



**Registration of a Charge**

Company name: **YELLAPRO LIMITED**

Company number: **10295387**

Received for Electronic Filing: **15/02/2021**



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**Details of Charge**

Date of creation: **01/02/2021**

Charge code: **1029 5387 0004**

Persons entitled: **KREOS CAPITAL VI (UK) LIMITED AS SECURITY AGENT**

Brief description:

**Contains fixed charge(s).**

**Contains negative pledge.**

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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 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: **BIRD & BIRD LLP**



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

Company number: 10295387

Charge code: 1029 5387 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st February 2021 and created by YELLAPRO LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 15th February 2021 .

Given at Companies House, Cardiff on 16th February 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

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

BIRD & BIRD LLP

12 New Fetter Lane, London, EC4A 1JP

15.02.21

EXECUTION VERSION

## SECURITY AGREEMENT

This Security Agreement (this "*Agreement*") is dated as of February 1, 2021, by and among the other parties executing this Agreement under the heading "*Debtors*" (such parties, along with any parties who execute and deliver to the Security Agent an agreement substantially in the form attached hereto as Exhibit A, together with their successors and permitted assigns, in each case, unless such party ceases to be a party hereto, being hereinafter referred to collectively as the "*Debtors*" and individually as a "*Debtor*"), and **KREOS CAPITAL VI (UK) LIMITED**, a company incorporated under the laws of England & Wales with company number 11535385 ("*Kreos*"), in its capacity as Security Agent under the Loan Agreement (as defined below) (in such capacity, together with its successors and permitted assigns in such capacity, the "*Security Agent*").

## PRELIMINARY STATEMENTS

A. **BACG BRANDED ASSET CO GMBH**, a limited liability company incorporated under the laws of Germany and registered with the commercial register at the local court of Charlottenburg under registration number HRB 220432 B whose registered office is in Schinkelplatz 5, 10117 Berlin, Germany (the "*Borrower 1*" and, together with Borrower 2, the "*Borrowers*"), **BRANDED E-COMMERCE HOLDING GMBH**, a limited liability company incorporated under the laws of Germany and registered with the commercial register at the local court of Charlottenburg under registration number HRB 220471 B whose registered office is in Schinkelplatz 5, 10117 Berlin, Germany (the "*Parent*"), and Kreos in its capacity as the Lender, the Security Agent and the Agent have entered into an Agreement for the Provision of Loan Facilities of up to €65,000,000 dated as of December 30, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified, the "*Loan Agreement*"), pursuant to which the Lender (as defined therein) has agreed, subject to certain terms and conditions, to make one or more term loan facilities available to the Borrowers and to extend credit and make certain other financial accommodations available to the Borrowers.

B. As a condition to extending credit or otherwise making financial accommodations available to or for the account of Borrower 2 (as defined in the Loan Agreement), the Security Agent requires, among other things, that each Debtor grant to the Security Agent, for the benefit of the Security Agent, a Lien on and Security Interest in the personal property and fixtures of such Debtor described herein subject to the terms and conditions hereof.

C. Borrower 2 owns, directly or indirectly, equity interests in each Debtor and Borrower 2 provides each of the Debtors with financial, management, administrative, and technical support which enables such Debtors to conduct their businesses in an orderly and efficient manner in the ordinary course.

D. Each Debtor will benefit, directly or indirectly, from credit and other financial accommodations extended by the Security Agent to Borrower 2.

NOW, THEREFORE, for good and valuable consideration, receipt whereof is hereby acknowledged, the parties hereto agree as follows:

*Section 1. Definitions; Interpretation.* (a) Except as otherwise defined herein, all capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Loan Agreement; provided, however, that all terms which are used in this Agreement which are defined in the UCC shall have the same meanings herein as such terms are defined in the UCC; and provided, further, that if a term is defined in Article 9 of the UCC differently than in another Article of the UCC, the term has the meaning specified in Article 9 of the UCC.

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

*"Amazon Seller Account"* has the meaning given to that term in the Loan Agreement.

*"Amazon Seller Bank Accounts"* means each account with any bank or other financial institution of each Debtor which is linked to the Debtor's Amazon Seller Account, including, but not limited to, the accounts as set out Schedule E hereto.

*"Collateral"* has the meaning specified in Section 2.

*"Collateral Consent Agreement"* means any landlord waiver, warehouse, processor or other bailee letter or other agreement, in form and substance satisfactory to the Security Agent, between the Security Agent and any third party (including any bailee, consignee, customs broker, or other similar Person) in possession of any Collateral or any landlord of a Debtor for any real property where any Collateral is located.

*"Commodity Exchange Act"* means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

*"Excluded Account"* means any deposit account (a) that is used solely for payment of payroll, bonuses, employee benefits, other compensation and related expenses or taxes, (b) that has an average daily balance of less than \$25,000, and together with the balance of all other deposit accounts of the Group Companies not subject to a Security Interest in favor of the Security Agent, not exceeding €500,000, and (c) used for escrow, customs or other fiduciary purposes.

*"Excluded Property"* means, with respect to any Debtor, (a) any owned real property with a fair market value less than \$1,000,000; provided the fair market value of all owned real property that may be deemed "Excluded Property" pursuant to this clause (a) shall not exceed \$5,000,000 in the aggregate, (b) any "intent to use" trademark applications for which a statement of use has not been filed (but only until such statement is filed), (c) any governmental licenses or state or local franchises, charters and authorizations, to the extent a security interest in any such license, franchise, charter or authorization is prohibited or restricted thereby (excluding any prohibition or restriction that is ineffective under the UCC), (d) any assets to the extent the pledge thereof or grant of security interests therein

(x) is prohibited or restricted by applicable Law, rule or regulation, (y) would cause the destruction, invalidation or abandonment of such asset under applicable Law, rule or regulation, or (z) requires any consent, approval, license or other authorization of any third party or Governmental Authority (excluding any prohibition or restriction that is ineffective under the UCC), unless such consent, approval, license or other authorization has been obtained), (e) any Excluded Account, (f) assets where the cost of obtaining a security interest therein is excessive in relation to the practical benefit to the Lender afforded thereby as reasonably determined between Borrower 2 and the Security Agent, (g) any assets to the extent a security interest in such assets would result in material adverse tax consequences as reasonably determined by Borrower 2 and (h) any acquired property (including property acquired through acquisition or merger of or amalgamation with another entity) if at the time of such acquisition the granting of a security interest therein or the pledge thereof is prohibited by any contract or other agreement (in each case, not created in contemplation thereof) to the extent and for so long as such contract or other agreement prohibits such security interest or pledge (excluding any prohibition or restriction that is ineffective under the UCC).

*“Excluded Swap Obligation”* means any Swap Obligation if, and to the extent that, all or a portion of the grant by any Debtor of a Security Interest to secure such Swap Obligation (or any guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Debtor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act at the time the Security Interest granted by such Debtor becomes effective with respect to such related Swap Obligation.

*“Government Contract”* means a contract between any Debtor and an agency, department or instrumentality of the United States or any state, municipal or local Governmental Authority located in the United States or all obligations of any such Governmental Authority arising under any Account now or hereafter owing by any such Governmental Authority, as Account Debtor, to any Debtor.

*“Governmental Authority”* means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

*“Lien”* means any mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any property, including the interests of a vendor or lessor under any conditional sale, capital lease or other title retention arrangement.

*“Organizational Documents”* means, with respect to any Person, such Person’s certificate of incorporation and bylaws (or equivalent organizational documents).

*"Paid in Full"* or *"Payment in Full"* means (i) the payment in full in cash of the Secured Obligations (other than contingent indemnification obligations to the extent no claim giving rise thereto has been asserted), and (ii) the termination of the Security Agent's commitment to extend financial accommodations to Borrower 2 or any Debtor.

*"Permitted Collateral Location"* means the locations listed on Schedule B.

*"Permitted Security Interests"* means (i) the Security Interest created by this Agreement, (ii) the Liens in favor of the Security Agent, (iii) liens permitted pursuant to the Loan Agreement, (iv) any mechanic's, repairmen's, landlord's and other like Security Interests arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or that are being contested in good faith with adequate reserves and (iv) any Security Interests for taxes, assessments or governmental charges which relate to obligations that are not yet due and payable or that are being contested in good faith with adequate reserves.

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

*"Pledged Equity"* means all (i) certificated and uncertificated Securities and (ii) any other equity interest of any Person constituting a General Intangible, in each case owned by any Debtor, and including all right, title and interest of such Debtor in, to and under any Organizational Document with respect to such Securities or such Person to which it is a party, and any distribution of property made on, in respect of or in exchange for the foregoing from time to time, including in each case those interests set forth on Schedule F.

*"Pledged Issuer"* means the issuer of any Pledged Equity.

*"Receivables"* means all rights to the payment of a monetary obligation, whether or not earned by performance, and whether evidenced by an Account, Chattel Paper, Instrument, General Intangible, or otherwise.

*"Secured Obligations"* means (a) all indebtedness, liabilities and obligations which are now or may at any time in the future be due, owing or incurred by Borrower 2, the Debtors or the other ATV Group Companies and each of them individually to the Lender in any manner whatsoever, whether actual or contingent, and whether owed jointly or severally, including, without limitation, all other indebtedness, liabilities and obligations (howsoever evidenced) of Borrower 2, the Debtors or the other ATV Group Companies owing to the Security Agent and to any of its Affiliates (whether arising before or after the filing of a petition in bankruptcy and including all interest, costs, fees, and charges after the entry of an order for relief against a Debtor in a case under Title 11 of the United States Bankruptcy Code or any similar proceeding, whether or not such interest, costs, fees, and charges would be an allowed claim against such Debtor in such proceeding), whether direct or indirect, absolute or contingent, due or to become due, and whether now existing or hereafter arising and howsoever held, evidenced, or acquired, and whether several, joint, or joint and several, in each case, incurred under or with respect to the Loan Agreement and

(b) without duplication of any indebtedness, liabilities and obligations set forth under clause (a) any and all documented out-of-pocket expenses and charges, legal or otherwise, suffered or incurred by the Security Agent or its Affiliates in collecting or enforcing any of such indebtedness, obligations or liabilities or in realizing on or protecting or preserving any security therefor, including, without limitation, the Liens and Security Interest granted hereby. Notwithstanding anything in this Agreement to the contrary, (x) the right of recovery against any Debtor under this Agreement shall not exceed \$1.00 less than the lowest amount that would render such Debtor's obligations under this Agreement void or voidable under applicable law, including fraudulent conveyance law and (y) the Secured Obligations with respect to any Debtor shall not include any Excluded Swap Obligation of such Debtor.

*"Swap Obligation"* means any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

*"UCC"* means the Uniform Commercial Code of the State of New York as in effect from time to time.

*"Vehicles"* means all cars, trucks, trailers, construction and earth moving equipment and other vehicles covered by a certificate of title under the laws of any state, all tires and all other appurtenances to any of the foregoing.

