agreement(s) by the Chargee, during the Remedy Period, shall satisfy in full our obligations to you under such agreement(s);
- (c) any notice you send to either of the Chargor pursuant to any agreement you may have (whether oral or written) with them, will be copied to the Chargee;
- (d) you will not exercise any right over or in relation to the Goods (including:
- (i) taking action to terminate or amend or supplement the Warehouse Agreement or any other agreement(s) between you and us); or
 - (ii) taking action to, or purporting to, exercise or assert any lien or right of retention in relation to any Goods,
- without the prior written consent of the Chargee; and
- (e) you have not, at the date this notice is returned to the Chargee, received notice of the assignment or charge, the grant of any security or the existence of any other interest of any third party in or to the Goods and you will notify the Chargee promptly if you should do so in future.

5. This notice, and any acknowledgement in connection with it, and any non-contractual obligations arising out of or in connection with any of them, shall be governed by English law.

Yours faithfully

for and on behalf of
[Chargor]

[On copy]

To: ING Commercial Finance B.V.
 as Chargee
 [address]

Copy to: **[Chargor]**

Dear Sirs/Madams

We acknowledge receipt of the above notice and consent and agree to its terms. We confirm and agree to the matters set out in paragraphs 2 and 4 in the above notice.

for and on behalf of
[Name of relevant Storage Manager]

Dated: [****] 20[**]

Schedule 6 Form of Notice to and Acknowledgement by Landlord of Storage Manager

To: *[insert name of Landlord of relevant Storage Manager of Storage Location and address of Storage Location]*

[describe storage agreement] [****] 20[**] between (1) [****] (Storage Manager) and (2) [Chargor] (the Warehouse Agreement)

- 5 Please note that, pursuant to the terms of the Warehouse Agreement, we are authorised store certain items, including a fluctuating inventory of stock in trade and other moveable assets at the premises known as *[insert address of Storage Location]* (the **Storage Location**). We understand you are the proprietor of a superior interest in the Storage Location and have entered into a lease, licence or other form of arrangement with the Storage Manager pursuant to which the Storage Manager is entitled to occupy the Storage Location (**Storage Manager's Lease**).
- 6 We hereby give you notice that we have, by a security deed dated [****] 20[**] (the **Security Deed**), charged and agreed to charge, in favour of ING Commercial Finance B.V. (the **Chargee**) all present and future goods owned by us and stored at the Storage Location (the **Goods**).
- 7 Please confirm by completing the enclosed copy of this notice and returning it to the Chargee (with a copy to us) that:
- (a) you acknowledge fully the Chargee's security in respect of the Goods;
 - (b) you agree that in the event that the Storage Manager's Lease is terminated or the Storage Manager's right of entry is restricted pursuant to the terms of the Storage Manager's Lease or otherwise:
 - (i) at any time before, on or after enforcement of the Security Deed, you will, at our cost, permit the Chargee access to the Storage Location within normal business hours in order to allow them to inspect the Goods and provide such assistance, at our cost, as the Chargee may reasonably require in respect thereof; and
 - (ii) on enforcement of the Security Deed by the Chargee, you, at our cost, will permit the Chargee access to the Storage Location in order to enter and collect the Goods and provide such assistance, at our cost, as the Chargee may reasonably require in respect thereof;
 - (c) you will not exercise or seek to exercise any rights over or in relation to the Goods including taking action to, or purporting to, exercise or assert any lien or right of retention in relation to any Goods, without the prior written consent of the Chargee; and
 - (d) you have not, at the date this notice is returned to the Chargee, received notice of the assignment or charge, the grant of any security or the existence of any other interest of any third party in or to the Goods and you will notify the Chargee promptly if you should do so in future.
- 8 This notice may only be revoked or amended with the prior written consent of the Chargee.

- 9 This notice, and any acknowledgement in connection with it, and any non-contractual obligations arising out of or in connection with any of them, shall be governed by English law.

