



Registration of a Charge

Company Name: **BUSY BEES HOLDINGS LIMITED**

Company Number: **06903391**



Received for filing in Electronic Format on the: **19/07/2021**

XA92M7TT

Details of Charge

Date of creation: **13/07/2021**

Charge code: **0690 3391 0013**

Persons entitled: **SMBC BANK INTERNATIONAL PLC (AND ITS SUCCESSORS IN TITLE AND PERMITTED TRANSFEREES)**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

Certification statement: **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: **LINKLATERS LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 6903391

Charge code: 0690 3391 0013

The Registrar of Companies for England and Wales hereby certifies that a charge dated 13th July 2021 and created by BUSY BEES HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 19th July 2021 .

Given at Companies House, Cardiff on 19th July 2021

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**

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EXECUTION VERSION

13 July 2021

SHARE CHARGE

between

BUSY BEES HOLDINGS LIMITED
as the Chargor

and

SMBC BANK INTERNATIONAL PLC
as Security Agent

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THIS DEED is made on 13 July 2021 between the following parties

- (1) **BUSY BEES HOLDINGS LIMITED**, a company incorporated under the laws of England and Wales, with registered number 06903391, whose registered office is at St Mathews, Shaftesbury Drive, Burntwood, Staffordshire, WS7 9QP (the “**Chargor**”); and
- (2) **SMBC BANK INTERNATIONAL PLC** as security trustee for itself and the other Secured Parties (the “**Security Agent**”).

IT IS AGREED as follows

1 INTERPRETATION

1.1 Definitions

In this Deed:

“**Acceleration Event**” shall include a Senior Acceleration Event, Super Senior Acceleration Event and a Senior Secured Notes Acceleration Event (and each such term shall have the meaning given to it in the Intercreditor Agreement);

“**Charged Property**” means all the assets and undertakings of the Chargor which from time to time are subject of the Security created, charged, assigned or otherwise secured or expressed to be created in favour of the Security Agent by or pursuant to this Deed;

“**Company**” means Eagle Bidco Limited, a company incorporated under the laws of England and Wales with registered number 08738842, whose registered office is at Busy Bees, Shaftesbury Drive, Burntwood, Staffordshire, WS7 9QP;

“**Intercreditor Agreement**” means the intercreditor agreement dated on or around the date of this Deed between, amongst others, the Company as company, the Original Debtors, the Original Senior Agent, the Security Agent, the Original Senior Arrangers and the Original Senior Lenders (each as defined therein);

“**Parties**” means each of the parties to this Deed from time to time;

“**PSC Registrable Person**” means a “registrable person” or “registrable relevant legal entity” within the meaning of section 790C(4) and (8) of the Companies Act 2006;

“**Receiver**” means a receiver, receiver and manager or administrative receiver, in each case appointed under this Deed;

“**Related Rights**” means all dividends, distributions and other income paid or payable on a Share, together with all shares or other property derived from any Share and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that Share (whether by way of conversion, redemption, bonus, preference, option or otherwise);

“**Quasi-Security**” means a transaction (other than a Security Interest permitted under a Secured Debt Document) under which any member of the Group will:

- (a) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by any other member of the Group;
- (b) sell, transfer or otherwise dispose of any of its receivables on recourse terms;

- (c) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
- (d) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Indebtedness or of financing the acquisition of an asset;

“Secured Debt Document” has the meaning given to the term *“Senior Secured Finance Documents”* in the Intercreditor Agreement;

“Secured Obligations” has the meaning given to such term in the Intercreditor Agreement;

“Secured Parties” has the meaning given to such term in the Intercreditor Agreement;

“Security” has the meaning given to such term in the Intercreditor Agreement;

“Senior Facilities Agreement” means the senior facilities agreement dated on or around the date of this Deed between, amongst others, the Company as company, the Mandated Lead Arranger, the Original Lenders, the Agent and the Security Agent (each as defined therein);

