



Registration of a Charge

Company name: **EURICOM UK LIMITED**

Company number: **11212088**

Received for Electronic Filing: **10/02/2021**



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Details of Charge

Date of creation: **27/01/2021**

Charge code: **1121 2088 0002**

Persons entitled: **GRAHAM KENT OF HORSEPITS FARM BARN, COOKS HALL ROAD, WEST BERGHOLT, COLCHESTER, ESSEX, CO6 3EX**

Brief description: **A FIXED CHARGE OVER THE COMPANY'S INVOICE DEBT / BOOK ASSET HELD FROM TIME TO TIME WITH RESPECT TO THE COMPANY'S PURCHASE AGREEMENT WITH J SAINSBURY PLC. SEE DETAILS IN THE ATTACHED LOAN AGREEMENT.**

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

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

Authentication of Instrument

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

Certified by:

DROGERS



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 11212088

Charge code: 1121 2088 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th January 2021 and created by EURICOM UK LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 10th February 2021 .

Given at Companies House, Cardiff on 11th 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

This agreement is dated 27th January 2021.

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PARTIES

- (1) **Graham Kent** of Horsepits Farm Barn, Cooks Hall Road, West Bergholt, Colchester, Essex, CO6 3EX, (**Lender**);
- (2) **Euricom UK Ltd**, incorporated and registered in England and Wales with company number 11212088 whose registered office is at The Brands House, 61 Kings Road, Halstead, Essex, CO9 1HA (**Borrower**); and
- (3) **Bruno Sempio** of Valle Lomellina (PV), Via Stazione, Italy, 27020 (**Majority Shareholder**)

BACKGROUND

- (A) The Lender has agreed to lend and the Borrower and Majority Shareholder have agreed to accept £370,000 (three hundred and seventy thousand pounds only) (the "Loan") for the Purpose on condition that the Borrower uses the Loan for the Purpose only.
- (B) The parties have agreed to enter into this agreement as a Deed for the purpose of regulating the exercise of their rights in relation to the Loan and the Borrower and for the purpose of making certain commitments as set out in this agreement.

AGREED TERMS

1. Definitions and interpretation

Definitions

The following definitions apply in this agreement.

Board: the board of directors of the Borrower as constituted from time to time.

Business Day: a day other than a Saturday, Sunday or a public holiday in England when banks in London are open for business.

Business Plan: the business plan of the Borrower dated no later than the Completion Date in the agreed form.

Conditions: the conditions to completion set out in Schedule 1.

Completion Date: 27th January 2021

Confidential Information: all information relating to the Borrower of which the Lender becomes aware in his capacity as Lender, which is received by the Lender and from the Borrower in whatever form, but excluding any information:

- a) that is or becomes public information other than as a direct or indirect result of any breach by the Lender of clause 16;
- b) is identified in writing by the Borrower at the time of delivery as non-confidential; or
- c) is known to the Lender before it is disclosed to the Lender by the Borrower or is lawfully obtained by the Lender from another source, in either case, through no breach of confidentiality of which the Lender is or becomes aware.

Confidentiality Undertaking: a confidentiality undertaking in the form agreed by the Borrower and the Lender.

Disclosure Letter: the letter from the Board to the Lender, executed and delivered immediately before Completion together with the bundle of documents attached to it each in the agreed form.

Event of Default: any event or circumstance listed in clause 15.1 to clause 15.8.

Finance Document: this agreement, the legal charge and any other document designated as such by the Lender and the Borrower as set out in Schedule 4.

Management Accounts: the unaudited management accounts of the Borrower, comprising a balance sheet as at Completion Date and a profit and loss account for the period which commenced on the accounts date and ended on Completion Date, a copy of which is annexed to the Disclosure Letter.

