



**Registration of a Charge**

Company name: **FABERGE (UK) LIMITED**

Company number: **06236931**

Received for Electronic Filing: **06/12/2017**



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**Details of Charge**

Date of creation: **01/12/2017**

Charge code: **0623 6931 0009**

Persons entitled: **GB EUROPE MANAGEMENT SERVICES LIMITED**

Brief description:

**Contains fixed charge(s).**

**Contains floating charge(s) (floating charge covers all the property or undertaking of the company).**

**Contains negative pledge.**

**Chargor acting as a bare trustee for the property.**

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**Authentication of Form**

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

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**Authentication of Instrument**

Certification statement: **I CERTIFY THAT THE ELECTRONIC COPY INSTRUMENT  
DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION  
IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**





## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 6236931

Charge code: 0623 6931 0009

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st December 2017 and created by FABERGE (UK) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 6th December 2017 .

Given at Companies House, Cardiff on 8th December 2017

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 AND PLEDGE AGREEMENT

This SECURITY AND PLEDGE AGREEMENT (this "Agreement") is entered into as of 1 December, 2017 by FABERGÉ (UK) LIMITED, a company registered in England and Wales (the "Obligor") in favor of GB EUROPE MANAGEMENT SERVICES LIMITED, as security trustee for the Secured Parties ("Security Trustee").

### RECITALS

WHEREAS, pursuant to that certain Syndicated Facility Agreement, dated 30 May, 2017 (the "Facility Agreement"), among Gemfields PLC, a company registered in England and Wales ("Parent"), the subsidiaries of the Parent listed in Part 1 of Schedule 1 thereto as original borrowers (including the Obligor) (the "Borrowers"), the subsidiaries of the Parent listed in Part 1 of Schedule 1 as original guarantors (including the Obligor), the financial institutions listed in Part 2 of Schedule 1 as original lenders (the "Existing Lenders"), Gordon Brothers Finance Company, as agent of the other Finance Parties (the "Agent"), and the Security Trustee, the Existing Lenders have agreed to make loans to the Borrowers, upon the terms and subject to the conditions set forth therein and (2) that certain Amendment and Restatement Agreement, dated as of the date hereof, among the Borrowers, the subsidiaries of the Parent listed in Part 1 of Schedule 1 as original guarantors (the "Guarantors"), the financial institutions listed in Part 2 of Schedule 1 as original lenders (the "Lenders"), the Agent and Security Trustee, pursuant to which the Facility Agreement is being amended and restated as set forth therein (the "A&R Facility Agreement");

WHEREAS, this Agreement is required by the terms of the A&R Facility Agreement as an additional assurance to the Finance Parties, so that inventory shipped by the Obligor to Fabergé Inc., a Delaware corporation (the "US Buyer"), and located in the United States but not yet the property of the US Buyer may be subject to a security interest granted under laws of the United States.

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

#### 1. Definitions.

(a) Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the A&R Facility Agreement, and the following terms shall have the meanings set forth in the UCC (defined below): Accession, Account, Commercial Tort Claim, Consumer Goods, Control, Document, Equipment, General Intangible, Goods, Instrument, Inventory, Letter-of-Credit Right, Money, Proceeds, and Supporting Obligation.

(b) In addition, the following terms shall have the meanings set forth below:

"Agent" has the meaning set forth in the Recitals hereto.

"A&R Facility Agreement" has the meaning set forth in the Recitals hereto.

**"Borrowers"** has the meaning set forth in the Recitals hereto.

**"Collateral"** has the meaning provided in Section 2 hereof.

**"Debtor Relief Laws"** means Title 11 of the United States Code entitled "Bankruptcy," as now or hereafter in effect, or any successor thereto, as hereafter amended (the "**Bankruptcy Code**") and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

**"Eligible Contract Participant"** is as defined in §1(a)(18) of the Commodity Exchange Act and the applicable rules issued by the Commodity Futures Trading Commission and/or the Securities and Exchange Commission.

**"Event of Default"** means the occurrence of an Event of Default under the A&R Facility Agreement.

**"Existing Lenders"** has the meaning set forth in the Recitals hereto.

**"Facility Agreement"** has the meaning set forth in the Recitals hereto.

**"Finance Documents"** has the meaning set forth in the A&R Facility Agreement.

**"Guarantor"** has the meaning set forth in the Recitals hereto.

**"Laws"** means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements of the Obligor with, any Governmental Authority, in each case whether or not having the force of law.

**"Lien"** means "Security" as defined in the A&R Facility Agreement.

**"Lenders"** has the meaning set forth in the Recitals hereto.

**"Obligor"** has the meaning set forth in the Preamble.

**"Person"** means any individual, partnership, joint venture, firm, corporation, limited liability company, association, trust or other enterprise or any Governmental Authority.

**"Secured Obligations"** means the Obligations of the Borrowers and the Guarantors to the Lenders, the Agent and the Security Trustee under the A&R Facility Agreement, all reasonable costs and expenses incurred in connection with enforcement and collection of the foregoing, including the fees, charges and disbursements of counsel, provided that the foregoing obligations of the Obligor shall exclude any and all obligations of the Obligor, whether absolute

or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction while the Obligor is not an Eligible Contract Participant.