(c) The foregoing definitions are equally applicable to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

*Section 2. Grant of Security Interest in the Collateral.* As collateral security for the Secured Obligations, each Debtor hereby grants to the Security Agent a Lien on and Security

Interest in, all right, title, and interest of each Debtor, whether now owned or existing or hereafter created, acquired or arising, in and to all of the following (collectively, the “*Collateral*”):

- (a) Accounts (including Health-Care-Insurance Receivables, if any);
- (b) Cash, currency, cash equivalents, and monies;
- (c) Chattel Paper;
- (d) those Commercial Tort Claims set forth on Schedule G or on one or more supplements to this Agreement;
- (e) Deposit Accounts;
- (f) Documents;
- (g) Equipment (including all software, whether or not the same constitutes embedded software, used in the operation thereof);
- (h) Fixtures;
- (i) General Intangibles (including Payment Intangibles and Software, patents, trademarks, copyrights, and all other intellectual property rights, including all applications, registrations, and licenses therefor, and all goodwill of the business connected therewith or represented thereby);
- (j) Goods and personal property of such Debtor, whether tangible or intangible and wherever located;
- (k) Instruments (including Promissory Notes);
- (l) Inventory;
- (m) Investment Property (including certificated and uncertificated Securities, Securities Accounts, Security Entitlements, Commodity Accounts, and Commodity Contracts);
- (n) Letters of Credit and Letter-of-Credit Rights;
- (o) Pledged Equity;
- (p) Supporting Obligations;
- (q) Vehicles;
- (r) All rights attaching to such Debtor’s Amazon Seller Accounts;



- (s) Supporting evidence and documents relating to any of the above-described property, including, without limitation, computer programs, disks, tapes and related electronic data processing media, and all rights of such Debtor to retrieve the same from third parties, written applications, credit information, account cards, payment records, correspondence, delivery and installation certificates, invoice copies, delivery receipts, notes and other evidences of indebtedness, insurance certificates and the like, together with all books of account, ledgers, and cabinets in which the same are reflected or maintained;
- (t) Accessions and additions to, and substitutions and replacements of, any and all of the foregoing; and
- (u) Proceeds and products of the foregoing, and all insurance of the foregoing and proceeds thereof;

all of the foregoing being herein sometimes referred to as the “*Collateral*,” provided that, notwithstanding the foregoing, the term “*Collateral*” does not include (and no Lien or Security Interest is granted hereunder on or in) any of the following: (x) any Excluded Property and (y) any other properties, assets or rights otherwise excluded from Collateral under the Loan Documents.

*Section 3. Representations and Warranties.* Each Debtor hereby represents and warrants to the Security Agent that:

(a) *Organization and Qualification; Authority; Validity of Obligations.* Each Debtor is duly organized, validly existing, and in good standing as a corporation, limited liability company, or partnership, as applicable, under the laws of the jurisdiction in which it is organized, has full and adequate power to own its property and conduct its business as now conducted. Each Debtor has full right and authority to enter into this Agreement and to perform all of its obligations hereunder. This Agreement has been duly authorized, executed, and delivered by each Debtor and constitutes the valid and binding obligations of such Debtor enforceable against each of them in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors’ rights generally and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

(b) *No Consent.* No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other Person, is required for (i) the due execution, delivery and performance by any Debtor of this Agreement, (ii) the grant by any Debtor of the Security Interest purported to be created hereby in the Collateral or (iii) the exercise by the Security Agent of any of its rights and remedies hereunder, except, (x) in the case of this clause (iii), as may be required in connection with any sale of any Pledged Equity by laws affecting the offering and sale of securities generally, or as required under the UCC (or, in respect of intellectual property, recording of the transfer of registrations and applications for intellectual property upon foreclosure) or (y) as otherwise described in Section 3(o).

(c) *Permitted Encumbrances.* The Collateral and every part thereof is and shall be free and clear of all Liens, except for Permitted Security Interests.

(d) *Title.* Each Debtor is the lawful owner of its Collateral and/or has the right to pledge, sell, assign or transfer the Collateral pledged by it hereunder.

(e) *Legal Name; Jurisdiction of Organization.* Schedule A sets forth each Debtor's exact legal name, type of organization, jurisdiction of organization and federal employer identification number (if any), in each case, as of the date hereof. No Debtor has transacted business at any time during the immediately preceding four-month period, and does not currently transact business, under any other legal names or trade names other than the prior legal names and trade names set forth on Schedule A.

(f) *Chief Executive Office; Locations of Collateral.* As of the date hereof and as of the last date of each fiscal quarter ending hereafter (it being understood and agreed that any Debtor may deliver an amendment to or an amendment and restatement of such schedule at any time), Schedule B sets forth each Debtor's chief executive office. No Debtor has a chief executive office other than that listed on Schedule B. As of the date hereof and as of the last date of each fiscal quarter ending hereafter (it being understood and agreed that any Debtor may deliver an amendment to or an amendment and restatement of such schedule at any time), Schedule B sets forth the complete street and mailing address, as well as legal description, of any real property owned by any Debtor. The Collateral is and shall remain in such Debtor's possession or control at the Permitted Collateral Locations, except for (i) Collateral which in the ordinary course of the Debtor's business is in transit between locations disclosed on Schedule B, (ii) Collateral aggregating less than \$25,000 in fair market value outstanding at any one time, (iii) Collateral that is to be sold or otherwise transferred to a third party in accordance with the Loan Agreement and (iv) Collateral out for repair in the ordinary course of business.

(g) *Intellectual Property.* As of the date hereof, Schedule C contains a true, correct, and complete listing of all patents, trademarks, and copyrights owned by any Debtor in its own name that are registered with any Governmental Authority (and applications therefor). Each Debtor owns or possesses rights to use all licenses, patents, trademarks, trade names, copyrights, and other intellectual property rights with respect to the foregoing which are required to conduct its business and which do not, to such Debtor's knowledge, infringe on the rights of any third party, except, in each case, where such failure to own or possess such rights or such infringement, individually or in the aggregate, could not reasonably be expected to result in a material adverse effect on the business of such Debtors, taken as a whole. As of the date hereof, no event has occurred which permits, or after notice or lapse of time or both would permit, the revocation or termination of any such rights (except for any expiration of any such rights in the ordinary course), and the Debtors are not liable to any person for infringement under applicable law with respect to any such rights as a result of its business operations as currently conducted, except, in each case, where such revocation, termination or liability, individually or in the aggregate, could not reasonably be expected to result in a material adverse effect on the business of such Debtors, taken as a whole.

(h) *Fixtures.* As of the date hereof, Schedule D contains a true, correct, and complete legal description of real estate (as well as the name of the record owner of such real estate) upon which certain Equipment of the Debtors has become attached so as to be a fixture.

(i) *Deposit Accounts.* As of the date hereof, Schedule E contains a true, correct, and complete listing of all Deposit Accounts of the Debtors, which listing includes the account number and depository institution of such Deposit Accounts and specifies which such accounts are Amazon Seller Bank Accounts.

(j) *Pledged Equity and Instruments.* As of the date hereof, Schedule F contains a true, correct, and complete listing of all Pledged Equity, other Investment Property, and Instruments of the Debtors. The Pledged Equity has been duly authorized and validly issued and is fully paid and nonassessable and the holders thereof are not entitled to any preemptive, first refusal or other similar rights. Except as noted in Schedule F, as of the date hereof, the Pledged Equity constitutes 100% of the issued shares of equity interests of the Pledged Issuers. All other shares of equity interests constituting Pledged Equity will be duly authorized and validly issued, fully paid and nonassessable. With respect to each Pledged Issuer that is a partnership or a limited liability company, no such Person has opted into (and no Debtor has caused any of its Subsidiaries that is a partnership or a limited liability company and a Pledged Issuer to opt into) Article 8 of the UCC. All certificated Pledged Equity and Instruments have been delivered to the Security Agent to the extent (i) requested by the Security Agent or (ii) as required by the terms of this Agreement.

(k) *Commercial Tort Claims.* As of the date hereof, Schedule G contains a true, correct, and complete listing of all Commercial Tort Claims in excess of \$50,000 held by the Debtors, which listing describes each such Commercial Tort Claim by referring to a specific incident giving rise to such Commercial Tort Claim.

(l) *Certificates of Title.* As of the date hereof, no portion of the Collateral in excess of \$100,000 in the aggregate is subject to a certificate of title law.

(m) *Inventory.* No Debtor's Inventory is or will be consigned to any other Person.

(n) *Margin Stock.* As of the date hereof, no Debtor's Pledged Equity or Investment Property consists of margin stock (as such term is defined in Regulation U of the Board of Governors of the Federal Reserve System) except to the extent such Debtor has delivered to the Security Agent a duly executed and completed Form U-1 with respect to such stock.

(o) *Perfection.* No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other Person, is required for the perfection of the Security Interest purported to be created hereby in the Collateral, except (i) for the filing under the Uniform Commercial Code as in effect in the applicable jurisdiction of the financing statements described in Schedule H, (ii) with respect to the perfection of the Security Interest created hereby in the intellectual property, for the recording of the appropriate agreements in the United States Patent and Trademark Office or the United States Copyright Office, as applicable (together with the filings referenced in the foregoing clause (i)), (iii) with respect to any action that may be necessary to obtain control of Collateral constituting Deposit Accounts, Electronic Chattel Paper,

Investment Property or Letter of Credit Rights, the taking of such actions, and (iv) the Security Agent's having possession of all Documents, Chattel Paper, Instruments and cash constituting Collateral.

*Section 4. Covenants.* Each Debtor hereby covenants to the Security Agent until the Secured Obligations are Paid in Full that:

(a) *Changes in Name, Jurisdiction of Organization, Chief Executive Office, or Collateral Locations.* In the event any Debtor changes its legal name, jurisdiction of organization, or chief executive office or maintains Collateral at any location other than those listed in Schedule B, in each case, without giving the Security Agent 10 days' prior written notice thereof (or such shorter period as the Security Agent may agree); *provided* that each Debtor shall at all times maintain its chief executive office, places of business, and locations of Collateral in the United States of America unless specifically agreed to in writing by the Security Agent (such agreement not to be unreasonably withheld or delayed).

(b) *Intellectual Property.* Each Debtor agrees to promptly notify the Security Agent in writing of any additional intellectual property rights acquired or arising after the date hereof that are registered or applied for with any United States Governmental Authority or any other Governmental Authority located in England and Wales or the European Union, and shall submit to the Security Agent a supplement to Schedule C to reflect such additional rights (provided any Debtor's failure to do so shall not impair the Security Agent's Security Interest therein). Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, no Debtor shall have any obligation to the Security Agent for the perfection of Liens or Security Interests in favor of the Security Agent in any patents, trademarks, copyrights or other intellectual property rights created, registered or applied-for in any jurisdiction other than (i) the United States, (ii) England and Wales, (iii) the European Union, and (iv) upon the request of the Security Agent, any individual country included in the European Union, to the extent that such perfection can be obtained through recordation in the applicable intellectual property office or registrar of such country where the cost of such recordation (including but not limited to adverse effects on interest deductibility and stamp duty, notarization and other fees) would not be disproportionate to the benefit to accrue to the Secured Parties; provided, that, with respect to any intellectual property rights of the Debtors that are registered or applied for with any Governmental Authority of the United States, England and Wales, or the European Union (i.e., the European Union Intellectual Property Office and European Patent Office) (or, as applicable, any such individual country included in the European Union for which Security Agent requests perfection in accordance with clause (iv) above), such Debtors shall be required, promptly following the date hereof, (A) to provide for the perfection of Liens and Security Interests granted hereunder in favor of the Security Agent in all patents, trademarks, and copyrights registered or applied-for in the United States, England and Wales or the European Union (i.e., in the European Union Intellectual Property Office or European Patent Office) (or such individual country included in the European Union for which Security Agent requests perfection in accordance with clause (iv) above) and as set forth in Schedule C as of the date hereof (and submit corrective change of ownership and records with such Governmental Authorities as reasonably necessary to correct any chain-of-title issues in respect of such patents, trademarks, and copyrights, which may exist as of the date hereof), and

(B) to provide the Security Agent with monthly updates of progress and confirmation once such filings and recordals have been submitted.