Material Adverse Effect: any event or circumstance which, in the opinion of the Lenders:

- a) is likely to materially and adversely affect the Borrower's ability to perform or otherwise comply with all or any of her payment obligations under this agreement;
- b) is likely to materially and adversely affect the condition (financial or otherwise) or prospects of the Borrower; or
- c) is likely to result in any Finance Document not being legal, valid and binding on, and enforceable in accordance with its terms against, the Borrower.

Potential Event of Default: any event or circumstance specified in clause 15.1 to clause 15.8 which would, on the giving of notice, expiry of any grace period, making of any determination under the Finance Documents or satisfaction of any other condition (or any combination thereof), become an Event of Default.

Security: any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

Secured Assets: all the assets, book debts (held from time to time) and undertaking of the Borrower which are, or are expressed to be, subject to any Security created by, or pursuant to, this agreement as set out in Schedule 3 of this agreement (and references to the Secured Assets shall include references to any part of them).

Secured Liabilities: all present and future obligations and liabilities of the Borrower to the Lender, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with this agreement, together with all interest (including, without limitation, default interest) accruing in respect of those obligation or liabilities.

Interpretation

In this agreement:

- a) clause, Schedule and paragraph headings shall not affect the interpretation of this agreement;
- b) a reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality);
- c) unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular;
- d) unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- e) a reference to a party shall include that party's successors, permitted assigns and permitted transferees and this agreement shall be binding on, and enure to the benefit of, the parties to this agreement and their respective personal representatives, successors, permitted assigns and permitted transferees;
- f) a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;
- g) a reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision;

- h) a reference to a time of day is to London time;
- i) a reference to **writing** or **written** includes fax and email;
- j) an obligation on a party not to do something includes an obligation not to allow that thing to be done;
- k) a reference to this agreement (or any provision of it) or to any other agreement or document referred to in this agreement is a reference to this agreement, that provision or such other agreement or document as amended (in each case, other than in breach of the provisions of this agreement) from time to time;
- l) unless the context otherwise requires, a reference to a clause or Schedule is to a clause of, or Schedule to, this agreement and a reference to a paragraph is to a paragraph of the relevant Schedule;
- m) any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms;
- n) a reference to **directly** or **indirectly** means (without limitation) either alone or jointly with any other person, whether on his own account or in partnership with another (or others) as the holder of any interest in or as officer, employee or agent of or consultant to any other person;
- o) a reference to a document in **agreed form** is to that document in the form agreed by the Lender and the Borrower and initialled by or on their behalf for identification;
- p) a reference to an **amendment** includes a novation, re-enactment, supplement or variation (and **amended** shall be construed accordingly);
- q) a reference to **assets** includes present and future properties, undertakings, revenues, rights and benefits of every description;
- r) a reference to an **authorisation** includes an approval, authorisation, consent, exemption, filing, licence, notarisaton, registration and resolution;
- s) a reference to a **certified copy** of a document means a copy certified to be a true, complete and up-to-date copy of the original document, in writing and signed by a director or the secretary of the party delivering the document;
- t) a reference to **continuing** in relation to an Event of Default means an Event of Default that has not been remedied or waived;
- u) a reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the discretion of the person making it;
- v) a reference to a **disposal** of any asset, undertaking or business includes a sale, lease, licence, transfer, loan or other disposal by a person of that asset,

undertaking or business (whether by a voluntary or involuntary single transaction or series of transactions); and

- w) a reference to a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

Schedules

The Schedules form part of this agreement and shall have effect as if set out in full in the body of this agreement. Any reference to this agreement includes the Schedules.

2. The Loan and Grant of Security

2.1 The Lender shall provide the Loan to the Borrower on the terms, and subject to the conditions, of this agreement.

2.2 Grant of Security

As a continuing security for the payment and discharge of the Secured Liabilities, the Borrower with full title guarantee charges to the Lender by way of a first fixed charge all Secured Assets owned by the Borrower as set out in Schedule 3.

2.3 There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever, that materially and adversely affect the Secured Assets. There is no breach of any law or regulation which materially and adversely affects the Secured Assets. No Security expressed to be created under this agreement is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Borrower or otherwise.