**"Secured Parties"** means the Lenders from time to time party to the A&R Facility Agreement as Lenders.

**"Security Trustee"** has the meaning set forth in the Preamble hereto.

**"UCC"** means the Uniform Commercial Code as in effect from time to time in the state of New York except as such term may be used in connection with the perfection of a security interest in the Collateral and then the applicable jurisdiction with respect to such affected Collateral shall apply.

2. **Grant of Security Interest in the Collateral.** To secure the prompt payment and performance in full when due, whether by lapse of time, acceleration, mandatory prepayment or otherwise, of the Secured Obligations, the Obligor hereby grants to Security Trustee, for the benefit of the Secured Parties, a continuing security interest in, and a right to set off against, any and all right, title and interest of the Obligor in and to all of the following, whether now owned or existing or owned, acquired, or arising hereafter (collectively, the **"Collateral"**):

- (a) all Goods;
- (b) all Inventory; and
- (c) all Equipment;

of the Obligor to the extent located in the jurisdiction of the United States of America or any commonwealth or territory of the United States of America, and all Accounts, Chattel Paper, Commercial Tort Claims, Documents, General Intangibles, Instruments, Letter-of-Credit Rights, Supporting Obligations, Accessions, and all Proceeds arising out of (a) through (c) above.

Notwithstanding anything in this Section 2 to the contrary, the foregoing grant of a security interest shall not be deemed to grant a security interest in any of the property described below and the term Collateral shall exclude the property described below (such property being hereinafter referred to as "Excluded Property"):

(I) any Equipment, General Intangibles or contracts related thereto, to the extent that, under applicable Laws, the Obligor is expressly prohibited from granting a security interest therein or applicable Laws provide for the involuntary forfeiture of the property in the event a security interest is granted therein without the consent of the appropriate Governmental Authority (other than to the extent that any such requirement or restriction would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of Article 9 of the UCC (or any successor provision or provisions)); provided, however, that if such prohibition or the condition requiring such consent relates only to the foreclosure of a security interest or the exercise of other rights and remedies upon a

default but not to the granting of a security interest therein, then a security interest in such property shall be deemed to be granted by this Agreement subject to the condition that the consent of such Governmental Authority is obtained by the Security Trustee prior to foreclosure or exercising its other rights or remedies hereunder as to which such consent is required; provided further that

(A) in the event of the termination or elimination of any prohibition or the requirement for any consent contained in any applicable Law to the extent sufficient to permit any Excluded Property to become Collateral hereunder, or upon the granting of any such consent, or waiving or terminating any requirement for such consent, a security interest shall be automatically and simultaneously granted hereunder in such Excluded Property, and the Excluded Property automatically and simultaneously shall be deemed to be assigned and pledged to the Security Trustee and shall be included as Collateral hereunder;

(B) the foregoing limitations on the security interests created hereby shall not apply (1) to the extent any such prohibition on the creation of a security interest is rendered ineffective under the UCC or other applicable Law or (2) to the extent such General Intangible, agreement, license, permit or other instrument was entered into with the sole intent of avoiding the requirement that a security interest be granted therein pursuant to this Agreement; and

(C) in no event shall the foregoing be construed to exclude from the security interests created by this Agreement any Proceeds of any such Equipment, General Intangible, agreement, license, permit or other instrument of the Obligor, the monetary value of the goodwill or other General Intangibles relating thereto, or any Accounts or the right to payments that are due or become due to the Obligor under any such agreement or other instrument;

(II) any Equipment, General Intangibles or contract, lease, permit or license related thereto, to the extent that the terms and provisions of a written agreement, document or instrument in effect on the date hereof (or after the date hereof if the relevant prohibition is permitted under the applicable A&R Facility Agreement) creating or evidencing such property or any rights relating thereto expressly prohibit the granting of a security interest therein or condition the granting of a security interest therein on the consent of a third party whose consent has not been obtained or would cause, or allow a third party to cause, the forfeiture of such property upon the granting of a security interest therein (other than to the extent that any such requirement or restriction would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of Article 9 of the UCC (or any successor provision or provisions)); provided, however, that if such prohibition or the condition requiring such consent relates only to the foreclosure of a security interest or the exercise of other rights or remedies upon a default, then a security interest in such property shall be deemed to be granted by this Agreement subject to the condition that the consent of such third party is obtained by the Security Trustee prior to foreclosure or exercising of its other rights or remedies hereunder as to which such consent is required; provided that

(A) in the event of the termination or elimination of any prohibition or the requirement for any consent contained in any applicable Law, agreement, document or instrument to the extent sufficient to permit any Excluded Property to become Collateral hereunder, or upon the granting of any such consent, or waiving or terminating any requirement for such consent, a security interest shall be automatically and simultaneously granted hereunder in such Excluded Property, and the Excluded Property automatically and simultaneously shall be deemed to be assigned and pledged to the Security Trustee and shall be included as Collateral hereunder;

(B) the foregoing limitations on the security interests created hereby shall not apply (1) to the extent any such prohibition on the creation of a security interest is rendered ineffective under the UCC or other applicable Law or (2) to the extent such General Intangible, agreement, license, permit or other instrument was entered into with the sole intent of avoiding the requirement that a security interest be granted therein pursuant to this Agreement; and

(C) in no event shall the foregoing be construed to exclude from the security interests created by this Agreement any Proceeds of any such Equipment, General Intangible, agreement, license, permit or other instrument of the Obligor, the monetary value of the goodwill or other General Intangibles relating thereto, or any Accounts or the right to payments that are due or become due to the Obligor under any such agreement or other instrument.