(c) *Fixtures.* Each Debtor agrees to promptly (or as extended by the Security Agent in its reasonable discretion) notify the Security Agent in writing or in any other reasonable manner of any Equipment becoming affixed to any real property not previously disclosed to the Security Agent on Schedule D so as to be a fixture and shall submit to the Security Agent a supplement to Schedule D to disclose such real property (provided (i) any Debtor's failure to do so shall not impair the Security Agent's Security Interest in such fixture and (b) if any Debtor discloses the existence of a fixture and provides sufficient written detail with respect to such fixture but does not supplement Schedule D, Debtor will be deemed to have satisfied its obligations under this covenant).

(d) *Deposit Accounts and Amazon Seller Accounts.* (i) Each Debtor agrees to promptly notify the Security Agent in writing of any other Deposit Account opened or maintained by such Debtor after the date hereof and shall submit to the Security Agent a supplement to Schedule E to reflect such additional accounts (provided, any Debtor's failure to do so shall not impair the Security Agent's Security Interest therein), other than, in each case, any Excluded Account. With respect to any Deposit Account (other than any Excluded Account) maintained by a depository institution other than the Security Agent, such Debtor, the depository institution, and the Security Agent shall, within 45 days of the opening of such account (or, with respect to any such account existing on the date hereof, within 45 days of the date hereof) (or, in each case, such later date as the Security Agent may agree) execute and deliver an account control agreement in form and substance satisfactory to the Security Agent which provides, among other things, for the depository institution's agreement that it will comply with instructions originated by the Security Agent directing the disposition of the funds in the Deposit Account without further consent by such Debtor following notice from the Security Agent that any Event of Default has occurred and is continuing.

(ii) Each Debtor agrees that with respect to any Borrower 2 Compliance Certificate required to be delivered to the Security Agent in accordance with the Loan Agreement, Borrower 2, on behalf of such Debtor, shall confirm that: (a) there have been no variations to the rights, terms or conditions attaching to the Amazon Seller Account which may be materially prejudicial to the interests of the Security Agent or which may materially conflict or derogate from the Loan Agreement, (b) there have been no changes to, or closures of, the Amazon Seller Bank Accounts after the date of this Agreement, and (c) each Amazon Seller Account for each Debtor is in the name of the relevant Debtor and is linked to an Amazon Seller Bank Account of that Debtor which is subject to Security Interests in favor of the Security Agent or, in each case, to the extent such confirmation cannot be made, a reasonable description of any such deviations from the preceding clauses (a), (b) and/or (c) and the action Debtor is taken or proposes to take, if any, with respect thereto.

(iii) Each Debtor further agrees (a) to promptly notify the Security Agent of any variation of the rights, terms or conditions attaching to the Amazon Seller Accounts which may be materially prejudicial to the interests of the Security Agent or which may materially conflict or derogate from the Loan Agreement, (b) not, except with the prior written consent of the Security Agent, to close

any Amazon Seller Account or change any Amazon Seller Bank Account, and (c) to ensure that at all times each Amazon Seller Account for each Debtor is in the name of the relevant Debtor and is linked to an Amazon Seller Bank Account of that Debtor.

(iv) The parties hereto acknowledge and agree that certain Debtors may from time to time have amounts set forth in certain Deposit Accounts with respect to which the amounts on deposit therein (the "*Initial Accounts*") are swept to a concentration account that is subject to an account control agreement in accordance with clause (d)(i) above, in the ordinary course of business, but for the avoidance of doubt, no less than a weekly basis. Each Debtor Agrees to provide the Security Agent with prompt notice in the event that the sweep described in the foregoing basis occurs on a less than weekly basis or is terminated. Further, the parties hereby agree that so long as (A) such sweep occurs on a not less than weekly basis to a Deposit Account that is subject to an account control agreement in accordance with clause (d)(i) above and (B) the aggregate amount of average daily balance in such Initial Account, together with all other deposit accounts of the Group Companies not subject to a Security Interest in favor of the Security Agent, does not exceed €500,000 in the aggregate, then no account control agreement shall be required in respect of such Initial Account, notwithstanding anything to the contrary set forth in clause (d)(i) above.

(e) *Pledged Equity and Instruments.*

(i) Each Debtor agrees to promptly notify the Security Agent in writing of any Pledged Equity, Instruments, or other Investment Property acquired or maintained by such Debtor after the date hereof and shall submit to the Security Agent a supplement to Schedule F to reflect such additional rights (provided any Debtor's failure to do so shall not impair the Security Agent's Security Interest therein).

(ii) Certificates for all certificated securities now or at any time constituting Pledged Equity or Investment Property and part of the Collateral hereunder shall be promptly delivered by the relevant Debtor to the Security Agent duly endorsed in blank for transfer or accompanied by an appropriate assignment or assignments or an appropriate undated stock power or powers, in every case sufficient to transfer title thereto, including, without limitation, all stock received in respect of a stock dividend or resulting from a split-up, revision or reclassification of the Pledged Equity or Investment Property or any part thereof or received in addition to, in substitution of or in exchange for the Pledged Equity or Investment Property or any part thereof as a result of a merger, consolidation or otherwise. With respect to any uncertificated securities or any Pledged Equity or Investment Property held by a securities intermediary, commodity intermediary, or other financial intermediary of any kind, at the Security Agent's reasonable request, the relevant Debtor shall execute and deliver, and shall cause any such intermediary to execute and deliver, an agreement among such Debtor, the Security Agent, and such intermediary in form and substance reasonably satisfactory to the Security Agent which provides, among other things, for the intermediary's agreement that it will comply with such entitlement orders, and apply any value distributed on account of any Investment Property or Subsidiary Interests, as directed by the Security Agent without further consent by such Debtor in each case to the extent an Event of Default has occurred and is continuing.

(iii) Unless and until an Event of Default has occurred and is continuing and thereafter until notified to the contrary by the Security Agent (x) each Debtor shall be entitled to exercise all voting and/or consensual powers pertaining to its Pledged Equity and Investment Property, or any part thereof, for all purposes not inconsistent with the terms of this Agreement, the Loan Agreement or any other document evidencing or otherwise relating to any Secured Obligations; and (y) each Debtor shall be entitled to receive and retain all cash dividends paid upon or in respect of its Pledged Equity and Investment Property to the extent permitted by the Loan Agreement subject to the Lien of the Security Agent; *provided, however*, that any and all (A) dividends and interest paid or payable other than in cash in respect of, and Instruments and other property received, receivable or otherwise distributed in respect of or in exchange for, any Pledged Equity, (B) dividends and other distributions paid or payable in cash in respect of any Equity Interests in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in surplus, and (C) cash paid, payable or otherwise distributed in redemption of, or in exchange for, any Pledged Equity, together with any dividend, interest or other distribution or payment which at the time of such payment was not permitted by the Loan Agreement, shall be, and shall forthwith be delivered to Security Agent, to hold as, Pledged Equity and shall, if received by any of the Debtors, be received in trust for the benefit of Security Agent, shall be segregated from the other property or funds of the Debtors, and shall be forthwith delivered to Security Agent in the exact form received with any necessary indorsement and/or appropriate stock powers duly executed in blank, to be held by Security Agent as Pledged Equity and as further collateral security for the Secured Obligations.

(iv) If any Event of Default has occurred and is continuing, following notice from the Security Agent, no Debtor shall sell all or any part of its Pledged Equity or Investment Property without the prior written consent of the Security Agent.

(v) Except with respect to partnership interests and membership interests evidenced by a certificate, which certificate has been pledged and delivered to the Security Agent (or will be pledged and delivered to the Security Agent prompt after the taking of any of the actions referred to in clauses (a), (b), (c) or (d) of this clause (v)), no Debtor that is a partnership or a limited liability company shall, nor shall any Debtor with any Subsidiary that is a partnership or a limited liability company, permit such partnership interests or membership interests to (a) be dealt in or traded on securities exchanges or in securities markets, (b) become a security for purposes of Article 8 of any relevant UCC, (c) become an investment company security within the meaning of Section 8-103 of any relevant UCC or (d) be evidenced by a certificate.

(f) *Commercial Tort Claims.* Each Debtor agrees to promptly notify the Security Agent in writing upon becoming aware of any other Commercial Tort Claim of such Debtor in excess of \$50,000 arising after the date hereof and shall submit to the Security Agent a supplement to Schedule G to reflect such additional rights (provided, any Debtor's failure to do so shall not impair the Security Agent's Security Interest therein).

(g) *Certificates of Title.* Upon the Security Agent's written request, each Debtor shall at its own cost and expense cause the Lien of the Security Agent in and to any portion of the Collateral subject to a certificate of title law to be duly noted on such certificate of title or to be otherwise filed in such manner as is prescribed by law in order to perfect such Lien and will cause all such

certificates of title and evidences of Lien to be deposited with the Security Agent; provided that the Secured Parties shall not be required to comply with any such request to the extent value of the Collateral subject to certificate of title does not exceed \$100,000.

(h) *Inventory and Equipment.* Upon the Security Agent's reasonable written request, each Debtor shall promptly deliver any document of title evidencing Inventory. Each Debtor shall at its own cost and expense maintain, keep, and preserve its Inventory in good and merchantable condition and keep and preserve its Equipment in good repair, working order, and condition, ordinary wear and tear and casualty and condemnation excepted. Each Debtor may, unless an Event of Default has occurred and is continuing and thereafter until otherwise notified by the Security Agent, use, consume, sell, and lease the Inventory in the ordinary course of its business, but a sale in the ordinary course of business shall not under any circumstance include any transfer or sale in satisfaction, partial or complete, of a debt owing by such Debtor. Each Debtor may, until an Event of Default has occurred and is continuing and thereafter until otherwise notified by the Security Agent, sell Equipment to the extent permitted by the Loan Agreement.

(i) *Margin Stock.* Each Debtor agrees to promptly notify the Security Agent in writing if at any time the Pledged Equity or Investment Property or any part thereof consists of margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System of the United States) and to deliver to the Security Agent a duly executed and completed Form U-1 and such other instruments and documents reasonably requested by the Security Agent in form and substance satisfactory to the Security Agent.

(j) *Government Contracts.* If any Receivable arises out of a Government Contract, each Debtor agrees to promptly notify the Security Agent in writing, and, at the request of the Security Agent execute whatever instruments and documents are required by the Security Agent in order that such Receivable shall be assigned to the Security Agent and that proper notice of such assignment shall be given under the federal Assignment of Claims Act (or any successor statute) or any similar state or local statute, as the case may be.

(k) *Instruments and Chattel Paper.* To the extent any Receivable or other item of Collateral is evidenced by an Instrument or tangible Chattel Paper, each Debtor shall cause such Instrument or tangible Chattel Paper to be pledged and delivered to the Security Agent; *provided, however,* that, prior to the existence of an Event of Default and thereafter until otherwise required by the Security Agent, a Debtor shall not be required to deliver any such Instrument or tangible Chattel Paper if and only so long as the aggregate unpaid principal balance of all such Instruments and tangible Chattel Paper held by the Debtors and not delivered to the Security Agent hereunder is less than \$10,000 at any one time outstanding.