“Shares” means all shares directly owned by the Chargor from time to time in any member of the Group incorporated in England and Wales including, but not limited to, the shares, if any, specified in Schedule 1 (*Shares*);

1.2 Construction

In this Deed, unless a contrary intention appears, a reference to:

- (a) an **“agreement”** includes any legally binding arrangement, concession, contract, deed or franchise (in each case whether oral or written);
- (b) an **“amendment”** includes any amendment, supplement, variation, novation, modification, replacement or restatement and **“amend”**, **“amending”** and **“amended”** shall be construed accordingly;
- (c) **“assets”** includes present and future properties, revenues and rights of every description;
- (d) **“including”** means including without limitation and **“includes”** and **“included”** shall be construed accordingly;
- (e) **“losses”** includes losses, actions, damages, claims, proceedings, costs, demands, expenses (including fees) and liabilities and **“loss”** shall be construed accordingly;
- (f) any action or circumstance being **“permitted”** under any document or agreement (including the Secured Debt Documents) shall, for the purposes of this Deed, be deemed to include the case where such action or circumstance is not prohibited under such document or agreement (and vice versa);
- (g) a **“person”** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or any two or more of the foregoing; and
- (h) 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 regulatory, self-regulatory or other authority or organization (and **“regulatory”** shall be construed accordingly).

1.3 Other References

- (a) In this Deed, unless a contrary intention appears, a reference to:
 - (i) any Secured Party, the Chargor or any other person is, where relevant, deemed to be a reference to or to include, as appropriate, that person's successors in title, permitted assignees and transferees and in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Secured Debt Documents;
 - (ii) any Secured Debt Document or other agreement or instrument is to be construed as a reference to that agreement or instrument as amended or novated, including by way of increase of the facilities or other obligations or addition of new facilities or other obligations made available under them or accession or retirement of the parties to these agreements but excluding any amendment or novation made contrary to any provision of any Secured Debt Document;
 - (iii) any clause or schedule is a reference to, respectively, a clause of and schedule to this Deed and any reference to this Deed includes its schedules; and
 - (iv) a provision of law is a reference to that provision as amended or re-enacted.
- (b) The index to and the headings in this Deed are inserted for convenience only and are to be ignored in construing this Deed.
- (c) Words importing the plural shall include the singular and vice versa.

1.4 Incorporation by reference

Unless the context otherwise requires or unless otherwise defined in this Deed, words and expressions defined in the Intercreditor Agreement (failing which the Senior Facilities Agreement) have the same meanings when used in this Deed.

1.5 Intercreditor Agreement

In the event of any inconsistency or conflict between the terms of this Deed and the Intercreditor Agreement or any other Secured Debt Document then (to the fullest extent permitted by law) the provisions of the Intercreditor Agreement or the Secured Debt Documents (as applicable) will take priority over the provisions of this Deed.

1.6 Miscellaneous

- (a) The terms of the documents under which the Secured Obligations arise and of any side letters between any Chargor and any Secured Party relating to the Secured Obligations are incorporated in this Deed to the extent required for any purported disposition of the Charged Property contained in this Deed to be a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
- (b) Subject to paragraph (c) below and notwithstanding any other provision of this Deed, the obtaining of a moratorium under Part A1 of the Insolvency Act 1986, or anything done with a view to obtaining such a moratorium (including any preliminary decision or investigation), other than in respect of a floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986, shall not be an event causing restrictions which would not otherwise apply to be imposed on the disposal of property by any Chargor or a ground for the appointment of a Receiver.