3. Representations and Warranties. The Obligor hereby represents and warrants to Security Trustee, for the benefit of the Secured Parties, that:

(a) Ownership. The Obligor is the legal and beneficial owner of its Collateral and has the right to pledge, sell, assign or transfer the same.

(b) Security Interest/Priority. This Agreement creates a valid security interest in favor of Security Trustee, for the benefit of the Secured Parties, in the Collateral of the Obligor and, when properly perfected by filing, shall constitute a valid and perfected, security interest in such Collateral having first priority, to the extent such security interest can be perfected by filing under the UCC, free and clear of all Liens except for Liens granted pursuant to this Agreement and Permitted Security (as defined in the A&R Facility Agreement).

(c) Equipment and Inventory. With respect to any Equipment and/or Inventory of the Obligor, the Obligor has exclusive possession and Control of such Equipment and Inventory of the Obligor except (i) for Equipment leased by the Obligor as a lessee, (ii) for Equipment or Inventory in transit with common carriers, and (iii) as set forth on Schedule 3(c). Except as set forth on Schedule 3(c), no Inventory of the Obligor is held by a Person other than the Obligor pursuant to consignment, sale or return, sale on approval or similar arrangement.



(d) Contracts; Agreements; Licenses. The Obligor does not have any material contracts, agreements or licenses which prevent the granting of a security interest in the Collateral.

(e) Other Locations. Schedule 3(e) sets forth a complete and accurate list as of the date hereof of all locations where any Inventory, Equipment, or other tangible personal property of the Obligor with a fair market value equal to or greater than \$25,000 is located in the United States or any United States commonwealth or territory. Except as specifically noted on Schedule 3(e), as of the date hereof, no personal property of the Obligor located in the United States or any United States commonwealth or territory is (i) stored with a bailee, warehouseman, processor or similar Person or (ii) consigned to any Person.

(f) Obligor Information. Schedule 3(f) sets forth the following information for the Obligor: (i) exact legal name and any former legal names during the five years prior to the date hereof, (ii) the jurisdiction of incorporation or formation, (iii) the type of organization, and (iv) the location of the chief executive office and principal place of business. Except as set forth on Schedule 3(f) The Obligor has not been a party to a merger, consolidation or other change in corporate structure within the past five years.

4. Covenants. The Obligor covenants that, until such time as the Secured Obligations arising under the Finance Documents have been paid in full and the commitment of the Lenders is terminated and the Lenders are no longer making facilities or financial accommodations available to the Borrowers thereunder, the Obligor shall:

(a) Filing of Financing Statements, Notices, etc. Execute and deliver to Security Trustee such agreements, assignments or instruments (including affidavits, notices, reaffirmations and amendments and restatements of existing documents, as Security Trustee may reasonably request, and do all such other things as Security Trustee may reasonably deem necessary or appropriate to assure to Security Trustee its security interests hereunder are perfected and maintained, including such instruments as Security Trustee may from time to time reasonably request in order to perfect and maintain the security interests granted hereunder in accordance with the UCC, to otherwise protect and assure Security Trustee of its rights and interests hereunder. Furthermore, the Obligor also hereby irrevocably makes, constitutes and appoints Security Trustee, its nominee or any other person whom Security Trustee may designate, as the Obligor's attorney in fact with full power and for the limited purpose to sign in the name of the Obligor any financing statements, or amendments and supplements to financing statements, renewal financing statements, notices or any similar documents which in Security Trustee's reasonable discretion would be necessary in order to perfect and maintain perfection of the security interests granted hereunder, such power, being coupled with an interest, being and remaining irrevocable until such time as the Secured Obligations arising under the Finance Documents have been paid in full and the Lenders are no longer making facilities or financial accommodations available to the Borrowers thereunder. In the event for any reason the Law of any jurisdiction other than New York becomes or is applicable to the Collateral of the Obligor or any part thereof, or to any of the Secured Obligations, the Obligor agrees to execute and deliver all such instruments and to do all such other things as Security Trustee in its sole discretion reasonably deems necessary or appropriate to preserve, protect and maintain the security interest of Security Trustee under the Law of such other jurisdiction (and, if the Obligor shall fail to do

so promptly upon the request of Security Trustee, then Security Trustee may execute any and all such requested documents on behalf of the Obligor pursuant to the power of attorney granted in this Agreement).

(b) Collateral Held by Third Party.