(l) *Receivables.* Each Debtor will, except as otherwise provided in this Agreement, continue to collect, at its own expense, all amounts due or to become due under the Accounts and payment rights arising under Chattel Paper, Instruments and Payment Intangibles. After receipt by any Debtor of a notice from the Security Agent that the Security Agent has notified, intends to notify, or has enforced or intends to enforce a Debtor's rights against the Account Debtors or obligors under any Accounts as referred to in the immediately preceding sentence, all amounts and proceeds (including Instruments) received by such Debtor in respect of the Accounts shall be



received in trust for the benefit of the Security Agent hereunder, shall be segregated from other funds of such Debtor and shall be forthwith paid over to the Security Agent or its designated agent in the same forms as so received (with any necessary endorsement) to be held as cash collateral and applied as specified in Section 11.

(m) *Collateral Consent Agreements.* As to any location leased by a Debtor wherein any of the Collateral having a value in excess of \$250,000 is located, such Debtor shall, upon the Security Agent's reasonable written request, use commercially reasonable efforts to deliver a Collateral Consent Agreement with respect to such location.

(n) *Continued Perfection; Further Information.* Each Debtor shall (i) maintain the Lien created by this Agreement as a first priority perfected (to the extent perfection is required hereunder) Security Interest (subject only to Permitted Security Interests) and (ii) warrant and defend the Collateral against any claims and demands of all Persons at any time claiming the same or any interest in the Collateral adverse to the Security Agent. Each Debtor agrees from time to time to deliver to the Security Agent such evidence of the existence, identity, and location of its Collateral and of its availability as collateral security pursuant hereto (including, without limitation, schedules describing all Receivables created or acquired by such Debtor, copies of customer invoices or the equivalent and original shipping or delivery receipts for all merchandise and other goods sold or leased or services rendered by it, together with such Debtor's warranty of the genuineness thereof, and reports stating the book value of its Inventory and Equipment by major category and location), in each case as the Security Agent may reasonably request. The Security Agent shall have the right to verify all or any part of the Collateral in any commercially reasonable manner, and through any commercially reasonable medium, and each Debtor agrees to furnish all assistance and information, and perform any acts, which the Security Agent may require in connection therewith.

(o) *Further Assurances.* Each Debtor agrees to execute and deliver to the Security Agent such further agreements, assignments, instruments, and documents, and to do all such other things, as the Security Agent may reasonably deem necessary or appropriate to assure the Security Agent of its Lien, including, without limitation, (i) such financing statements or other instruments and documents as the Security Agent may from time to time reasonably require to comply with the UCC and any other applicable law, (ii) such agreements with respect to patents, trademarks, copyrights, and similar intellectual property rights as the Security Agent may from time to time reasonably require to comply with the filing requirements of the United States Patent and Trademark Office and the United States Copyright Office or any Governmental Authority of England and Wales or the European Union (including, but not limited to, the European Union Intellectual Property Office and European Patent Office), and (iii) such control agreements with respect to Deposit Accounts, Pledged Equity, Investment Property, Letter-of-Credit Rights, and electronic Chattel Paper and to use commercially reasonable efforts to cause the relevant depository institutions to execute and deliver such control agreements, as the Security Agent may from time to time reasonably require. Each Debtor hereby agrees that a carbon, photographic or other reproduction of this Agreement or any such financing statement is sufficient for filing as a financing statement by the Security Agent without notice thereof to such Debtor wherever the Security Agent in its sole discretion desires to file the same. Each Debtor hereby authorizes the Security Agent to file any and all financing statements covering the Collateral or any part thereof

as the Security Agent may require, including financing statements describing the Collateral as “all assets whether now owned or hereafter acquired” or “all personal property whether now owned or hereafter acquired” or words of like meaning. The Security Agent may order lien searches from time to time against any Debtor and the Collateral, and the Debtors shall promptly reimburse the Security Agent for all reasonable costs and expenses incurred in connection with such lien searches. In the event for any reason the law of any jurisdiction other than New York becomes or is applicable to the Collateral or any part thereof, or to any of the Secured Obligations, each Debtor agrees to execute and deliver all such agreements, assignments, instruments, and documents and to do all such other things as the Security Agent deems necessary or appropriate to preserve, protect, and enforce the Lien of the Security Agent under the law of such other jurisdiction.

(p) *Security Agent May Perform.* On failure of any Debtor to perform any of the covenants and agreements herein contained, the Security Agent may, at its option, perform the same and in so doing may expend such sums as the Security Agent deems advisable in its reasonable discretion in the performance thereof, including, without limitation, the payment of any insurance premiums, the payment of any taxes, liens, encumbrances, expenditures made in defending against any adverse claims, and all other expenditures which the Security Agent may be compelled to make by operation of law or which the Security Agent may make by agreement or otherwise for the protection of the security hereof. All such sums and amounts so expended shall be repayable by the Debtors within three Business Days after demand for repayment by the Security Agent, shall constitute additional Secured Obligations secured hereunder, and shall bear interest from the date said amounts are expended at the Default Rate. No such performance of any covenant or agreement by the Security Agent on behalf of a Debtor, and no such advancement or expenditure therefor, shall relieve any Debtor of any default under the terms of this Agreement or in any way obligate the Security Agent to take any further or future action with respect thereto. The Security Agent, in making any payment hereby authorized, may do so according to 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 or title or claim. The Security Agent, in performing any act hereunder, shall be the sole judge of whether the relevant Debtor is required to perform the same under the terms of this Agreement. The Security Agent is hereby authorized to charge any account of any Debtor maintained with the Security Agent for the amount of such sums and amounts so expended.

(q) *Organizational Documents.* No Debtor shall amend its Organizational Documents in any manner materially adverse to the Security Agent without the prior written consent of the Security Agent. Each Debtor shall provide the Security Agent with copies of all material amendments to any Organizational Documents (which shall include, for the avoidance of doubt, any amendments which are materially adverse to the Security Agent and which require the prior consent of the Security Agent as set forth in the prior sentence).

(r) *Payment of Taxes; Compliance with Laws.* Each Debtor will promptly pay when due all taxes, assessments, and governmental charges and levies upon or against it or its Collateral, in each case, unless the same are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and as to which adequate reserves established in accordance with generally accepted accounting principles have been provided. Each Debtor will

comply in all material respects with the terms and conditions of (i) any and all leases, easements, right-of-way agreements, and other agreements binding upon such Debtor or affecting the Collateral, in each case which cover the premises wherein the Collateral is located, and (ii) any orders, ordinances, laws or statutes of any Governmental Authority with respect to such premises and the conduct of business thereon and the use, manufacture, sale or distribution of Collateral.

(s) *Inspection; Field Audits.* Each Debtor shall, and shall cause each of its Subsidiaries to, permit the Security Agent and each of its duly authorized representatives and agents to visit and inspect any of its property, corporate books, and financial records, to examine and make copies of its books of accounts and other financial records, and to discuss its affairs, finances, and accounts with, and to be advised as to the same by, its officers, employees and independent public accountants in accordance with and solely to the extent required by the terms and conditions of the Loan Agreement; provided that (x) at all times prior to the occurrence and continuance of an Event of Default, each Debtor will be afforded a reasonably opportunity to participate in any such discussion with accountants, and (y) no Debtor shall be required to provide any information in any contract that (i) would, or would reasonably be expected to breach any confidentiality agreement with a third party or result in any loss of the protections provided by attorney-client privilege or (ii) consists of attorney work product, so long as in each case, such Debtor did not enter into such contract in order to avoid any such disclosure.

(t) *Performance of Contracts.* Each Debtor will perform in all material respects its obligations under any contract or other agreement constituting part of the Collateral, except, in each case, where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a material adverse effect on the business of such Debtor, it being understood and agreed that the Security Agent has no responsibility to perform such obligations.

*Section 5. Consent of Pledged Issuers.* The Debtors constitute all of the members (the "Members") of such Pledged Issuers. By executing this Agreement, each Debtor, as a Member of each such Pledged Issuer, and each Pledged Issuer (in addition to any other covenants, representations and warranties each has made as a Debtor, if applicable, hereunder), acknowledges and agrees that: (a) such Pledged Issuer consents to the applicable Debtor's grant of a Security Interest in such Debtor's limited liability company interests in such Pledged Issuer to the Security Agent, including, without limitation, all economic, management and ownership interests, notwithstanding anything to the contrary contained in the applicable organizational agreement; (b) all parties required by the terms of such Pledged Issuer's Organizational Documents to approve the collateral assignment made by this Agreement have done so, and the interest of the Security Agent by virtue of that assignment has been reflected on the books and records of such Pledged Issuer; (c) by virtue of this Agreement, the Security Agent has the right, upon the occurrence and during the continuation of an Event of Default, at its option, to exercise all rights of the applicable Debtor in such Pledged Issuer, and such Pledged Issuer agrees to comply with all instructions originated by the Security Agent without further consent by the applicable Debtor; (d) the right of the Security Agent to enforce its rights and remedies under this Agreement and any such action taken in accordance therewith shall be valid and effective under the applicable organizational agreement; (e) any transfer, assignment, sale or other disposition of the limited liability company interests in such Pledged Issuer by the Security Agent pursuant to this Agreement shall be valid and effective for all purposes to transfer the right, title and interest of the applicable Debtor to the

assignee or Person designated by the Security Agent in accordance with this Agreement (including, without limitation, in accordance with this Agreement, the rights to participate in the management of the business and affairs of such Pledged Issuer, to share profits and losses, to receive distributions, and to exercise all rights and powers of a member), and such transferee shall be admitted as a member of the Pledged Issuer, with all rights and powers attendant to the limited liability company interests of such Pledged Issuer, without any further action of any Person (including any party to this Agreement) and without such admission being subject to any rights of first refusal, rights of first offer or any other limitation, consent or approval of any kind; (f) upon admission of such transferee, the applicable Debtor shall cease to be a member or to have any power to exercise any rights or powers of a member; and (g) such Pledged Issuer waives its rights, to the extent it has any, under its Organizational Documents, to the extent such rights conflict with the provisions of and rights granted to the Security Agent and the Security Agent's assignees to permit the Security Agent to exercise its rights under this Agreement.

*Section 6. Insurance.* (a) Each Debtor will insure its Collateral consisting of tangible personal property against such risks and hazards as other companies similarly situated insure against, in amounts and under policies as are customarily carried under similar circumstances by such other Persons and containing loss payable clauses to the Security Agent as its interest may appear (and, if the Security Agent requests, naming the Security Agent as additional insureds therein), in each case in accordance with the terms and conditions of the Loan Agreement.

(b) IN THE EVENT THAT ANY DEBTOR FAILS TO MAINTAIN, OR FAILS TO CAUSE TO BE MAINTAINED, THE FULL INSURANCE COVERAGE REQUIRED BY THIS AGREEMENT, THE SECURITY AGENT MAY PURCHASE INSURANCE AT THE DEBTORS' EXPENSE TO PROTECT THE SECURITY AGENT'S INTERESTS IN THE COLLATERAL. THIS INSURANCE MAY, BUT NEED NOT, PROTECT ANY DEBTOR'S INTERESTS IN THE COLLATERAL. THE COVERAGE PURCHASED BY THE SECURITY AGENT MAY NOT PAY ANY CLAIMS THAT ANY DEBTOR MAKES OR ANY CLAIM THAT IS MADE AGAINST SUCH DEBTOR IN CONNECTION WITH THE COLLATERAL. THE DEBTORS MAY LATER CANCEL ANY SUCH INSURANCE PURCHASED BY THE SECURITY AGENT, BUT ONLY AFTER PROVIDING THE SECURITY AGENT WITH EVIDENCE THAT THE DEBTORS HAVE OBTAINED INSURANCE AS REQUIRED BY THIS AGREEMENT. IF THE SECURITY AGENT PURCHASES INSURANCE FOR THE COLLATERAL, THE DEBTORS WILL BE RESPONSIBLE FOR THE COSTS OF THAT INSURANCE, INCLUDING INTEREST AND ANY OTHER CHARGES THAT THE SECURITY AGENT MAY IMPOSE IN CONNECTION WITH THE PLACEMENT OF THE INSURANCE, UNTIL THE EFFECTIVE DATE OF THE CANCELLATION OR EXPIRATION OF THE INSURANCE. THE COSTS OF THE INSURANCE MAY BE ADDED TO THE SECURED OBLIGATIONS SECURED HEREBY. THE COSTS OF THE INSURANCE MAY BE MORE THAN THE COST OF INSURANCE THE DEBTORS MAY BE ABLE TO OBTAIN ON THEIR OWN.

