



Registration of a Charge

Company name: **Brintons Carpets Limited**

Company number: **07749331**



X6EITP6I

Received for Electronic Filing: **08/09/2017**

Details of Charge

Date of creation: **23/08/2017**

Charge code: **0774 9331 0010**

Persons entitled: **GLAS TRUST CORPORATION LIMITED (AS SECURITY TRUSTEE)**

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: **GEMMA LAWRENCE**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 7749331

Charge code: 0774 9331 0010

The Registrar of Companies for England and Wales hereby certifies that a charge dated 23rd August 2017 and created by Brintons Carpets Limited was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 8th September 2017 .

Given at Companies House, Cardiff on 12th September 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**



I CERTIFY THAT, SAVE FOR MATERIAL REDACTED
PURSUANT TO s859G OF THE COMPANIES ACT 2006,
THIS IS A TRUE, COMPLETE AND CORRECT COPY
OF THE ORIGINAL INSTRUMENT

DATE 8.9.2017
SIGNED Gemma Lawrence
DLA PIPER UK LLP DLA Piper UK LLP

PLEDGE AND SECURITY AGREEMENT

This Pledge and Security Agreement (this "Pledge Agreement") is made and entered into as of August 23, 2017 by and between BRINTONS CARPETS LIMITED (a company incorporated in England and Wales with company number 07749331 whose registered office is at Stourport Road, Kidderminster, Worcestershire, DY11 7PZ) ("Pledgor"), and GLAS TRUST CORPORATION LIMITED (a company incorporated in England and Wales with company number 07927175 whose registered office is at 45 Ludgate Hill, London EC4M 7JU) ("GTC", the "Security Agent"), as security trustee for the Secured Parties (as defined in a senior facilities agreement dated 5 July 2017 between, amongst others, KMHD FLOORING ACQUISITION COMPANY LIMITED (the "Facility Borrower"), the entities listed in Part 1 Schedule 1 thereof (collectively with Borrower and Pledgor, the "Borrower Parties"), GLOBAL LOAN AGENCY SERVICES LIMITED ("GLAS"), as Agent, and the Security Agent (as amended, restated, or supplemented from time to time, the "Facilities Agreement"), and Pledgor's execution of that certain ACCESSION DEED to the Facilities Agreement (the "Accession Deed") in connection therewith

Recitals

Security Agent has entered into the Facilities Agreement with the Facility Borrower effective 5 July 2017. Pledgor expects to derive economic benefit from Security Agent so entering into the Facilities Agreement and acceded to the Facilities Agreement pursuant to the Accession Deed as an Additional Guarantor pursuant to Clause 29.4 (Additional Guarantors) of the Facilities Agreement, and now wishes to secure performance and payment of all its obligations under the Accession Deed and otherwise (the "Acceded Obligations") with the outstanding shares of stock and/or membership interests as set forth in more detail on Exhibit A hereto (the "Pledged Securities"). All terms used without definition in this Pledge Agreement shall have the meaning assigned to them in the Facilities Agreement. All terms used without definition in this Pledge Agreement or in the Facilities Agreement shall have the meaning assigned to them in the Uniform Commercial Code as the same may from time to time be in effect in the State of New York (the "Uniform Commercial Code"); provided, however, that, at any time, if by reason of mandatory provisions of law, any or all of the perfection or priority of Security Agent's security interest in any item or portion of the Pledged Collateral (as defined below) is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term "Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect, at such time, in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions relating to such provisions.

NOW, THEREFORE, to induce Security Agent to enter into, and as required by, the Facilities Agreement and Accession Deed, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, Pledgor hereby represents, warrants, covenants and agrees as follows:

1. Pledge of Securities.

(a) Pledgor hereby pledges, assigns and delivers to Security Agent and grants to Security Agent a security interest in the Pledged Securities, together with all proceeds and substitutions thereof, all cash, stock and other moneys and property paid thereon, all rights to subscribe for securities declared or granted in connection therewith, and all other cash and noncash proceeds of the foregoing (all hereinafter called the "Pledged Collateral"), as security for the prompt performance of all present and future obligations of Obligor under the Facilities Agreement and the other Finance Documents.

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

(c) The certificate or certificates for the securities included in the Pledged Collateral, accompanied by an instrument of assignment duly executed in blank by Pledgor, have been, or will be within five business days of the execution and delivery hereof by Pledgor, delivered by Pledgor to Security Agent. Upon the occurrence and during the continuance of an Event of Default (as defined below), Security Agent may effect the

transfer of any securities included in the Pledged Collateral into the name of Security Agent and cause new certificates representing such securities to be issued in the name of Security Agent. Pledgor will execute and deliver such documents, and take or cause to be taken such actions, as Security Agent may reasonably request to perfect or continue the perfection of Security Agent's security interest in the Pledged Collateral.