(i) Warehouseman, Bailee, Processors. If any Collateral is at any time in the possession or Control of a warehouseman, bailee, or any agent or processor of the Obligor (for the purposes of this clause (i), a "Collateral Holder"), the Obligor shall notify Security Trustee of the same, and, if Security Trustee so requests, the Obligor shall (1) notify such Collateral Holder in writing of Security Trustee's security interest therein, (2) instruct such Collateral Holder to hold all such Collateral for Security Trustee's account and subject to Security Trustee's instructions and (3) use commercially reasonable efforts to obtain a written acknowledgment (in form and substance reasonably satisfactory to Security Trustee) from such Collateral Holder that it is holding such Collateral for the benefit of Security Trustee; *provided that* the foregoing requirements (1) through (3) of this clause (i) shall not apply if the aggregate fair market value of the Collateral held by all Collateral Holders who have not delivered such written acknowledgment is less than \$25,000 individually or \$50,000 in the aggregate. At the request of Security Trustee, the Obligor shall file UCC financing statements naming each such Collateral Holders as bailee with respect to Collateral.

(ii) Consignment. If any Collateral is at any time in the possession or Control of a consignee of the Obligor (for the purposes of this clause (ii), a "Consignee"), the Obligor shall notify Security Trustee of the same and (i) file or record UCC financing statements against such Consignee prior to delivery of such item of Inventory to the Consignee and (ii) deliver appropriate notices required by the UCC to any secured parties of such Consignee having a blanket security interest against the assets of the Consignee or a security interest in Inventory of the Consignee prior to delivery of such item of Inventory to such Consignee (for the elimination of doubt, such UCC financing statement filing and notice to secured parties shall be required only once for each Consignee, subject to filing of UCC continuation statements and new notices to secured parties every five years in accordance with the UCC). In addition, upon the request of Security Trustee, the Obligor shall (1) notify such Consignee in writing of Security Trustee's security interest therein, (2) instruct such Consignee to hold all such Collateral for Security Trustee's account and subject to Security Trustee's instructions and (3) use commercially reasonable efforts to obtain a written acknowledgment (in form and substance reasonably satisfactory to Security Trustee) from such Consignee that it is holding such Collateral for the benefit of Security Trustee; *provided that* the foregoing requirements (1) through (3) of this clause (ii) shall not apply if the aggregate fair market value of the Collateral held by all Consignees who have not delivered such written acknowledgment is less than \$25,000 individually or \$50,000 in the aggregate.

(c) Commercial Tort Claims. (i) Promptly forward to Security Trustee a listing of any and all Commercial Tort Claims seeking damages in excess of \$25,000 individually or \$100,000 in the aggregate by or in favor of the Obligor and (ii) execute and deliver such statements, documents and notices and do and cause to be done all such things as may be required by Security Trustee, or required by Law to create, preserve, perfect and maintain

Security Trustee's security interest in any Commercial Tort Claims initiated by or in favor of the Obligor.

(d) Books and Records. Mark its books and records to reflect the security interest granted pursuant to this Agreement.

(e) Nature of Collateral. At all times maintain the Collateral as personal property and not affix any of the Collateral to any real property in a manner which would change its nature from personal property to real property or a fixture to real property, unless Security Trustee shall have a perfected Lien on such fixture or real property.

(f) [Reserved.]

(g) Treatment of Accounts. Not grant or extend the time for payment of any Account constituting Collateral, or compromise or settle any such Account for less than the full amount thereof, or release any person or property, in whole or in part, from payment thereof, or allow any credit or discount thereon, other than as normal and customary in the ordinary course of business of the Obligor or as required by applicable Law.

5. Advances. On failure of the Obligor to perform any of the covenants and agreements contained herein, Security Trustee may, at its sole option and in its sole discretion, perform the same and in so doing may expend such sums as Security Trustee may reasonably deem advisable in the performance thereof, including without limitation the payment of any insurance premiums, the payment of any taxes, a payment to obtain a release of Liens or potential Liens, expenditures made in defending against any adverse claim and all other expenditures which Security Trustee may make for the protection of the security hereof or may be compelled to make by operation of Law. All such sums and amounts so expended shall be repayable by the Obligor promptly upon timely notice thereof and demand therefor, shall constitute additional Secured Obligations and shall bear interest from the date said amounts are expended until paid at the highest rate in respect of overdue amounts specified in the A&R Facility Agreement. No such performance of any covenant or agreement by Security Trustee on behalf of the Obligor, and no such advance or expenditure therefor, shall relieve the Obligor of any Default or Event of Default. Security Trustee may make any payment hereby authorized in accordance with any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax lien, title or claim except to the extent such payment is being contested in good faith by the Obligor in appropriate proceedings and against which adequate reserves are being maintained in accordance with IFRS.