*Section 7. Special Provisions Re: Receivables.* Unless and until an Event of Default has occurred and is continuing, any merchandise or other goods which are returned by a customer or account debtor or otherwise recovered may be resold by a Debtor in the ordinary course of its business as presently conducted in accordance with Section 4(h); and, during the existence of any Event of Default, such merchandise and other goods shall be set aside at the request of the Security Agent and held by the relevant Debtor as trustee for the Security Agent and shall remain part of the Collateral. Unless and until an Event of Default has occurred and is continuing, the Debtors may settle and adjust disputes and claims with its customers and account debtors, handle returns

and recoveries, and grant discounts, credits, and allowances in the ordinary course of its business as presently conducted for amounts and on terms which the relevant Debtor in good faith considers advisable; and, during the existence of any Event of Default, at the Security Agent's request, the Debtors shall notify the Security Agent promptly of all returns and recoveries and, on the Security Agent's request, deliver any such merchandise or other goods to the Security Agent. During the existence of any Event of Default, at the Security Agent's request, the Debtors shall also notify the Security Agent promptly of all material disputes and claims and settle or adjust them at no expense to the Security Agent, but no discount, credit or allowance other than on normal trade terms in the ordinary course of business as presently conducted shall be granted to any customer or account debtor and no returns of merchandise or other goods shall be accepted by any Debtor without the Security Agent's consent. The Security Agent may, at all times during the existence of any Event of Default, settle or adjust disputes and claims directly with customers or account debtors for amounts and upon terms which the Security Agent considers advisable.

*Section 8. Remedies. (a) General.* Upon the occurrence and during the continuation of any Event of Default, the Security Agent shall have, in addition to all other rights provided herein or by law, the rights and remedies of a Security Agent under the UCC (regardless of whether the UCC is the law of the jurisdiction where the rights or remedies are asserted and regardless of whether the UCC applies to the affected Collateral), and further the Security Agent may, without demand and, to the extent permitted by applicable law, without advertisement, notice, hearing or process of law, all of which each Debtor hereby waives to the extent permitted by applicable law, at any time or times, sell and deliver any or all Collateral held by or for it at public or private sale, at any securities exchange or broker's board or at the Security Agent's office or elsewhere, for cash, upon credit or otherwise, at such prices and upon such terms as the Security Agent deems advisable, in its discretion. In the exercise of any such remedies, the Security Agent may sell the Collateral as a unit even though the sales price thereof may be in excess of the amount remaining unpaid on the Secured Obligations. Also, if less than all the Collateral is sold, the Security Agent shall have no duty to marshal or apportion the part of the Collateral so sold as between the Debtors, or any of them, but may sell and deliver any or all of the Collateral without regard to which of the Debtors are the owners thereof. In addition to all other sums due the Security Agent hereunder, each Debtor shall pay the Security Agent all documented out-of-pocket costs and expenses incurred by the Security Agent, including documented out-of-pocket attorneys' fees and court costs, in obtaining, liquidating or enforcing payment of Collateral or the Secured Obligations or in the prosecution or defense of any action or proceeding by or against the Security Agent or any Debtor concerning any matter arising out of or connected with this Agreement or the Collateral or the Secured Obligations, including, without limitation, any of the foregoing arising in, arising under or related to a case under the United States Bankruptcy Code (or any successor statute). Any requirement of reasonable notice shall be met if such notice is personally served on or mailed, postage prepaid, to the Debtors in accordance with Section 15(b) at least 10 days before the time of sale or other event giving rise to the requirement of such notice; *provided, however*, no notification need be given to a Debtor if such Debtor has signed, after an Event of Default hereunder has occurred, a statement renouncing any right to notification of sale or other intended disposition. The Security Agent shall not be obligated to make any sale or other disposition of the Collateral regardless of notice having been given. The Security Agent may be the purchaser at any such sale. Each Debtor hereby waives all of its rights of redemption from any such sale. The Security Agent 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, be made at the time and place to which the sale was postponed or the Security Agent may further postpone such sale by announcement made at such time and place. The Security Agent has no obligation to prepare the Collateral for sale. The Security Agent may sell or otherwise dispose of the Collateral without giving any warranties as to the Collateral or any part thereof, including disclaimers of any warranties of title or the like, and each Debtor acknowledges and agrees that the absence of such warranties shall not render the disposition commercially unreasonable.

(b) Without in any way limiting the foregoing, upon the occurrence and during the continuation of any Event of Default hereunder, in addition to all other rights provided herein or by law, (i) the Security Agent shall have the right to take physical possession of any and all of the Collateral, the right for that purpose to enter without legal process any premises where the Collateral may be found (provided such entry be done lawfully), and the right to maintain such possession on the relevant Debtor's premises (each Debtor hereby agreeing, to the extent it may lawfully do so, to lease such premises without cost or expense to the Security Agent or its designee if the Security Agent so requests) or to remove the Collateral or any part thereof to such other places as the Security Agent may desire, (ii) the Security Agent shall have the right to direct any intermediary at any time holding any Investment Property or other Collateral, or any issuer thereof, to deliver such Collateral or any part thereof to the Security Agent and/or to liquidate such Collateral or any part thereof and deliver the proceeds thereof to the Security Agent (including, without limitation, the right to deliver a notice of control with respect to any Collateral held in a securities account or commodities account and deliver all entitlement orders with respect thereto), (iii) the Security Agent shall have the right to exercise any and all rights with respect to all Deposit Accounts of each Debtor, including, without limitation, the right to direct the disposition of the funds in each Deposit Account and to collect, withdraw, and receive all amounts due or to become due or payable thereunder, and (iv) each Debtor shall, upon the Security Agent's demand, promptly assemble the Collateral and make it available to the Security Agent at a place reasonably designated by the Security Agent. If the Security Agent exercises its right to take possession of the Collateral, each Debtor shall also at its expense perform any and all other steps reasonably requested by the Security Agent to preserve and protect the Security Interest hereby granted in the Collateral, such as placing and maintaining signs indicating the Security Interest of the Security Agent, appointing overseers for the Collateral and maintaining Collateral records. The Security Agent may, if it so elects, without prior notice or hearing, seek the appointment of a receiver or keeper to take possession of Collateral and to enforce any of the Security Agent's remedies.

(c) *Pledged Equity.* Without in any way limiting the foregoing, upon the occurrence and during the continuation of any Event of Default, all rights of the Debtors to exercise the voting and/or consensual powers which they are entitled to exercise pursuant to Section 4(e)(iii) and/or to receive and retain the distributions which they are entitled to receive and retain pursuant to Section 4(e)(iii), shall, at the option of the Security Agent, cease and thereupon become vested in the Security Agent, which, in addition to all other rights provided herein or by law, shall then be entitled solely and exclusively to exercise all voting and other consensual powers pertaining to the Investment Property and/or to receive and retain the distributions which such Debtor would otherwise have been authorized to retain pursuant to Section 4(e)(iii) and shall then be entitled solely and exclusively to exercise any and all rights of conversion, exchange or subscription or any other rights, privileges or options pertaining to any Investment Property as if the Security

Agent were the absolute owner thereof, including, without limitation, the rights to exchange, at its discretion, all Investment Property or any part thereof upon the merger, consolidation, reorganization, recapitalization or other readjustment of the respective issuer thereof or upon the exercise by or on behalf of any such issuer or the Security Agent of any right, privilege or option pertaining to any Investment Property and, in connection therewith, to deposit and deliver the Investment Property or any part thereof with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as the Security Agent may determine. In the event the Security Agent in good faith believes any of the Collateral constitutes restricted securities within the meaning of any applicable securities laws, any disposition thereof in compliance with such laws shall not render the disposition commercially unreasonable. The Security Agent may, at any time after the occurrence and during the continuation of any Event of Default, cause to be transferred into its name or the name of its nominee or nominees any and all of the Pledged Equity and Investment Property.

(d) *Receivables.* Upon the occurrence of any Event of Default and in the event the Security Agent requests any Debtor to do so:

(i) all Instruments and tangible Chattel Paper at any time constituting part of the Receivables (including any postdated checks) shall, upon receipt by such Debtor, be immediately endorsed to and deposited with Security Agent;

(ii) such Debtor shall instruct all customers and account debtors to remit all payments in respect of Receivables or any other Collateral to a lockbox or lockboxes under the sole custody and control of the Security Agent and which are maintained at one or more post offices selected by the Security Agent; and/or;

(iii) the Security Agent or its designee may notify the relevant Debtor's customers and account debtors at any time that Receivables have been assigned to the Security Agent or of the Security Agent's Security Interest therein, and either in its own name, or such Debtor's name, or both, demand, collect (including, without limitation, through a lockbox analogous to that described in Section 8(b)(ii)), receive, receipt for, sue for, compound and give acquittance for any or all amounts due or to become due on Receivables, and in the Security Agent's discretion file any claim or take any other action or proceeding which the Security Agent may deem necessary or appropriate to protect and realize upon the Security Interest of the Security Agent in the Receivables or any other Collateral.

(e) *Intellectual Property License.* Without in any way limiting the foregoing, solely for the purpose of enabling the Security Agent to exercise rights and remedies hereunder, at such time as the Security Agent shall be lawfully entitled to exercise such rights and remedies upon the occurrence and during the continuance of an Event of Default, each Debtor hereby grants to the Security Agent, for the benefit of the Security Agent, a royalty-free, non-exclusive, irrevocable license and right to use all of such Debtor's patents, trademarks, tradenames and similar intellectual property rights in connection with any foreclosure or other realization by the Security Agent on all or any part of the Collateral to the extent permitted by law; provided that (i) such license shall be subject to the exclusive rights of any licensee under a license granted prior to such

Event of Default, and (ii) the quality of any products or services in connection with which any trademarks are used pursuant to the foregoing license will not be materially inferior to the quality of such services or products provided by Debtor under such trademarks immediately prior to such Event of Default (and Debtor shall have the right to inspect any such products and services to monitor compliance with such standard). The license and right granted to the Security Agent, for the benefit of the Security Agent, hereby shall be without any royalty or fee or charge whatsoever payable to any Debtor.

(f) *No Duty.* The powers conferred upon the Security Agent hereunder are solely to protect their interest in the Collateral and shall not impose on them any duty to exercise such powers. The Security Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession or control if such Collateral is accorded treatment substantially equivalent to that which the Security Agent accords its own property, consisting of similar type assets, it being understood, however, that the Security Agent shall have no responsibility for (i) ascertaining or taking any action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Collateral, whether or not the Security Agent has or is deemed to have knowledge of such matters, (ii) taking any necessary steps to preserve rights against any parties with respect to any Collateral, or (iii) initiating any action to protect the Collateral or any part thereof against the possibility of a decline in market value. This Agreement constitutes an assignment of rights only and not an assignment of any duties or obligations of the Debtors in any way related to the Collateral, and the Security Agent shall have no duty or obligation to discharge any such duty or obligation. Neither the Security Agent nor any party acting as attorney for the Security Agent shall be liable for any acts or omissions or for any error of judgment or mistake of fact or law other than such person's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction; *provided that*, in no event shall they be liable for any punitive, exemplary, indirect or consequential damages.