2.4 The Board and/or the Borrower shall not do, or permit to be done, any act or thing that would or might depreciate, jeopardise or otherwise prejudice the security held by the Lender, or diminish the value of any of the Secured Assets or the effectiveness of the Security created by this agreement.

2.5 The Board and/ or the Borrower shall not at any time, except with the prior written consent of the Lender:

- i) create, purport to create or permit to subsist any Security on, or in relation to, any Secured Asset other than any Security created by this agreement;
- ii) sell, assign, transfer, part with possession of or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interest in, the Secured Assets; or

- iii) create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

2.6 Any release, discharge or settlement between the Borrower and the Lender shall be conditional on no payment or security received by the Lender in respect of the Secured Liabilities being avoided, reduced, set aside or ordered to be refunded under any law relating to insolvency, bankruptcy, winding up, administration, receivership or for any other reason. Despite any such release, discharge or settlement:

- i) the Lender or his nominee may retain this agreement and the Security created by or under it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Lender deems necessary to provide the Lender with Security against any such avoidance, reduction or order for refund; and
- ii) the Lender may recover the value or amount of such Security or payment from the Borrower subsequently as if the release, discharge or settlement had not occurred.

2.7 This deed constitutes and will constitute the legal, valid, binding and enforceable obligations of the Borrower, and is and will continue to be effective security over all and every part of the Secured Assets in accordance with its terms.

2.8 The Borrower shall, on demand, pay to the Lender and discharge the Secured Liabilities when they become due.

2.9 This deed shall commence on the date first above written and remain in full force and effect as a continuing security for the Secured Liabilities, despite any settlement of account, or intermediate payment, or other matter or thing, unless and until the Lender discharges this deed in writing and the Borrower has been duly released of its obligations by the Lender with respect to the Secured Liabilities arising out of this agreement.

3. Purpose and Monitoring

Purpose

3.1 The Borrower shall use the Loan as follows:

- a) Two hundred and seventy thousand pounds (£270,000) to be held in a designated account with NatWest Bank on behalf of the Borrower as Duty Bond Guarantee for UK HMRC and for Customs; and
- b) One hundred thousand pounds (£100,000) as cash flow for the Borrower together "Purpose".

3.2 The Borrower shall not use the Loan for any other purpose.

3.3 The Lender is entitled to verify how any amount borrowed under this agreement is used.

4. Matters requiring the consent of the Lender

4.1 The Borrower undertakes, covenants and represents to the Lender that save with the prior written consent of the Lender, the Borrower shall not take any of the actions set out in Schedule 2.

5. Transfer of Funds and Completion Date

5.1 On the Completion Date

- a) the Lender shall pay the Borrower the Loan to the designated bank account as communicated to the Lender by the Borrower; and
- b) The Borrower shall procure that its Solicitor registers within two working days, fixed legal charges against the Borrower in favour of the Lender for the Loan; and
- c) The Borrower and the Board shall complete any and all necessary documentation and take any and all steps required by the Lender to give effect to the fixed legal charge granted by this agreement.

5.2 The repayment of the Loan to the Lender shall be

- a) £270,000 automatically payable to the Lender on the date the UK HMRC and/or Customs cancel the bond requirements with respect to the Borrower; or the buyer with whom the security is being supplied (J Sainsbury Plc) cancels the contract with the Borrower; and
- b) £100,000 payable by a single lump sum by the Borrower no later than twelve (12 months) from the date of this agreement.

5.3 Payment of the Loan by the Lender to the Borrower shall be subject to the satisfaction of the Conditions on or before Completion Date.