6. Remedies.

(a) General Remedies. At any time after an Event of Default has occurred and is continuing, Security Trustee shall have, in addition to the rights and remedies provided herein, in the Finance Documents, in any other documents relating to the Secured Obligations, or by Law (including, but not limited to, levy of attachment, garnishment and the rights and remedies set forth in the UCC of the jurisdiction applicable to the affected Collateral), the rights and remedies of a secured party under the UCC (regardless of whether the UCC is the law of the jurisdiction

where the rights and remedies are asserted and regardless of whether the UCC applies to the affected Collateral), and further, Security Trustee may, with or without judicial process or the aid and assistance of others,

(i) enter on any premises on which any of the Collateral may be located and, without resistance or interference by the Obligor, take possession of the Collateral,

(ii) dispose of any Collateral on any such premises,

(iii) require the Obligor to assemble and make available to Security Trustee at the expense of the Obligor any Collateral at any place and time designated by Security Trustee which is reasonably convenient to both parties,

(iv) remove any Collateral from any such premises for the purpose of effecting sale or other disposition thereof, and/or

(v) without demand and without advertisement, notice, hearing or process of law, all of which the Obligor hereby waives to the fullest extent permitted by Law, at any place and time or times, sell and deliver any or all Collateral held by or for it at public or private sale, at any exchange or broker's board or elsewhere, by one or more contracts, in one or more parcels, for Money, upon credit or otherwise, at such prices and upon such terms as Security Trustee deems advisable, in its sole discretion (subject to any and all mandatory legal requirements). The Obligor acknowledges that any such private sale may be at prices and on terms less favorable to the seller than the prices and other terms which might have been obtained at a public sale and, notwithstanding the foregoing, agrees that such private sale shall be deemed to have been made in a commercially reasonable manner. Neither Security Trustee's compliance with applicable Law nor its disclaimer of warranties relating to the Collateral shall be considered to adversely affect the commercial reasonableness of any sale. To the extent the rights of notice cannot be legally waived hereunder, the Obligor agrees that any requirement of reasonable notice shall be met if such notice, specifying the place of any public sale or the time after which any private sale is to be made, is personally served on or mailed, postage prepaid, to the Obligor in accordance with the notice provisions of the A&R Facility Agreement at least 10 days before the time of sale or other event giving rise to the requirement of such notice. Security Trustee may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Security Trustee shall not be obligated to make any sale or other disposition of the Collateral regardless of notice having been given. To the extent permitted by applicable Law, any Secured Party may be a purchaser at any such sale. To the extent permitted by applicable Law, the Obligor hereby waives all of its rights of redemption with respect to any such sale. Subject to the provisions of applicable Law, Security Trustee may postpone or cause the postponement of the sale of all or any portion of the Collateral by announcement at the time and place of such sale, and such sale may, without further notice, to the extent permitted by Law, be made at the time and place to which the sale was postponed, or Security Trustee may further postpone such sale by announcement made at such time and place.

(b) Remedies Relating to Accounts. At any time after an Event of Default has occurred and is continuing, whether or not Security Trustee has exercised any or all of its rights

and remedies hereunder, (i) the Obligor will promptly upon request of Security Trustee instruct all account debtors to remit all payments in respect of Accounts to a mailing location selected by Security Trustee and (ii) Security Trustee shall have the right to enforce the Obligor's rights against its customers and account debtors, and Security Trustee or its designee may notify the Obligor's customers and account debtors that the Accounts of the Obligor have been assigned to Security Trustee or of Security Trustee's security interest therein, and may (either in its own name or in the name of the Obligor or both) demand, collect (including without limitation by way of a lockbox arrangement), receive, take receipt for, sell, sue for, compound, settle, compromise and give acquittance for any and all amounts due or to become due on any Account, and, in Security Trustee's discretion, file any claim or take any other action or proceeding to protect and realize upon the security interest of the Secured Party in the Accounts. The Obligor acknowledges and agrees that the Proceeds of its Accounts remitted to or on behalf of Security Trustee in accordance with the provisions hereof shall be solely for Security Trustee's own convenience and that the Obligor shall not have any right, title or interest in such Accounts or in any such other amounts except as expressly provided herein. Neither Security Trustee nor the Secured Parties shall have any liability or responsibility to the Obligor for acceptance of a check, draft or other order for payment of money bearing the legend "payment in full" or words of similar import or any other restrictive legend or endorsement or be responsible for determining the correctness of any remittance, other than its own gross negligence and willful misconduct as determined by the final judgment of a court of competent jurisdiction.

(c) Access. In addition to the rights and remedies hereunder, at any time after an Event of Default has occurred and is continuing, Security Trustee shall have the right to enter and remain upon the various premises of the Obligor without cost or charge to Security Trustee, and use the same, together with materials, supplies, books and records of the Obligor for the purpose of collecting and liquidating the Collateral, or for preparing for sale and conducting the sale of the Collateral, whether by foreclosure, auction or otherwise. In addition, at any time after an Event of Default has occurred and is continuing, Security Trustee may remove Collateral, or any part thereof, from such premises and/or any records with respect thereto, in order to effectively collect or liquidate such Collateral.