(g) *Nonexclusive Nature.* Failure by the Security Agent to exercise any right, remedy or option under this Agreement or any other agreement between any Debtor and the Security Agent or provided by law, or delay by the Security Agent in exercising the same, shall not operate as a waiver, and no waiver 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. The rights and remedies of the Security Agent under this Agreement shall be cumulative and not exclusive of any other right or remedy which the Security Agent may have. For purposes of this Agreement, an Event of Default shall be construed as continuing after its occurrence until the same is waived in writing by the Security Agent.

*Section 9. Power of Attorney.* In addition to any other powers of attorney contained herein, each Debtor hereby appoints the Security Agent, its nominee, or any other person whom the Security Agent may designate as such Debtor's attorney-in-fact or proxy, as applicable, with full power and authority upon the occurrence and during the continuation of any Event of Default to sign such Debtor's name on verifications of Receivables and other Collateral; to send requests for verification of Collateral to such Debtor's customers, account debtors, and other obligors; to exercise all voting rights with respect to the Investment Property or other Collateral or any part thereof with full power of substitution to do so; to endorse or sign such Debtor's name on assignments, stock powers or other instruments of transfer and on any checks, notes, acceptances,



money orders, drafts, and any other forms of payment or security that may come into the Security Agent's possession; to endorse the Collateral in blank or to the order of the Security Agent or its nominee; to sign such Debtor's name on any invoice or bill of lading relating to any Collateral, on claims to enforce collection of any Collateral, on notices to and drafts against customers and account debtors and other obligors, on schedules and assignments of Collateral, on notices of assignment and on public records; to notify the post office authorities to change the address for delivery of such Debtor's mail to an address designated by the Security Agent; to receive, open, and dispose of all mail addressed to such Debtor; to adjust and settle claims under any insurance policy relating thereto; and to do all things necessary to carry out this Agreement. Each Debtor hereby ratifies and approves all acts of any such attorney and agrees that neither the Security Agent nor any such attorney will be liable for any acts or omissions or for any error of judgment or mistake of fact or law other than such person's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction; *provided that*, in no event shall they be liable for any punitive, exemplary, indirect or consequential damages. The foregoing powers of attorney, being coupled with an interest, are irrevocable until the Secured Obligations have been Paid in Full.

*Section 10. Proxy.* EACH DEBTOR HEREBY IRREVOCABLY CONSTITUTES AND APPOINTS THE SECURITY AGENT AS ITS PROXY AND ATTORNEY-IN-FACT WITH RESPECT TO ITS INVESTMENT PROPERTY AND OTHER COLLATERAL, INCLUDING THE RIGHT TO VOTE SUCH INVESTMENT PROPERTY AND OTHER COLLATERAL, WITH FULL POWER OF SUBSTITUTION TO DO SO. IN ADDITION TO THE RIGHT TO VOTE ANY SUCH INVESTMENT PROPERTY AND OTHER COLLATERAL, THE APPOINTMENT OF THE SECURITY AGENT AS PROXY AND ATTORNEY-IN-FACT SHALL INCLUDE THE RIGHT TO EXERCISE ALL OTHER RIGHTS, POWERS, PRIVILEGES AND REMEDIES TO WHICH A HOLDER OF SUCH INVESTMENT PROPERTY AND OTHER COLLATERAL WOULD BE ENTITLED (INCLUDING GIVING OR WITHHOLDING WRITTEN CONSENTS OF SHAREHOLDERS OR OTHER EQUITY HOLDERS, CALLING SPECIAL MEETINGS OF SHAREHOLDERS OR OTHER EQUITY HOLDERS AND VOTING AT SUCH MEETINGS). SUCH PROXY SHALL BE EFFECTIVE, AUTOMATICALLY AND WITHOUT THE NECESSITY OF ANY ACTION (INCLUDING ANY TRANSFER OF ANY SUCH INVESTMENT PROPERTY AND OTHER COLLATERAL ON THE RECORD BOOKS OF THE ISSUER THEREOF) BY ANY PERSON (INCLUDING THE ISSUER OF SUCH INVESTMENT PROPERTY AND OTHER COLLATERAL OR ANY OFFICER OR AGENT THEREOF), UPON THE OCCURRENCE OF, AND ONLY DURING THE CONTINUATION OF, AN EVENT OF DEFAULT. EACH DEBTOR HEREBY RATIFIES AND APPROVES ALL ACTS OF ANY SUCH ATTORNEY AND AGREES THAT NEITHER THE SECURITY AGENT NOR ANY SUCH ATTORNEY WILL BE LIABLE FOR ANY ACTS OR OMISSIONS OR FOR ANY ERROR OF JUDGMENT OR MISTAKE OF FACT OR LAW OTHER THAN SUCH PERSON'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AS FINALLY DETERMINED BY A COURT OF COMPETENT JURISDICTION; PROVIDED THAT, IN NO EVENT SHALL THEY BE LIABLE FOR ANY PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES. THE FOREGOING POWERS OF ATTORNEY AND PROXY, BEING COUPLED WITH AN INTEREST, ARE IRREVOCABLE UNTIL THE SECURED OBLIGATIONS HAVE BEEN FULLY PAID AND SATISFIED AND ALL COMMITMENTS OF THE SECURITY AGENT TO EXTEND CREDIT TO OR FOR THE ACCOUNT OF THE BORROWERS AND EACH OF THEM INDIVIDUALLY UNDER THE LOAN AGREEMENT HAVE EXPIRED OR OTHERWISE TERMINATED.

*Section 11. Application of Proceeds.* The proceeds and avails of the Collateral at any time received by the Security Agent upon the occurrence and during the continuation of any Event of Default shall, when received by the Security Agent in cash or its equivalent, be applied by the

Security Agent in reduction of, or held as collateral security for, the Secured Obligations in accordance with the terms of the Loan Agreement. The Debtors shall remain liable to the Security Agent for any deficiency. Any surplus remaining after the full payment and satisfaction of the Secured Obligations shall be returned to the Borrowers, as agent for the Debtors, or to whomsoever the Security Agent reasonably determines is lawfully entitled thereto.

*Section 12. Termination; Release.* Upon Payment in Full of the Secured Obligations, the Security Interests in and Liens on the Collateral created hereby shall automatically terminate without delivery of any instrument or performance of any act by any party. If any of the Collateral shall be sold, transferred or otherwise disposed of by any Debtor in a transaction expressly permitted under the Loan Agreement, then any Security Interest in or Lien on such Collateral shall automatically terminate and such Collateral will be free and clear of all such Security Interests and Liens. Upon any such termination, the Security Agent shall, upon the request and at the expense of the Debtors, execute and deliver to the Debtors such documents as the Debtors shall reasonably request to evidence such termination. If any of the Collateral shall be sold, transferred or otherwise disposed of by any Debtor in a transaction expressly permitted under the Loan Agreement or any Debtor shall no longer be required to be a party hereto, then the Security Agent shall, at the request and sole expense of such Debtor, promptly deliver to such Debtor all releases or other documents reasonably necessary or desirable for the release of the Security Interests or Liens created hereby on such Collateral or the release of such Debtor as a party hereto, as applicable, at the sole cost and expense of the Debtors.

*Section 13. Continuing Agreement.* This Agreement shall be a continuing agreement in every respect and shall remain in full force and effect until the Payment in Full of all of the Secured Obligations.

*Section 14. The Security Agent.* The Security Agent hereby disclaims any representation or warranty to any other holders of the Secured Obligations under the Loan Agreement concerning the perfection of the Liens and Security Interests granted hereunder or in the value of any of the Collateral.

*Section 15. Miscellaneous. (a) Amendments; Assignments.* This Agreement cannot be changed or terminated orally. This Agreement shall create a continuing Lien on and Security Interest in the Collateral and shall be binding upon each Debtor, its successors and assigns and shall inure, together with the rights and remedies of the Security Agent hereunder, to the benefit of the Security Agent and its successors and permitted assigns; *provided, however*, that no Debtor may assign its rights or delegate its duties hereunder without the Security Agent's prior written consent (such consent not to be unreasonably withheld or delayed) (it being understood and agreed that any merger, consolidation, amalgamation or similar transaction not prohibited under the Loan Agreement shall not constitute an assignment or delegation). Without limiting the generality of the foregoing, and subject to the provisions of the Loan Agreement, the Security Agent may assign or otherwise transfer any indebtedness held by it secured by this Agreement to any other person, and such other person shall thereupon become vested with all the benefits in respect thereof granted to the Security Agent herein or otherwise.

(b) *Notices.* Except as otherwise specified herein, any notice, request or communication required shall be in writing and be well and sufficiently given if delivered in accordance with Clause 17 of the Loan Agreement.

(c) *Partial Invalidity.* In the event and to the extent that any provision hereof shall be deemed to be invalid or unenforceable by reason of the operation of any law or by reason of the interpretation placed thereon by any court, this Agreement shall to such extent be construed as not containing such provision, but only as to such jurisdictions where such law or interpretation is operative, and the invalidity or unenforceability of such provision shall not affect the validity of any remaining provisions hereof, and any and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect. Without limiting the generality of the foregoing, in the event that this Agreement shall be deemed to be invalid or otherwise unenforceable with respect to any Debtor, such invalidity or unenforceability shall not affect the validity of this Agreement with respect to the other Debtors.

(d) *Direct Obligation.* The Lien and Security Interest herein created and provided for stand as direct and primary security for the Secured Obligations of Borrower 2, the Debtors and the other ATV Group Companies arising under or otherwise relating to the Loan Agreement as well as for the other Secured Obligations secured hereby. No application of any sums received by the Security Agent in respect of the Collateral or any disposition thereof to the reduction of the Secured Obligations or any part thereof shall in any manner entitle any Debtor to any right, title or interest in or to the Secured Obligations or any collateral or security therefor, whether by subrogation or otherwise, unless and until all Secured Obligations have been Paid in Full. Each Debtor acknowledges and agrees that the Lien and Security Interest hereby created and provided are absolute and unconditional and shall not in any manner be affected or impaired by any acts or omissions whatsoever of the Security Agent or any other holder of any Secured Obligations, and without limiting the generality of the foregoing, the Lien and Security Interest hereof shall not be impaired by any acceptance by the Security Agent or any other holder of any Secured Obligations of any other security for or guarantors upon any of the Secured Obligations or by any failure, neglect or omission on the part of the Security Agent or any other holder of any of the Secured Obligations to realize upon or protect any of the Secured Obligations or any collateral or security therefor. The Lien and Security Interest hereof shall not in any manner be impaired or affected by (and the Security Agent, without notice to anyone, is hereby authorized to make from time to time) any sale, pledge, surrender, compromise, settlement, release, renewal, extension, indulgence, alteration, substitution, exchange, change in, modification or disposition of any of the Secured Obligations or of any collateral or security therefor, or of any guaranty thereof, or of any instrument or agreement setting forth the terms and conditions pertaining to any of the foregoing. The Security Agent may at its discretion at any time grant credit to Borrower 2, the Debtors or the other ATV Group Companies without notice to the other Debtors in such amounts and on such terms as the Security Agent may elect without in any manner impairing the Lien and Security Interest created and provided for. In order to realize hereon and to exercise the rights granted the Security Agent hereunder and under applicable law, there shall be no obligation on the part of the Security Agent or any other holder of any Secured Obligations at any time to first resort for payment to Borrower 2, the Debtors or the other ATV Group Companies or to any guaranty of the Secured Obligations or any portion thereof or to resort to any other collateral, security, property, Liens or any other rights or remedies whatsoever, and the Security Agent shall have the right to enforce this

Agreement against any Debtor or its Collateral irrespective of whether or not other proceedings or steps seeking resort to or realization upon or from any of the foregoing are pending.