- (c) Paragraph (b) above shall not apply in respect of any floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.
- (d) The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Deed and no rights or benefits expressly or impliedly conferred by this Deed shall be enforceable under that Act against the Parties by any other person.
- (e) The Parties hereto intend that this document shall take effect as a deed notwithstanding that any party may only execute this document under hand.
- (f) Notwithstanding anything to the contrary in this Deed but without prejudice to the creation or perfection of any security interest under this Deed, the terms of this Deed shall not operate or be construed so as to prohibit or restrict any transaction, matter or other step (or the Chargor taking or entering into the same or dealing in any manner whatsoever in relation to any asset (including all rights, claims, benefits, proceeds and documentation, and contractual counterparties in relation thereto)) permitted by the Secured Debt Documents (as defined in the Intercreditor Agreement) (other than this Deed), and the Security Agent shall promptly enter into such documentation and/or take such other action in relation to this Deed as is required by the Chargor (acting reasonably) in order to facilitate any such transaction, matter or other step, including by way of executing any confirmation, consent to dealing, release or other similar or equivalent document, or returning any physical collateral.

2 LIMITED RECOURSE

The recourse of the Security Agent against the Chargor in respect of the Secured Obligations is limited to the rights of enforcement and recovery against the Charged Property and accordingly the Security Agent agrees that the total amount recoverable against the Chargor under this Deed shall be limited to the proceeds recovered by the Security Agent realising the Charged Property in accordance with this Deed.

3 CHARGING PROVISION

With effect from and including the date of this Deed, the Chargor, as continuing security for the payment and discharge of the Secured Obligations, charges in favour of the Security Agent with full title guarantee the following assets, both present and future, from time to time owned by it or in which it has an interest, by way of first fixed charge, all the Shares and all corresponding Related Rights.

4 FURTHER ASSURANCE

- 4.1 The covenants set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in clause 4.2 below.
- 4.2 The Chargor shall take all such action as is available to it (including making all filings, applications and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Secured Parties by or pursuant to this Deed.

5 NEGATIVE PLEDGE

The Chargor may not:

- (a) create or agree to create or permit to subsist any Security or Quasi-Security over all or any part of the Charged Property;

- (b) sell, transfer, lease out, lend or otherwise dispose of all or any part of the Charged Property or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so; or
- (c) dispose of the equity of redemption in respect of all or any part of the assets charged under Clause 3 (*Charging Provision*) of this Deed,

except as permitted by the Secured Debt Documents or with the prior written consent of the Security Agent.

6 PROTECTION OF SECURITY

- (a) The Chargor will promptly following a request by the Security Agent deposit with the Security Agent (or as it shall direct):
 - (i) all stock and share certificates and other documents of title relating to the Shares together with stock transfer forms executed in blank and left undated on the basis that the Security Agent shall be able to hold such documents of title and stock transfer forms until the Secured Obligations have been irrevocably and unconditionally discharged in full and shall be entitled, at any time following the occurrence of an Acceleration Event which is continuing to complete, under its power of attorney given in this Deed, the stock transfer forms on behalf of the Chargor in favour of itself or such other person as it shall select; and
 - (ii) following an Acceleration Event which is continuing, all other documents relating to the Charged Property which the Security Agent may from time to time reasonably require.
- (b) Notwithstanding anything else set out herein, the Chargor shall only be required to deposit a share certificate, stock transfer form, deed or other document of title:
 - (i) in respect of Shares in an entity incorporated in England and Wales;
 - (ii) in respect of Shares held in certificated form; and
 - (iii) that is held by or otherwise (or the issue thereof is) subject to adjudication and stamping by HM Revenue and Customs, as soon as reasonably practicable following receipt of the duly stamped stock transfer instrument from HM Revenue and Customs.
- (c) The Security Agent may retain any document delivered to it under this Clause 6 or otherwise until the security created under this Deed is released and, if for any reason it ceases to hold any such document before that time, it may by notice to the Chargor require that the document be redelivered to it and the Chargor shall promptly comply (or procure compliance) with that notice.
- (d) Any document required to be delivered to the Security Agent under paragraph (a) of this Clause 6 which is for any reason not so delivered or which is released by the Security Agent to a Chargor shall be held on trust by the Chargor for the Security Agent.

7 UNDERTAKINGS

7.1 General

The Chargor undertakes to the Security Agent in the terms of this Clause 7 from the date of this Deed and for so long as any of the Secured Obligations are outstanding.