(d) Nonexclusive Nature of Remedies. Failure by Security Trustee or the Secured Parties to exercise any right, remedy or option under this Agreement, any other Finance Document, any other document relating to the Secured Obligations, or as provided by Law, or any delay by Security Trustee or the Secured Parties in exercising the same, shall not operate as a waiver of any such right, remedy or option. No waiver hereunder shall be effective unless it is in writing, signed by the party against whom such waiver is sought to be enforced and then only to the extent specifically stated, which in the case of Security Trustee or the Secured Parties shall only be granted as provided herein. To the extent permitted by Law, neither Security Trustee, the Secured Parties nor any party acting as attorney for Security Trustee or the Secured Parties shall be liable hereunder for any acts or omissions or for any error of judgment or mistake of fact or law other than their gross negligence or willful misconduct hereunder, as determined by a final judgment in a court of competent jurisdiction. The rights and remedies of Security Trustee and the Secured Parties under this Agreement shall be cumulative and not exclusive of any other right or remedy which Security Trustee or the Secured Parties may have.

(e) Retention of Collateral. In addition to the rights and remedies hereunder, Security Trustee may, in compliance with Sections 9-620 and 9-621 of the UCC or otherwise complying with the requirements of applicable Law of the relevant jurisdiction, accept or retain the Collateral in satisfaction of the Secured Obligations. Unless and until Security Trustee shall have provided such notices, however, Security Trustee shall not be deemed to have retained any Collateral in satisfaction of any Secured Obligations for any reason.

(f) Deficiency. In the event that the proceeds of any sale, collection or realization are insufficient to pay all amounts to which Security Trustee and the Secured Parties are legally entitled, the Obligor shall be liable for the deficiency, together with interest thereon at the highest rate in respect of overdue amounts specified in the A&R Facility Agreement, together with the costs of collection and the reasonable fees, charges and disbursements of counsel. Any surplus remaining after the full payment and satisfaction of the Secured Obligations shall be returned to the Obligor or to whomsoever a court of competent jurisdiction shall determine to be entitled thereto. NOTWITHSTANDING ANY PROVISION TO THE CONTRARY CONTAINED HEREIN, IN ANY OTHER OF THE FINANCE DOCUMENTS OR IN ANY OTHER DOCUMENTS RELATING TO THE SECURED OBLIGATIONS, THE OBLIGATIONS OF THE OBLIGOR UNDER THE A&R FACILITY AGREEMENT AND THE OTHER FINANCE DOCUMENTS SHALL BE LIMITED TO AN AGGREGATE AMOUNT EQUAL TO THE LARGEST AMOUNT THAT WOULD NOT RENDER SUCH OBLIGATIONS SUBJECT TO AVOIDANCE UNDER SECTION 548 OF THE BANKRUPTCY CODE OF THE UNITED STATES OR ANY OTHER APPLICABLE DEBTOR RELIEF LAW (INCLUDING ANY COMPARABLE PROVISIONS OF ANY APPLICABLE STATE LAW).

## 7. Rights of Security Trustee.

(a) Power of Attorney. In addition to other powers of attorney contained herein, the Obligor hereby designates and appoints Security Trustee, on behalf of the Secured Parties, and each of its designees or agents, as attorney-in-fact of the Obligor, irrevocably and with power of substitution, with authority to take any or all of the following actions at any time after an Event of Default has occurred and is continuing:

(i) to demand, collect, settle, compromise, adjust, give discharges and releases, all as Security Trustee may reasonably determine;

(ii) to commence and prosecute any actions at any court for the purposes of collecting any Collateral and enforcing any other right in respect thereof;

(iii) to defend, settle or compromise any action brought and, in connection therewith, give such discharge or release as Security Trustee may deem reasonably appropriate;

(iv) receive and open mail addressed to the Obligor and endorse checks, notes, drafts, acceptances, money orders, bills of lading, warehouse receipts or other instruments or documents evidencing payment, shipment or storage of the goods giving rise to the Collateral of the Obligor on behalf of and in the name of the Obligor, or securing, or relating to such Collateral;

(v) sell, assign, transfer, make any agreement in respect of, or otherwise deal with or exercise rights in respect of, any Collateral or the goods or services which have given rise thereto, as fully and completely as though Security Trustee were the absolute owner thereof for all purposes;

(vi) adjust and settle claims under any insurance policy relating thereto;

(vii) execute and deliver all assignments, conveyances, statements, financing statements, renewal financing statements, security agreements, affidavits, notices and other agreements, instruments and documents that Security Trustee may determine necessary in order to perfect and maintain the security interests and liens granted in this Agreement and in order to fully consummate all of the transactions contemplated therein;

(viii) institute any foreclosure proceedings that Security Trustee may deem appropriate;

(ix) to sign and endorse any drafts, assignments, proxies, stock powers, verifications, notices and other documents relating to the Collateral;

(x) to pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against the Collateral;

(xi) to direct any parties liable for any payment in connection with any of the Collateral to make payment of any and all monies due and to become due thereunder directly to Security Trustee or as Security Trustee shall direct;

(xii) to receive payment of and receipt for any and all monies, claims, and other amounts due and to become due at any time in respect of or arising out of any Collateral; and

(xiii) do and perform all such other acts and things as Security Trustee may reasonably deem to be necessary, proper or convenient in connection with the Collateral.