(e) *Additional Debtors.* In the event the Security Agent shall at any time in its discretion permit a substitution of Debtors hereunder or a party shall wish to become a Debtor hereunder, such substituted or additional Debtor shall, upon executing an agreement in the form attached hereto as Exhibit A, become a party hereto and be bound by all the terms and conditions hereof to the same extent as though such Debtor had originally executed this Agreement and, in the case of a substitution, in lieu of the Debtor being replaced. Any such agreement shall contain information as to such Debtor necessary to update the Schedules hereto with respect to it. No such substitution shall be effective absent the written consent of the Security Agent nor shall it in any manner affect the obligations of the other Debtors hereunder.

(f) *Counterparts.* This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement shall become effective when it shall have been executed by each Debtor and the Security Agent, and the Security Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto.

(g) *Headings.* Section and subsection headings in this Agreement are included for convenience of reference only and shall not affect the interpretation of this Agreement.

(h) *Governing Law.* This Agreement shall be deemed to have been made in the State of New York and shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to principles of conflicts of laws (other than Section 5-1401 and 5-1402 of the General Obligations Law of the State of New York).

(i) *Venue.* Each Debtor hereby submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York and of any New York state court sitting in New York County for purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. Each Debtor irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient form. **EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON 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 SECTION.**

(j) *Electronic Execution.* The words “delivery,” “execute,” “execution,” “signed,” “signature,” and words of like import in this Agreement shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Security Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; *provided* that notwithstanding anything contained herein to the contrary the Security Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Security Agent pursuant to procedures approved by it; *provided, further*, without limiting the foregoing, upon the request of the Security Agent, any electronic signature shall be promptly followed by such manually executed counterpart.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, each Debtor has caused this Security Agreement to be duly executed and delivered as of the date first above written.

*"DEBTORS"*

FULLSTAR HOUSEWARE LLC

By:

Name: Victor Mendoza  
Title: Co-Chief Executive Officer,  
Co-President, Co-Chief Operating  
Officer, Co-Treasurer and Co-Secretary

CNKV HOLDINGS, INC.

By:

Name: Victor Mendoza  
Title: Co-Chief Executive Officer,  
Co-President, Co-Chief Operating  
Officer, Co-Treasurer and Co-Secretary

NEW VIKING REVOLUTION LLC

By:

Name: Victor Mendoza  
Title: Co-Chief Executive Officer,  
Co-President, Co-Chief Operating  
Officer, Co-Treasurer and Co-Secretary

NEW KITCHEN OPERATING COMPANY LLC

By:

Name: Victor Mendoza  
Title: Co-Chief Executive Officer,  
Co-President, Co-Chief Operating  
Officer, Co-Treasurer and Co-Secretary

NEW NUVA LLC

By:

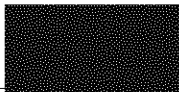
Name: Victor Mendoza  
Title: Co-Chief Executive Officer,  
Co-President, Co-Chief Operating  
Officer, Co-Treasurer and Co-Secretary

NEW CRAFTY OPERATING COMPANY LLC

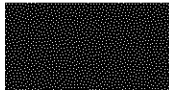
By:

Name: Victor Mendoza  
Title: Co-Chief Executive Officer,  
Co-President, Co-Chief Operating  
Officer, Co-Treasurer and Co-Secretary


YELLAPRO LIMITED

By   
Name Ashley Thompson  
Title Authorized Signatory

BUCKTHORN ONLINE LIMITED

By   
Name Ashley Thompson  
Title Authorized Signatory


CANI INVESTMENTS LTD

By   
Name Ashley Thompson  
Title Authorized Signatory

HOME NATIVE LTD

By   
Name Ashley Thompson  
Title Authorized Signatory

WILLOW INTERNATIONAL LTD

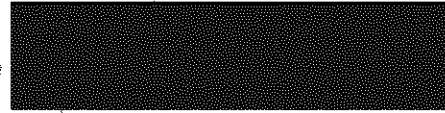
By   
Name Ashley Thompson  
Title Authorized Signatory



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

KREOS CAPITAL VI (UK) LIMITED, as  
Security Agent

By



Name Mr. Christopher  
Title Director

## SCHEDULE A

### A. General Information

Legal Name of Debtor	Type of Organization	Jurisdiction of Organization
CNKV Holdings, Inc.	Corporation	Delaware
New Viking Revolution LLC	Limited liability company	Delaware
New Nuva LLC	Limited liability company	Delaware
New Kitchen Operating Company LLC	Limited liability company	Delaware
New Crafty Operating Company LLC	Limited liability company	Delaware
Fullstar Houseware LLC	Limited liability company	Delaware
Yellapro Limited	Private limited company	England and Wales
Buckthorn Online Limited	Private limited company	England and Wales
Canl Investments Ltd	Private limited company	England and Wales
Home Native Ltd	Private limited company	England and Wales
Willow International Ltd	Private limited company	England and Wales

### B. Prior Legal Names

None.

### C. Trade Names

None.

## SCHEDULE B

### A. Chief Executive Offices

Debtor	Chief Executive Office (and name of record owner of such location)
CNKV Holdings, Inc.	300 South Madison Ave, Unit #4 Clearwater, FL 33756 Record Owner: Ezra Development LLC
New Viking Revolution LLC	300 South Madison Ave, Unit #4 Clearwater, FL 33756 Record Owner: Ezra Development LLC
New Nuva LLC	300 South Madison Ave, Unit #4 Clearwater, FL 33756 Record Owner: Ezra Development LLC
New Kitchen Operating Company LLC	300 South Madison Ave, Unit #4 Clearwater, FL 33756 Record Owner: Ezra Development LLC
New Crafty Operating Company LLC	300 South Madison Ave, Unit #4 Clearwater, FL 33756 Record Owner: Ezra Development LLC
Fullstar Houseware LLC	58 Turnfurlong Lane, Aylesbury HP21 7PQ United Kingdom Record Owner: Ashley Thompson
Yellapro Limited	The Old Chapel, Union Way, Witney, England, OX28 6HD
Buckthorn Online Limited	The Old Chapel, Union Way, Witney, England, OX28 6HD
Cani Investments Ltd	The Old Chapel, Union Way, Witney, England, OX28 6HD
Home Native Ltd	The Old Chapel, Union Way, Witney, England, OX28 6HD
Willow International Ltd	The Old Chapel, Union Way, Witney, England, OX28 6HD

### B. Owned Real Estate

None.

**C. Leased Real Estate**

<b>Debtor</b>	<b>Landlord and Landlord Address</b>	<b>Approximate Value of Collateral at Location</b>
New Viking Revolution LLC	Ezra Development LLC 300 South Madison Ave, Unit #2 Clearwater, FL 33756	\$27,500

## SCHEDULE C

### A. Trademark Registrations and Trademark Applications<sup>1</sup>

Debtor	Jurisdiction	Registration/ Serial Number	Mark	App. Date	Reg. Date
New Viking Revolution LLC	U.S.	RN: 5981801 SN: 88510390	<b>EST 2016 SHAVING REVOLUTION and Design</b>	July 11, 2019	February 11, 2020
New Viking Revolution LLC	U.S.	RN: 5480109 SN: 87637201	<b>EST. 2016 VIKING REVOLUTION and Design</b>	October 6, 2017	May 29, 2018
New Viking Revolution LLC	U.S.	RN: 5697014 SN: 88059591	<b>JOIN THE VIKING REVOLUTION</b>	July 31, 2018	March 12, 2019
New Viking Revolution LLC	U.S.	RN: 5983333 SN: 88541038	<b>SHAVING REVOLUTION</b>	July 26, 2019	February 11, 2020
New Viking Revolution LLC	U.S.	RN: 6089702 SN: 88702193	<b>SHAVING REVOLUTION</b>	November 21, 2019	June 30, 2020
New Viking Revolution LLC	U.S.	RN: 5468237 SN: 87628799	<b>VIKING REVOLUTION</b>	September 29, 2017	May 15, 2018
New Viking Revolution LLC	European Union	RN: 017960037 AN: 017960037	<b>Nuva Botanicals and Design</b>	September 21, 2018	January 12, 2019
New Viking Revolution LLC	European Union	RN: 017960044 AN: 017960044	<b>Nuva Dent and Design</b>	September 21, 2018	February 7, 2020
New Viking Revolution LLC	European Union	RN: 017960036 AN: 017960036	<b>Nuva Spa and Design</b>	September 21, 2018	January 12, 2019
New Viking Revolution LLC	European Union	RN: 018107115 AN: 018107115	<b>SHAVING REVOLUTION</b>	August 12, 2019	May 22, 2020
New Viking Revolution LLC	European Union	RN: 018102865 AN: 018102865	<b>VIKING REVOLUTION</b>	August 2, 2019	December 18, 2019
New Viking Revolution LLC	UK	UK00917960037	<b>Nuva Botanicals</b>	September 21, 2018	January 12, 2019

<sup>1</sup> The trademark registrations and applications listed in this Schedule C are not currently recorded in the name of the grantor entity listed above. Promptly after the date hereof, Grantors shall update the record title of such trademark registrations and applications (through recordation of assignments and/or name changes, as applicable, with the relevant intellectual property office or registrar) to reflect the grantor entity listed above as the record owner of such trademark registrations and applications.