7.2 Voting and Distribution Rights

- (a) Subject to the terms of the Secured Debt Documents, until the occurrence of an Acceleration Event which is continuing:
 - (i) the Chargor shall be entitled to receive and retain all dividends, distributions and other monies paid on or derived from its Shares; and
 - (ii) the Chargor shall be entitled to exercise all voting and other rights and powers attaching to its Shares provided that it shall not exercise any such voting rights or powers in a manner which would adversely affect the validity, enforceability or existence of the Charged Property or the Security created under this Deed.
- (b) At any time after the occurrence of an Acceleration Event which is continuing, all voting rights in respect of the Shares shall be exercised by the Chargor as directed by the Security Agent, unless the Security Agent has notified the Chargor in writing that it wishes to give up this right.
- (c) At any time after the occurrence of an Acceleration Event which is continuing, the Chargor shall hold any dividends, distributions and other monies paid on or derived from the Shares on trust for the Secured Parties and pay the same to, or as directed by, the Security Agent.
- (d) If, at any time following the occurrence of an Acceleration Event which is continuing, any Shares are registered in the name of the Security Agent or its nominee, the Security Agent will not be under any duty to ensure that any dividends, distributions or other monies payable in respect of those Shares are duly and promptly paid or received by it or its nominee, or to verify that the correct amounts are paid or received, or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of or in substitution for, any of those Shares.

8 PSC

- (a) The Chargor shall:
 - (i) comply with any notice received by it from any company incorporated in the United Kingdom in respect of any Shares under section 790D of the Companies Act 2006; under section 790E of the Companies Act 2006; which is a “warning notice” as defined in paragraph 1(2) of Schedule 1B of the Companies Act 2006; or which is a “restrictions notice” as defined in paragraph 1(2) of Schedule 1B of the Companies Act 2006, in each case within the timeframe specified in such notice; and
 - (ii) promptly provide the Security Agent with a copy of any such notice.
- (b) The Chargor shall not do anything, or permit anything to be done, which could result in any other person becoming a PSC Registrable Person in respect of a company whose shares are Charged Property or require that company to issue a notice under sections 790D or 790E, or a warning or restrictions notice under Schedule 1B, of the Companies Act 2006.
- (c) For the purposes of withdrawing any restrictions notice or for any application (or similar) to the court under Schedule 1B of the Companies Act 2006, the Chargor shall provide such assistance as the Security Agent may reasonably request in respect of any shares which are Charged Property and provide the Security Agent with all information, documents and evidence that it may reasonably request in connection with the same.

9 RIGHTS OF THE CHARGOR

Notwithstanding anything to the contrary set out in this Deed, until the occurrence of an Acceleration Event which is continuing, the Chargor shall continue to have the sole right (i) to deal with any Charged Property and all contractual counterparties in respect thereof, and (ii) to amend, waive or terminate (or allow to lapse) any rights, benefits and/or obligations in respect of such Charged Property, in each case without reference to any Secured Party, subject only to the terms of the Secured Debt Documents.

10 CONTINUING SECURITY

10.1 Continuing Security

The Security constituted by this Deed shall be a continuing security and will extend to the ultimate balance of the Secured Liabilities notwithstanding any intermediate notwithstanding any intermediate payment or settlement of all or any part of the Secured Obligations or any other act, matter or thing.

10.2 Other Security

The Security constituted by this Deed is to be in addition to and shall neither be merged in nor in any way exclude or prejudice or be affected by any other Security or other right which the Security Agent and/or any other Secured Party may now or after the date of this Deed hold for any of the Secured Obligations, and this Security may be enforced against the Chargor without first having recourse to any other rights of the Security Agent or any other Secured Party.

11 ENFORCEMENT OF SECURITY

11.1 Enforcement Powers

For the purpose of all rights and powers implied or granted by statute, the Secured Obligations are deemed to have fallen due on the date of this Deed. The power of sale and other powers conferred by section 101 of the Law of Property Act 1925 and all other enforcement powers conferred by this Deed shall be immediately exercisable at any time after an Acceleration Event has occurred and is continuing.