This power of attorney is a power coupled with an interest and shall be irrevocable until such time as the Secured Obligations arising under the Finance Documents have been paid in full and the Lenders are no longer making facilities or financial accommodations available to the Borrowers thereunder. Security Trustee shall be under no duty to exercise or withhold the exercise of any of the rights, powers, privileges and options expressly or implicitly granted to Security Trustee in this Agreement, and shall not be liable for any failure to do so or any delay in doing so. Security Trustee shall not be liable for any act or omission or for any error of judgment or any mistake of fact or law in its individual capacity or its capacity as attorney-in-fact except acts or omissions resulting from its gross negligence or willful misconduct as determined in a final judgment by a court of competent jurisdiction. This power of attorney is conferred on Security Trustee solely to protect, preserve and realize upon its security interest in the Collateral.

(b) [Reserved.]

(c) Assignment by Security Trustee. Security Trustee may from time to time assign the Secured Obligations to a successor Security Trustee in accordance with the A&R Facility Agreement, and such successor shall be entitled to all of the rights and remedies of Security Trustee under this Agreement in relation thereto.

(d) Security Trustee's Duty of Care. Other than the exercise of reasonable care to assure the safe custody of the Collateral while being held by Security Trustee hereunder, Security Trustee shall have no duty or liability to preserve rights pertaining thereto, it being understood and agreed that the Obligor shall be responsible for preservation of all rights in the Collateral, and Security Trustee shall be relieved of all responsibility for the Collateral upon surrendering it or tendering the surrender of it to the Obligor. Security Trustee shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which Security Trustee accords its own property, which shall be no less than the treatment employed by a reasonable and prudent agent in the industry, it being understood that Security Trustee shall not have responsibility for taking any necessary steps to preserve rights against any parties with respect to any of the Collateral. In the event of a public or private sale of Collateral pursuant to Section 7 hereof, Security Trustee shall have no responsibility for (i) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Collateral, whether or not Security Trustee has or is deemed to have knowledge of such matters, or (ii) taking any steps to clean, repair or otherwise prepare the Collateral for sale.

(e) Liability with Respect to Accounts. Anything herein to the contrary notwithstanding, the Obligor shall remain liable under each of the Accounts to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to each such Account. Neither Security Trustee nor any Secured Party shall have any obligation or liability under any Account (or any agreement giving rise thereto) by reason of or arising out of this Agreement or the receipt by Security Trustee or any Secured Party of any payment relating to such Account pursuant hereto, nor shall Security Trustee or any Secured Party be obligated in any manner to perform any of the obligations of the Obligor under or pursuant to any Account (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any agreement giving rise thereto), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(f) Releases of Collateral. Subject to the terms of the A&R Facility Agreement, if any Collateral shall be sold, transferred or otherwise disposed of by the Obligor in a transaction permitted by the A&R Facility Agreement, then the Liens created hereby shall be automatically terminated and released with respect to such Collateral, and Security Trustee, at the request and sole expense of the Obligor, shall promptly execute and deliver to the Obligor all releases and other documents, and take such other action, reasonably necessary for the release of the Liens created hereby or by any other Collateral Document on such Collateral.

8. Application of Proceeds. Upon the acceleration of the Secured Obligations pursuant to any Finance Document, any payments in respect of the Secured Obligations and any proceeds of



the Collateral, when received by Security Trustee or any Secured Party in Money, will be applied in reduction of the Secured Obligations in the order set forth in the A&R Facility Agreement.

9. Continuing Agreement.

(a) This Agreement shall remain in full force and effect until such time as the Secured Obligations arising under the Finance Documents have been paid in full and the Lenders are no longer making facilities or financial accommodations available to the Borrowers thereunder, at which time this Agreement shall be automatically terminated and Security Trustee shall, upon the request and at the expense of the Obligor, forthwith release all of its liens and security interests hereunder and shall authorize the filing of and/or execute and deliver all UCC termination statements and/or other documents reasonably requested by the Obligor evidencing such termination.

(b) This Agreement shall continue to be effective or be automatically reinstated, as the case may be, if at any time payment, in whole or in part, of any of the Secured Obligations is rescinded or must otherwise be restored or returned by Security Trustee or any Secured Party as a preference, fraudulent conveyance or otherwise under any Debtor Relief Law, all as though such payment had not been made; provided that in the event payment of all or any part of the Secured Obligations is rescinded or must be restored or returned, all reasonable costs and expenses (including without limitation any reasonable legal fees and disbursements) incurred by Security Trustee or any Secured Party in defending and enforcing such reinstatement shall be deemed to be included as a part of the Secured Obligations.

10. Amendments; Waivers; Modifications, etc. This Agreement and the provisions hereof may not be amended, waived, modified, changed, discharged or terminated except as set forth herein or in the A&R Facility Agreement; provided that any update or revision to the Schedules hereto delivered by the Obligor pursuant to Section 21 hereof shall not constitute an amendment for purposes of this Section 11 or Clause 38 of the A&R Facility Agreement.

11. Successors in Interest. This Agreement shall be binding upon the Obligor, its successors and assigns and shall inure, together with the rights and remedies of Security Trustee hereunder, to the benefit of Security Trustee and the Secured Parties and their respective successors and permitted assigns.