<b>Debtor</b>	<b>Jurisdiction</b>	<b>Registration/ Serial Number</b>	<b>Mark</b>	<b>App. Date</b>	<b>Reg. Date</b>
New Viking Revolution LLC	UK	UK00917960044	<b>Nuva Dent</b>	September 21, 2018	February 7, 2020
New Viking Revolution LLC	UK	UK00917960036	<b>Nuva Spa</b>	September 21, 2018	January 12, 2019
New Viking Revolution LLC	UK	UK00918107115	<b>SHAVING REVOLUTION</b>	August 12, 2019	May 22, 2020
New Viking Revolution LLC	UK	UK00918102865	<b>VIKING REVOLUTION</b>	August 2, 2019	December 18, 2019
New Viking Revolution LLC	China	AN: 40198976	<b>VIKING REVOLUTION and Design</b>	August 7, 2019	
New Viking Revolution LLC	China	AN: 47962657	<b>VIKING REVOLUTION and Design</b>	July 9, 2020	
New Viking Revolution LLC	China	RN: 40997156 AN: 40997156	<b>SHAVING REVOLUTION and Design</b>	September 11, 2019	May 7, 2020
New Viking Revolution LLC	China	RN: 40984062 AN: 40984062	<b>SHAVING REVOLUTION and Design</b>	September 11, 2019	May 7, 2020
New Viking Revolution LLC	China	RN: 40192173 AN: 40192173	<b>VIKING REVOLUTION</b>	August 7, 2019	April 7, 2020
New Viking Revolution LLC	China	RN: 40183704 AN: 40183704	<b>VIKING REVOLUTION</b>	August 7, 2019	April 7, 2020
New Viking Revolution LLC	China	RN: 40207882 AN: 40207882	<b>VIKING REVOLUTION</b>	August 7, 2019	April 7, 2020
New Viking Revolution LLC	China	RN: 40202560 AN: 40202560	<b>VIKING REVOLUTION</b>	August 7, 2019	April 7, 2020
New Viking Revolution LLC	Hong Kong	AN: 304995226	<b>VIKING REVOLUTION</b>		
New Kitchen Operating Company LLC	U.S.	SN: 90304724	<b>GLAMPERS</b>	November 6, 2020	
New Kitchen Operating Company LLC	U.S.	RN: 6185286 SN: 88904144	<b>LEGENDARY CHEF and Design</b>	May 6, 2020	October 27, 2020

<b>Debtor</b>	<b>Jurisdiction</b>	<b>Registration/ Serial Number</b>	<b>Mark</b>	<b>App. Date</b>	<b>Reg. Date</b>
New Kitchen Operating Company LLC	U.S.	RN: 6185118 SN: 88875411	<b>TRAP A PEST and Design</b>	April 16, 2020	October 27, 2020
New Nuva LLC	U.S.	RN: 6129456 SN: 88775203	<b>NUVA DENT (Stylized)</b>	January 27, 2020	August 18, 2020
New Nuva LLC	U.S.	SN: 88775202	<b>NUVA SKIN and Design</b>	January 27, 2020	
New Crafty Operating Company LLC	U.S.	RN: 6229446 SN: 88657935	<b>CHALKY CROWN</b>	October 17, 2019	December 22, 2020
New Crafty Operating Company LLC	U.S.	SN: 90009692	<b>LANA &amp; LUCA</b>	June 18, 2020	
New Crafty Operating Company LLC	U.S.	RN: 6122066 SN: 88497965	<b>CRAFTY CROWN</b>	July 2, 2019	August 11, 2020
Home Native Ltd	U.S.	RN: 5740200 SN: 87190609	<b>PREP NATURALS</b>	October 2, 2016	April 30, 2019
Willow International Ltd	U.S.	SN: 90232362	<b>CHIROGUN</b>	October 2, 2020	
Willow International Ltd	U.S.	RN: 6130468 SN: 88866321	<b>FITPULSE</b>	April 9, 2020	August 18, 2020
Yellapro Limited	U.S.	RN: 5259797 SN: 87260152	<b>HOME HERO</b>	December 7, 2016	August 8, 2017
Yellapro Limited	U.S.	RN: 6042703 SN: 88692472	<b>BAMPURE</b>	November 14, 2019	April 28, 2020
Yellapro Limited	U.S.	RN: 6074937 SN: 88692495	<b>ALBOR</b>	November 14, 2018	June 9, 2020
Yellapro Limited	U.S.	RN: 6042702 SN: 88692444	<b>DR. CRAFTY</b>	November 14, 2019	April 28, 2020
Yellapro Limited	U.S.	SN: 90152068	<b>DreamCare</b>	September 1, 2020	

## **B. Copyright Registrations**

None.

**C. Patents and Patent Applications**

None.



**SCHEDULE D**

**A. Legal Description of any Real Estate with Fixtures (and name of record owner of such Real Estate)**

N/A

## SCHEDULE E

### A. Deposit Accounts

Debtor	Name of Depository Institution	Type of Account	Account Number	Amazon Seller Bank Account (Y/N)	Excluded Account (Y/N)
New Viking Revolution LLC	JPMorgan Chase, N.A.	Checking Account	██████████	Y	N
New Nuva LLC	JPMorgan Chase, N.A.	Checking Account	██████████	Y	N
New Kitchen Operating Company LLC	JPMorgan Chase, N.A.	Checking Account	██████████	Y	N
New Crafty Operating Company LLC	JPMorgan Chase, N.A.	Checking Account	██████████	Y	N
Fullstar Houseware LLC	Citibank	Checking Account	██████████	Y	N
Yellapro Limited	World First	Currency Account	██████████████████	Y	N
Yellapro Limited	Trust Pay a.s.	Collection Account	██████████	N	N
Yellapro Limited	Trust Pay a.s.	Collection Account	██████████████████████████	Y	N
Willow International Limited	World First	Currency Account	██████████████████	Y	N
Home Native Ltd	World First	Currency Account	██████████████████	Y	N
Home Native Ltd	Trust Pay a.s.	Collection Account	██████████	N	N
Canl Investments Ltd	Trust Pay a.s.	Collection Account	██████████	Y	N
Buckthorn Online Limited	Trust Pay a.s.	Collection Account	██████████	Y	N

**SCHEDULE F**

**A. Pledged Equity**

<b>Debtor</b>	<b>Pledged Issuer</b>	<b>Class/Type of Equity Interests</b>	<b>Percentage of Pledged Equity</b>	<b>Certificate No. (if any)</b>
CNKV Holdings, Inc.	New Viking Revolution LLC	Limited Liability Company Interests	100%	N/A
CNKV Holdings, Inc.	New Nuva LLC	Limited Liability Company Interests	100%	N/A
CNKV Holdings, Inc.	New Kitchen Operating Company LLC	Limited Liability Company Interests	100%	N/A
CNKV Holdings, Inc.	New Crafty Operating Company LLC	Limited Liability Company Interests	100%	N/A

**B. Other Investment Property**

None.

**C. Other Instruments and Other Negotiable Instruments**

None.

**SCHEDULE G**

**A. Commercial Tort Claims**

None.

## SCHEDULE H

### A. Filing Office

Debtor	Filing Office
CNKV Holdings, Inc.	Delaware
New Viking Revolution LLC	Delaware
New Nuva LLC	Delaware
New Kitchen Operating Company LLC	Delaware
New Crafty Operating Company LLC	Delaware
Fullstar Houseware LLC	Delaware
Yellapro Limited	Washington D.C.
Buckthorn Online Limited	Washington D.C.
Cani Investments Ltd	Washington D.C.
Home Native Ltd	Washington D.C.
Willow International Ltd	Washington D.C.

## EXHIBIT A

### ASSUMPTION AND SUPPLEMENT TO SECURITY AGREEMENT

THIS ASSUMPTION AND SUPPLEMENT TO SECURITY AGREEMENT (this "*Agreement*") dated as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ from [new Debtor], a \_\_\_\_\_ corporation/limited liability company/partnership (the "*New Debtor*"), to **KREOS CAPITAL VI (UK) LIMITED**, a company incorporated under the laws of England & Wales with company number 11535385 ("*Kreos*"), in its capacity as Security Agent under the Loan Agreement (as defined below) (in such capacity, together with its successors and permitted assigns in such capacity, the "*Security Agent*"). Except as otherwise defined herein, all capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Security Agreement or the Loan Agreement (each as defined below), as applicable.

### PRELIMINARY STATEMENTS

A. BACG BRANDED ASSET CO GMBH, a limited liability company incorporated under the laws of Germany and registered with the commercial register at the local court of Charlottenburg under registration number HRB 220432 B whose registered office is in Schinkelplatz 5, 10117 Berlin, Germany, BRANDED E-COMMERCE HOLDING GMBH, a limited liability company incorporated under the laws of Germany and registered with the commercial register at the local court of Charlottenburg under registration number HRB 220471 B whose registered office is in Schinkelplatz 5, 10117 Berlin, Germany, and Kreos, in its capacity as the Lender, the Security Agent and the Agent have entered into an Agreement for the Provision of Loan Facilities of up to €65,000,000 dated as of December 30, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified, the "*Loan Agreement*"), pursuant to which the Lender has agreed, subject to certain terms and conditions, to make one or more term loan facilities available to the Borrowers and to extend credit and make certain other financial accommodations available to the Borrowers.

B. Certain affiliated parties of the New Debtor and the Security Agent are party to that certain Security Agreement dated as of February 1, 2021 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "*Security Agreement*"), pursuant to which such affiliated parties (the "*Existing Debtors*") have granted to the Security Agent a Lien on and Security Interest in the Existing Debtors' Collateral to secure the Secured Obligations.

C. Borrower 2 and/or certain of the Existing Debtors provide the New Debtor with substantial financial, managerial, administrative, and technical support and the New Debtor will benefit, directly and indirectly, from credit and other financial accommodations extended by the Security Agent to Borrower 2.

NOW, THEREFORE, FOR VALUE RECEIVED, and in consideration of advances made or to be made, or credit accommodations given or to be given, to Borrower 2 by the Security Agent from time to time, the New Debtor hereby agrees as follows:

1. The New Debtor acknowledges and agrees that it shall become a "Debtor" party to the Security Agreement effective upon the date the New Debtor's execution of this Agreement and the delivery of this Agreement to the Security Agent, and that upon such execution and delivery, all references in the Security Agreement to the terms "Debtor" or "Debtors" shall be deemed to include the New Debtor. Without limiting the generality of the foregoing, the New Debtor hereby repeats and reaffirms all grants (including the grant of a Lien and Security Interest in the Collateral), covenants, agreements, representations, and warranties contained in the Security Agreement as amended hereby, each and all of which are and shall remain applicable to the Collateral from time to time owned by the New Debtor or in which the New Debtor from time to time has any rights. Without limiting the foregoing, in order to secure payment of the Secured Obligations, whether now existing or hereafter arising, the New Debtor does hereby grant to the Security Agent and hereby agrees that the Security Agent has and shall continue to have a continuing Lien on and Security Interest in, among other things, all of the New Debtor's Collateral, each and all of such granting clauses being incorporated herein by reference with the same force and effect as if set forth herein in their entirety except that all references in such clauses to the Existing Debtors or any of them shall be deemed to include references to the New Debtor. Nothing contained herein shall in any manner impair the priority of the Liens and Security Interests heretofore granted in favor of the Security Agent under the Security Agreement. The New Debtor hereby authorizes the Security Agent to file any and all financing statements covering the Collateral or any part thereof as the Security Agent may require, including financing statements describing the Collateral as "all assets whether now owned or hereafter acquired" or "all personal property whether now owned or hereafter acquired" or words of like meaning.

2. The Schedules to the Security Agreement shall be supplemented by the schedules attached hereto with respect to the New Debtor.

3. The New Debtor hereby acknowledges and agrees that the Secured Obligations are secured by all of the Collateral according to, and otherwise on and subject to, the terms and conditions of the Security Agreement to the same extent and with the same force and effect as if the New Debtor had originally been one of the Existing Debtors under the Security Agreement and had originally executed the same as such an Existing Debtor.

4. Any reference to the term "Debtor" or "Debtors" and any provision of the Security Agreement providing meaning to such term shall be deemed a reference to the Existing Debtors and the New Debtor. Except as specifically modified hereby, all of the terms and conditions of the Security Agreement shall stand and remain unchanged and in full force and effect.

5. The New Debtor agrees to execute and deliver such further instruments and documents and do such further acts and things as the Security Agent may deem necessary or proper to carry out more effectively the purposes of this Agreement.

6. No reference to this Agreement need be made in the Security Agreement or in any other document or instrument making reference to the Security Agreement, and any reference to the Security Agreement in any of such shall be deemed a reference to the Security Agreement as modified hereby.

7. The provisions of Sections 15(f)-(j) of the Security Agreements are hereby incorporated *mutatis mutandis*.

[INSERT NAME OF NEW DEBTOR]

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

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

KREOS CAPITAL VI (UK) LIMITED, as  
Security Agent

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_



**[SCHEDULES TO ASSUMPTION AND SUPPLEMENT TO SECURITY AGREEMENT]**