11.2 Statutory Powers

The powers conferred on mortgagees, receivers or administrative receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (as the case may be) shall apply to the Security created under this Deed, unless they are expressly or impliedly excluded. If there is ambiguity or conflict between the powers contained in those Acts and those contained in this Deed, those contained in this Deed shall prevail.

11.3 Exercise of Powers

All or any of the powers conferred upon mortgagees by the Law of Property Act 1925 as varied or extended by this Deed, and all or any of the rights and powers conferred by this Deed on a Receiver (whether expressly or impliedly), may be exercised by the Security Agent without further notice to the Chargor at any time after an Acceleration Event has occurred and is continuing, irrespective of whether the Security Agent has taken possession or appointed a Receiver of the Charged Property.

11.4 Disapplication of Statutory Restrictions

The restriction on the consolidation of mortgages and on power of sale imposed by sections 93 and 103 respectively of the Law of Property Act 1925 shall not apply to the security constituted by this Deed.

11.5 Appropriation under the Financial Collateral Regulations

- (a) To the extent that any of the Charged Property constitutes “**financial collateral**” and this Deed and the obligations of the Chargor hereunder constitute “**security financial collateral arrangement**” (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (as amended) (the “**Regulations**”)), the Security Agent shall have the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations and may exercise that right to appropriate by giving notice to the Chargor at any time after an Acceleration Event has occurred and is continuing.
- (b) The Parties agree that the value of any such appropriated financial collateral shall be: (x) in the case of securities, the price at which such securities can be disposed of by the Security Agent; and (y) in the case of any other asset, the market value of such financial collateral as determined by the Security Agent, in each case, in a commercially reasonable manner (including by way of an independent valuation). The Parties agree that the methods of valuation provided for in this paragraph shall constitute commercially reasonable methods of valuation for the purposes of the Regulations.

12 ADMINISTRATORS AND RECEIVERS

12.1 Appointment of Receiver

- (a) Subject to paragraph (c) below, at any time after an Acceleration Event has occurred and is continuing, or if so requested by the Chargor, the Security Agent may by writing under hand signed by any officer or manager of the Security Agent, appoint any person (or persons) to be a Receiver of all or any part of the Charged Property.
- (b) Section 109(1) of the Law of Property Act 1925 shall not apply to this Deed.
- (c) The Security Agent shall be entitled to appoint a Receiver save to the extent prohibited by section 72A Insolvency Act 1986.

12.2 Powers of Receiver

Each Receiver appointed under this Deed shall have (subject to any limitations or restrictions which the Security Agent may incorporate in the deed or instrument appointing it) all the powers conferred from time to time on receivers by the Law of Property Act 1925 and the Insolvency Act 1986 (each of which is deemed incorporated in this Deed), so that the powers set out in Schedule 1 to the Insolvency Act 1986 shall extend to every Receiver, whether or not an administrative receiver. In addition, notwithstanding any liquidation of the Chargor, each Receiver shall, upon the occurrence of an Acceleration Event which is continuing, have power to:

- (a) exercise all voting and other rights attaching to the Shares and stocks, shares and other securities owned by the Chargor and comprised in the Charged Property, but only following a written notification from either the Receiver or the Security Agent to the Chargor stating that the Security Agent shall exercise all voting rights in respect of the Shares and stocks, shares and other securities owned by the Chargor and comprised in the Charged Property;
- (b) redeem any prior Security on or relating to the Charged Property and settle and pass the accounts of the person entitled to that prior Security, so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver;
- (c) settle any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor or relating to any of the Charged Property; and

- (d) do all other acts and things (including signing and executing all documents and deeds) as the Receiver considers to be incidental or conducive to any of the matters or powers in this Clause 12.2, or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property,

and in each case may use the name of the Chargor and exercise the relevant power in any manner which he may think fit.

12.3 Receiver as Agent

Each Receiver shall be the agent of the Chargor, which shall be solely responsible for his acts or defaults, and for his remuneration and expenses, and be liable on any agreements or engagements made or entered into by him. The Security Agent will not be responsible for any misconduct, negligence or default of a Receiver.