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

(a) The Pledged Collateral is owned by Pledgor, free and clear of any security interests, liens or encumbrances, except those created under the Debenture and as otherwise permitted under the Facilities Agreement or any other agreement between Security Agent and Facility Borrower in connection with the Facilities Agreement;

(b) Pledgor has full power and authority to create a first lien on the Pledged Collateral in favor of Security Agent and no disability or contractual obligation exists which would prohibit Pledgor from pledging such Pledged Collateral pursuant to this Pledge Agreement, and Pledgor will not assign, create or permit to exist any claim to, lien or encumbrance upon, or security interest in any of the Pledged Collateral, except as otherwise permitted under the Facilities Agreement or any other agreement between Security Agent and Facility Borrower in connection with the Facilities Agreement;

2.2 There are no subscriptions, warrants or other options exercisable with respect to the Pledged Collateral;

2.3 The Pledged Collateral has been duly authorized and validly issued, and is fully paid and non-assessable; and

2.4 The Pledged Collateral is not the subject of any present or threatened suit, action, arbitration, administrative or other proceeding, and the Pledgor does not know of any reasonable grounds for the institution of any such proceedings.

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

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

4. Events of Default. The occurrence of any Declared Default under the Facilities Agreement shall constitute an "Event of Default" under this Agreement.

5. Security Agent's Remedies Upon an Event of Default.

(a) Upon the occurrence and during the continuance of an Event of Default, Security Agent shall have the right to exercise all such rights as a secured party under the Uniform Commercial Code as it, in its sole judgment, shall deem necessary or appropriate, including the right to sell all or any part of the Pledged Collateral at one or more public or private sales upon ten (10) days' written notice to Pledgor, and any such sale or sales may be made for cash, upon credit, or for future delivery, and in connection therewith, Security Agent may grant options, provided that any such terms or options shall, in the best judgment of Security Agent, be extended only in order to obtain the best possible price.

(b) Pledgor recognizes that Security Agent may be unable to effect a public sale of all or a part of the Pledged Collateral by reason of certain prohibitions contained in the Securities Act of 1933, as amended

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

(c) After the sale of any of the Pledged Collateral, Security Agent may deduct all reasonable legal and other expenses and attorneys' fees for preserving, collecting, selling and delivering the Pledged Collateral and for enforcing its rights with respect to the Obligations, and shall apply the residue of the proceeds to the Obligations in such manner as Security Agent in its reasonable discretion shall determine, and shall pay the balance, if any, to Pledgor.

6. Amendment of Finance Documents. Pledgor authorizes Security Agent without notice or demand and without affecting its liability hereunder, from time to time to (a) renew, extend, or otherwise change the terms of the Finance Documents, as defined in the Facilities Agreement, or any part thereof; (b) take and hold security for the payment of the Finance Documents, and exchange, enforce, waive and release any such security; and (c) apply such security and direct the order or manner of sale thereof as Security Agent in its sole discretion may determine.

7. Indemnification. Pledgor agrees to defend, indemnify and hold harmless Security Agent in accordance with Clause 18.4 (*Indemnity to the Security Agent*) of the Facilities Agreement.

8. Notices. Unless otherwise provided in this Pledge Agreement, all notices or demands by any party relating to this Pledge Agreement or any other agreement entered into in connection herewith shall be given in accordance with the notice provisions set forth in Clause 35 (*Notices*) of the Facilities Agreement.

The parties hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other.

9. Choice of Law and Venue; Jury Trial Waiver.

This Pledge Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York, without regard to principles of conflicts of law. Pledgor and Security Agent hereby submit to the exclusive jurisdiction of the state and Federal courts located in New York County, State of New York. THE UNDERSIGNED ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED UNDER CERTAIN CIRCUMSTANCES. TO THE EXTENT PERMITTED BY LAW, EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF ITS CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THE MUTUAL BENEFIT OF ALL PARTIES, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION ARISING OUT OF OR RELATED TO THIS PLEDGE AGREEMENT OR ANY OTHER DOCUMENT, INSTRUMENT OR AGREEMENT BETWEEN THE UNDERSIGNED PARTIES.

10. Reserved.

11. GENERAL PROVISIONS.

(a) This Pledge Agreement may not be amended or modified except by a written instrument signed by Security Agent and Pledgor.

(b) This Pledge Agreement and the agreements and instruments executed in connection therewith constitute the entire agreement between Security Agent and Pledgor with respect to the subject matter hereof and supersede all prior agreements, understandings, offers and negotiations, oral or written.

(c) This Pledge Agreement may be executed in two or more counterparts, of which shall be deemed an original, but all of which shall together constitute one and the same document.

[Balance of Page Intentionally Left Blank]

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

Pledgor:

BRINTONS CARPETS LIMITED



By: _____

Name: Duccio Baldi

Its: Director

Security Agent:

GLAS TRUST CORPORATION LIMITED

By: _____

Name: _____

Its: _____

[Signature Page to Pledge and Security Agreement]

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

Pledgor:

BRINTONS CARPETS LIMITED

By: _____

Name: _____

Its: _____

Security Agent:

GLAS TRUST CORPORATION LIMITED

By: _____

Name: _____

Iva Bardhi

Its: _____

Transaction Manager

[Signature Page to Pledge and Security Agreement]

EXHIBIT A

The Pledged Collateral includes:

<u>Issuing Company</u>	<u>Legal and Beneficial Owner</u>	<u>Number of Shares/Interests Pledged</u>	<u>Certificate No.</u>	<u>Percentage of all Outstanding Shares/Interests Pledged</u>
BRINTONS U.S. AXMINSTER INC, a Delaware corporation (registration number 2101147)	Brintons Carpets Limited	10,047 shares of the Voting Common Stock	26	100%
BRINTONS U.S. AXMINSTER INC, a Delaware corporation (registration number 2101147)	Brintons Carpets Limited	1,203 shares of the Non-Voting Common Stock	5	100%