12. Notices. All notices required or permitted to be given under this Agreement shall be in conformance with Clause 34 of the A&R Facility Agreement.

13. Counterparts; Delivery. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

14. Headings. The headings of the sections hereof are provided for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

15. Governing Law; Submission to Jurisdiction; Venue; WAIVER OF JURY TRIAL.

(a) Governing Law; Submission to Jurisdiction. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW). TO THE FULLEST EXTENT PERMITTED BY LAW, THE OBLIGOR HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK GOVERNS THIS AGREEMENT. Any legal action or proceeding with respect to this Agreement shall be brought in the Supreme Court of the State of New York sitting in Manhattan or Brooklyn or in the United States District Courts of the Southern or Eastern Districts of New York, and, by execution and delivery of this Agreement, the Obligor hereby irrevocably accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. The Obligor hereby further irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the Obligor at its address for notices pursuant to Clause 34 of the A&R Facility Agreement, such service to become effective 30 days after such mailing or at such earlier time as may be provided under applicable law. Nothing herein shall affect the right of Security Trustee to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against the Obligor in any other jurisdiction.

(b) Venue. The Obligor hereby irrevocably waives any objection that it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Agreement brought in the courts referred to in the second sentence of Section 16(a) above and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

(c) WAIVER OF JURY TRIAL. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT (INCLUDING WITHOUT LIMITATION ANY AMENDMENTS, WAIVERS OR OTHER MODIFICATIONS RELATING TO ANY OF THE FOREGOING), OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY HERETO HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS PARAGRAPH.

16. Severability. If any provision of this Agreement is determined to be illegal, invalid or unenforceable, such provision shall be fully severable and the remaining provisions shall remain

in full force and effect and shall be construed without giving effect to the illegal, invalid or unenforceable provisions.

17. Entirety. This Agreement, the other Finance Documents and the other documents relating to the Secured Obligations represent the entire agreement of the parties hereto and thereto, and supersede all prior agreements and understandings, oral or written, if any, including any commitment letters or correspondence relating to the Finance Documents, any other documents relating to the Secured Obligations, or the transactions contemplated herein and therein.

18. Other Security. To the extent that any of the Secured Obligations are now or hereafter secured by property other than the Collateral (including without limitation real property and securities owned by the Obligor), or by a guarantee, endorsement or property of any other Person, then Security Trustee shall have the right to proceed against such other property, guarantee or endorsement at any time after an Event of Default has occurred and is continuing, and Security Trustee shall have the right, in its sole discretion, to determine which rights, security, liens, security interests or remedies Security Trustee shall at any time pursue, relinquish, subordinate, modify or take with respect thereto, without in any way modifying or affecting any of them or the Secured Obligations or any of the rights of Security Trustee or any Secured Party under this Agreement, under any other of the Finance Documents or under any other document relating to the Secured Obligations.

19. Interpretation. This Agreement shall be read in combination with and not in substitution for all other provisions of the Finance Documents granting charges, liens and security interests in property of the Obligor. This Agreement does not constitute a novation of any other Finance Document. In the event of any conflict between this Agreement and the terms and conditions of any other Finance Documents, the conflicting term of the other Finance Document shall prevail; provided, however, that this Section 19 shall not apply to Section 15 for purposes of this Agreement.

*[Remainder of page intentionally left blank]*

Each of the parties hereto has caused a counterpart of this Security and Pledge Agreement to be duly executed and delivered as of the date first above written.

OBLIGOR:

SIGNED by *Law. C. Jones* )  
For and on behalf of )  
Fabergé (UK) Limited )  
a company incorporated in )  
England and Wales having its )  
registered office at )  
1 New Burlington Place, )  
4th Floor, London, W1S2HR )

*[Handwritten Signature]*



Accepted and agreed to as of the date first above written.

SIGNED by )  
for and on behalf of )  
GB Europe Management Services Limited )  
a company incorporated in )  
England and Wales with company number )  
07203456 and having its registered office at )  
13 Hanover Square, 3rd Floor, London, W1S 1HN, )  
as Security Trustee )

*Signature Page to Security and Pledge Agreement*

SCHEDULE 3 (c)

CONSIGNMENT, SALE OR RETURN, SALE ON APPROVAL, ETC.

Consigned goods to Fabergé Inc.

**SCHEDULE 3 (e)**

**LOCATIONS**

**Safe in the New York office.**

SCHEDULE 3 (f)  
OBLIGOR INFORMATION

Current Legal Name: Fabergé (UK) Limited.

Former Legal Name (if any, within the past five years): Nil

Jurisdiction of Incorporation: England and Wales

Type of Organization: Corporation

Location of Chief Executive Office and Principal Place of Business: 1 New Burlington Place,  
London

Change in Corporate Structure in the last five years (if any): A Luxembourg company Fabergé S.a.r.l was voluntarily liquidated in 2015. Fabergé S.a.r.l was at that point the indirect 100% shareholder of Fabergé Inc., via Fabergé Suisse.