12.4 Removal of Receiver

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

12.5 Remuneration of Receiver

The Security Agent may from time to time fix the remuneration of any Receiver appointed by it.

12.6 Several Receivers

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this Deed (unless the document appointing such Receiver states otherwise).

13 APPLICATION OF PROCEEDS

13.1 Order of Application

All monies received or recovered by the Security Agent or any Receiver pursuant to this Deed shall (subject to the claims of any person having prior rights thereto) be applied in the order and manner specified by clause 16 (*Application of proceeds*) of the Intercreditor Agreement notwithstanding any purported appropriation by the Chargor.

13.2 Section 109 Law of Property Act 1925

Sections 109(6) and (8) of the Law of Property Act 1925 shall not apply to a Receiver appointed under this Deed.

13.3 Application against Secured Obligations

Subject to Clause 13.1 above, any monies or other value received or realised by the Security Agent from the Chargor or a Receiver under this Deed may be applied by the Security Agent to any item of account or liability or transaction forming part of the Secured Obligations to which they may be applicable in any order or manner which the Security Agent may determine.

13.4 Suspense Account

Following the occurrence of an Acceleration Event which is continuing, until the Secured Obligations are paid in full, the Security Agent or the Receiver (as applicable) may place and keep (for such time as it shall determine) any money received, recovered or realized pursuant to this Deed

or on account of the Chargor's liability in respect of the Secured Obligations in an interest bearing separate suspense account (to the credit of either the Chargor or the Security Agent or the Receiver as the Security Agent or the Receiver shall think fit) and the Security Agent or the Receiver may retain the same for the period which it considers expedient without having any obligation to apply all or any part of that money in or towards discharge of the Secured Obligations.

14 PROTECTION OF SECURITY AGENT AND RECEIVER

14.1 No Liability

Neither the Security Agent nor any Receiver shall be liable in respect of any of the Charged Property or 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, their respective powers, unless caused by its or his gross negligence, fraud, or wilful default under the Secured Debt Documents.

14.2 Possession of Charged Property

Without prejudice to Clause 14.1 (*No liability*) above, if the Security Agent or the Receiver enters into possession of the Charged Property, it will not be liable to account as mortgagee in possession and may at any time at its discretion go out of such possession.

14.3 Primary liability of Chargor

The Chargor shall be deemed to be a principal debtor and the sole, original and independent obligor for the Secured Obligations and the Charged Property shall be deemed to be a principal security for the Secured Obligations. The liability of the Chargor under this Deed and the charges contained in this Deed shall not be impaired by any forbearance, neglect, indulgence, abandonment, extension of time, release, surrender or loss of securities, dealing, variation or arrangement by the Security Agent or any other Secured Party, or by any other act, event or matter whatsoever whereby the liability of the Chargor (as a surety only) or the charges contained in this Deed (as secondary or collateral charges only) would, but for this provision, have been discharged.

14.4 Waiver of defences

Clause 26.1 (*Waiver of Defences*) of the Intercreditor Agreement will apply in relation to this Deed as if incorporated in this Deed, but on the basis that the obligations of each Debtor arising under those clauses will be deemed to be substituted by the obligations of the Chargor under this Deed.

14.5 Delegation

The Security Agent may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by it under this Deed to any person or persons upon such terms and conditions (including the power to sub-delegate) as it may think fit. The Security Agent will not be liable or responsible to the Chargor or any other person for any losses arising from any act, default, omission or misconduct on the part of any delegate.

14.6 Security Agent

The provisions set out in clause 19 (*The Security Agent*) of the Intercreditor Agreement shall govern the rights, duties, and obligations of the Security Agent under this Deed.