Yours faithfully

for and on behalf of
[Chargor]

[On copy]

To: ING Commercial Finance B.V.
 as Chargee
 [address]

Copy to: **[Chargor]**

Dear Sirs/Madams

We acknowledge receipt of the above notice and consent and agree to its terms. We confirm and agree to the matters set out in paragraphs 2 and 4 in the above notice.

for and on behalf of
[****]

Dated: [****] 20[**]

Schedule 7 Form of Notice to and Acknowledgement by Customers

To: [Insert name and address of Customer]

Dated: [****] 20[**]

Dear Sirs/Madams

Sums payable to [Chargor]

- 1 We give notice that, by a security deed dated [****] 20[**] (the **Security Deed**), we have assigned to ING Commercial Finance B.V. (the **Chargee**) all our present and future right, title and interest in the invoices detailed below (being the **Invoices**)

Invoice number	Date of invoice	Amount	Due date

- 2 We irrevocably authorise and instruct you from time to time:
- (a) to pay when due all amounts in respect of or on account of the Invoices to the Chargee using following account details:

Bank:
Account No:
Sort code:
SWIFT/BIC Code:
IBAN Code:
 - (b) to disclose to the Chargee at our expense without any reference to or further authority from us (and without any enquiry by you as to the justification for such disclosure), such information relating to the Invoices; and
 - (c) to comply with any written notice or instructions in any way relating to, or purporting to relate to, the Security Deed, the sums payable to us from time to time under the Invoices or the debts represented by them which you may receive from the Chargee (without any reference to or further authority from us and without any enquiry by you as to the justification for or validity of such notice or instruction).
- 3 We are not permitted to receive from you, otherwise than through the Chargee, any amount in respect of or on account of the sums payable to us in relation to the Invoices or to agree any amendment or supplement to, or waive any obligation under, the Invoices without the prior written consent of the Chargee.
- 4 This notice may only be revoked or amended with the prior written consent of the Chargee.
- 5 Please confirm by completing the enclosed copy of this notice and returning it to the Chargee (with a copy to us) that you agree to the above and that:
- (a) you accept the instructions and authorisations contained in this notice and you undertake to comply with this notice;

- (b) you have not, at the date this notice is returned to the Chargee, received notice of the assignment or charge, the grant of any security or the existence of any other interest of any third party in or to the Invoices or any proceeds of them or any breach of the terms of any agreement or other contract relating to the Invoices and you will notify the Chargee promptly if you should do so in future; and
 - (c) you will not permit any sums to be paid to us or any other person under or pursuant to the Invoices without the prior written consent of the Chargee.
- 6 This notice, and any acknowledgement in connection with it, and any non-contractual obligations arising out of or in connection with any of them, shall be governed by English law.

Yours faithfully

for and on behalf of
[Chargor]

[On copy]

To: ING Commercial Finance B.V.
as Chargee
[address]

Copy to: [Chargor]

Dear Sirs/Madams

We acknowledge receipt of the above notice and consent and agree to its terms. We confirm and agree to the matters set out in paragraph 6 in the above notice.

for and on behalf of
[Name of relevant Customer]

Dated: [****] 20[**]

Signature page

The Chargors

Executed as a deed, but not delivered until the)
first date specified on page 1, by **Vivid**)
Imaginations Limited acting by a director in the)
presence of a witness:)

Director

Witness signature

Witness name:

Witness address:

Address: Vyrelpad 80, 8051 KR Hattem, NL

Attention: J. Golad

Email address: golad.j@goladgroup.com

Executed as a deed, but not delivered until the)
first date specified on page 1, by **Vivid Toy**)
Group Limited acting by a director in the)
presence of a witness:)

Director

Witness signature

Witness name:

Witness address:

Address: Vyrelpad 80 8051 KR Hattem

Attention: J. Golad

Email address: golad.j@goladgroup.com

The Chargee

Signed by an authorised signatory for)
and on behalf of **ING Commercial**)
Finance B.V. in the presence of a)
witness:)

Signature _____

Name _____

Witness signature _____

Witness name: _____

Witness address: _____

Address: Runnenburg 30, 3891 AZ Bunnik, The Netherlands

Attention: Erik Bogaardt