14.7 Cumulative Powers

The powers which this Deed confers on the Security Agent, the other Secured Parties and any Receiver appointed under this Deed are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate. The Security Agent, the other Secured Parties or the Receiver may, in connection with the exercise of

their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The respective powers of the Security Agent, the other Secured Parties and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

15 POWER OF ATTORNEY

- 15.1** The Chargor, by way of security, irrevocably and severally appoints the Security Agent, each Receiver and any person nominated for the purpose by the Security Agent or any Receiver (in writing and signed by an officer of the Security Agent or Receiver) as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, seal and deliver (using the company seal where appropriate) and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which it ought to execute and do under the terms of this Deed, or which may be required or deemed proper in the exercise of any rights or powers conferred on the Security Agent or any Receiver under this Deed or otherwise for any of the purposes of this Deed, and the Chargor covenants with the Security Agent and each Receiver to ratify and confirm all such acts or things made, done or executed by that attorney.
- 15.2** The power of attorney referred to in this Clause 15 may only be exercised following the occurrence of an Acceleration Event which is continuing.

16 PROTECTION FOR THIRD PARTIES

16.1 No Obligation to Enquire

No purchaser from, or other person dealing with, the Security Agent or any Receiver (or their agents) shall be obliged or concerned to enquire whether:

- (a) the right of the Security Agent or any Receiver to exercise any of the powers conferred by this Deed has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power; or
- (b) any of the Secured Obligations remain outstanding and/or are due and payable or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters.

16.2 Receipt Conclusive

The receipt of the Security Agent or any Receiver shall be an absolute and a conclusive discharge to a purchaser, and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Security Agent or any Receiver.

17 COSTS AND EXPENSES

For the avoidance of doubt, clause 22 (*Costs and Expenses*) of the Intercreditor Agreement shall apply to any amount payable under this Deed to the Security Agent or the Secured Parties.

18 REINSTATEMENT AND RELEASE

18.1 Amounts Avoided

If any amount paid by the Chargor in respect of the Secured Obligations is capable of being avoided or set aside on the liquidation or administration of the Chargor or otherwise, then for the purposes of this Deed that amount shall not be considered to have been paid.

18.2 Discharge Conditional

Any settlement or discharge between the Chargor and any Secured Party shall be conditional upon no security or payment to that Secured Party by the Chargor or any other person being avoided, set aside, ordered to be refunded or reduced by virtue of any provision or enactment relating to insolvency and accordingly (but without limiting the other rights of that Secured Party under this Deed) that Secured Party shall be entitled to recover from the Chargor the value which that Secured Party has placed on that security or the amount of any such payment as if that settlement or discharge had not occurred.

18.3 Covenant To Release

Once all the Secured Obligations have been irrevocably paid in full and none of the Security Agent nor any Secured Party has any actual or contingent liability to advance further monies to, or incur liability on behalf of, the Chargor under the Secured Debt Documents, the Security Agent and each Secured Party shall, at the request and cost of the Chargor, execute any documents (or procure that its nominees execute any documents) or take any action (including returning title documents, share certificates and related stock transfer forms) which may be necessary or reasonably desirable to release the Charged Property from the Security constituted by this Deed.

19 CURRENCY CLAUSES

19.1 Conversion

All monies received or held by the Security Agent or any Receiver under this Deed may be converted into any other currency which the Security Agent considers necessary to cover the obligations and liabilities comprised in the Secured Obligations in that other currency at the Security Agent's spot rate of exchange then prevailing for purchasing that other currency with the existing currency.

19.2 No Discharge

No payment to the Security Agent (whether under any judgment or court order or otherwise) shall discharge the obligation or liability of the Chargor in respect of which it was made unless and until the Security Agent has received payment in full in the currency in which the obligation or liability is payable or, if the currency of payment is not specified, was incurred. To the extent that the amount of any such payment shall on actual conversion into that currency fall short of that obligation or liability expressed in that currency, the Security Agent shall have a further separate cause of action against the Chargor and shall be entitled to enforce the Security constituted by this Deed to recover the amount of the shortfall.

20 SET-OFF

Clause 9.3 (*Set-Off*) of the Intercreditor Agreement will apply in relation to this Deed as if incorporated in this Deed mutatis mutandis.

20.1 No Set-off

The Chargor will pay all amounts payable under this Deed without any set-off, counterclaim or deduction whatsoever unless required by law, in which event the Chargor will pay an additional amount to ensure that the payment recipient receives the amount which would have been payable had no deduction been required to have been made.

21 RULING OFF

If the Security Agent or any other Secured Party receives notice of any subsequent Security or other interest affecting any of the Charged Property (except as permitted by the Secured Debt Documents) it may open a new account for the Chargor in its books. If it does not do so then (unless it gives express notice to the contrary to the Chargor), as from the time it receives that notice, all payments

made by the Chargor to it (in the absence of any express appropriation to the contrary) shall be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations.

22 REDEMPTION OF PRIOR CHARGES

The Security Agent may, at any time after an Acceleration Event has occurred and is continuing, redeem any prior Security on or relating to any of the Charged Property or procure the transfer of that Security to itself, and may settle and pass the accounts of any person entitled to that prior Security. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor. The Chargor will on demand pay to the Security Agent all principal monies and interest and all losses incidental to any such redemption or transfer.

23 CHANGES TO PARTIES

23.1 Assignment by the Security Agent

The Security Agent may at any time assign or otherwise transfer all or any part of its rights under this Deed in accordance with the terms of the Secured Debt Documents.

23.2 Changes to Parties

The Chargor authorises and agrees to changes to parties under clause 21.2 (*Changes of Secured Creditors*) of the Intercreditor Agreement and authorises the Security Agent to execute on its behalf any document required to effect the necessary transfer of rights or obligations contemplated by those provisions.

24 MISCELLANEOUS

24.1 Certificates Conclusive

A certificate or determination of the Security Agent as to any amount payable under this Deed will be conclusive and binding on the Chargor, except in the case of manifest error.

24.2 Counterparts

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

24.3 Invalidity of any Provision

If any provision of this Deed is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.

24.4 Failure to Execute

Failure by one or more Parties (“**Non-Signatories**”) to execute this Deed on the date hereof will not invalidate the provisions of this Deed as between the other Parties who do execute this Deed. Such Non-Signatories may execute this Deed on a subsequent date and will thereupon become bound by its provisions.

25 GOVERNING LAW AND JURISDICTION

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

25.2 The Parties agree that the courts of England shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed, whether contractual or non-contractual (including a dispute regarding the existence, validity or termination of this Deed) (a “**Dispute**”). 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.


IN WITNESS whereof this Deed has been duly executed as a deed on the date first above written.

SIGNATORIES TO DEED

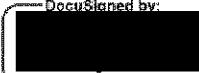
THE CHARGOR

EXECUTED as a DEED by

BUSY BEES HOLDINGS LIMITED acting by: Matthew Davies

DocuSigned by:

10CDBC70D044467...

as Director

Witness: 
65A7DABBB3B84F8

Name: Andrew Greaves

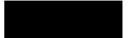
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Occupation: 

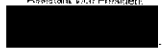
THE SECURITY AGENT

EXECUTED as a DEED by

SMBC BANK INTERNATIONAL PLC acting by:


Veronica Irlam
Vice President

as Authorised Signatory

Russell Lammie
Assistant Vice President


as Authorised Signatory

SCHEDULE 1**SHARES**

Name in which the shares are held	Name and company number of company issuing shares	Number and class of shares
Busy Bees Holdings Limited	Busy Bees Nurseries Limited (03454787)	2 Ordinary Shares
Busy Bees Holdings Limited	Eagle Leasing Limited (10800823)	1 Ordinary Share
Busy Bees Holdings Limited	Busy Bees Day Nurseries (Trading) Limited (03229362)	173,827,759 Ordinary Shares
Busy Bees Holdings Limited	Kids First Day Nurseries Limited (04360667)	593,514 Ordinary Shares
Busy Bees Holdings Limited	Kids First Day Nurseries Limited (04360667)	6,900 A Ordinary Shares