5.4 The following events shall occur on the Completion Date:

- a) the Lender shall transfer two hundred and seventy thousand pounds (£270,000) into a designated account with Natwest Bank to be held on behalf of the Borrower as Duty Bond Guarantee for UK HMRC and for Customs;
- b) the Lender shall pay to the Borrower one hundred thousand pounds (£100,000) to the bank account details communicated to the Lender by the Board and/or the Borrower;
- c) Payment made in accordance with this clause shall constitute a good discharge of the Lender's obligations under this clause; and

- d) a meeting of the Board shall be held at which the Borrower shall pass any resolutions required to carry out the Borrower's obligations under this agreement.

6. Repayment and cancellation

6.1 Repayment of Loans

Without affecting any other right or remedy available to him, the Lender may terminate this agreement with immediate effect and the Loan will become immediately due and payable by giving notice to the Borrower if:

- a) the Borrower suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts; or
- b) the Borrower commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with any of its creditors; or
- c) the Borrower applies to court for, or obtains, a moratorium; or
- d) the holder of a qualifying floating charge over the assets of the Borrower has become entitled to appoint or has appointed an administrative receiver, or
- e) a person becomes entitled to appoint a receiver over all or any of the assets of the Borrower or a receiver is appointed over all or any of the assets of the other party; or
- f) a creditor or encumbrancer of the Borrower attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of the other party's assets and such attachment or process is not discharged within five (5) days; or
- g) any event occurs, or proceeding is taken, with respect to the Borrower in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in clause 6.1(a) to clause 6.1(g) (inclusive); or
- h) the Borrower's financial position deteriorates so far as to reasonably justify the opinion that its ability to give effect to the terms of this agreement is in jeopardy.

6.2 Where any of the events in clause 6.1 applies, the Loan shall become immediately payable and the Lender may enforce his rights by calling off the applicable legal charges against the Secured Assets.

6.3 Illegality

The Lender may require the Borrower to repay the Loan if:

- a) any law or regulation is introduced or changed, or there is any change in the way any court or regulatory authority interprets or applies any law or regulation which; or
 - b) any judgment, order or direction of any court, tribunal or authority binding on the Lender,
- makes it unlawful for the Lender to make any Loan, or allow any Loan to remain outstanding.

7. Fees, charges and expenses

7.1 Transaction expenses

The Borrower shall, promptly within five (5) Business Days of demand, pay to the Lender the amount of all costs and expenses (including legal, printing and out-of-pocket expenses) reasonably incurred by the Lender in connection with:

- a) the negotiation, preparation, execution and perfection of the Finance Documents and the other documents referred to in them; and
- b) any amendment, extension, waiver, consent or suspension of rights (or any proposal for any of these) relating to a Finance Document or a document referred to in any of them.

7.2 Enforcement and preservation costs

The Borrower shall, on demand, pay to the Lender the amount of all costs and expenses (including legal, printing and out-of-pocket expenses) incurred by the Lender in connection with enforcing, preserving any rights under, or monitoring the provisions of, any Finance Document.

8. Secured Assets / Debts

- 8.1 The particulars of the Assets set out in Schedule 3 are true, complete and accurate.
- 8.2 The Borrower has a good and marketable title to and is legal and beneficial owner of the Assets described in Schedule 3.
- 8.3 All covenants, obligations (including statutory obligations), restrictions and conditions affecting the Assets or the Borrower as owner of them have been observed and performed and all outgoings (including rates) have been duly paid.

- 8.4 There are no compulsory purchase orders or resolutions affecting the Secured Assets or any proposal for such an order or resolution of which the Board members are aware.
- 8.5 None of the book debts included in the accounts, the Management Accounts or which have subsequently arisen have been outstanding for more than twelve months from their due dates for payment, and all such debts have realised or will realise in the normal course of collection their full value save as provided in the accounts, the Management Accounts or in the books of the Borrower.
- 8.6 The Borrower has not granted any security or encumbrance over any part of its undertaking, book debts/ Secured Assets.
- 8.7 All assets used by, and all debts due to, the Borrower or which have otherwise been represented as being its property or due to it or used or held for the purposes of its business are at the date of Completion its absolute property and none is the subject of any encumbrance (except in respect of liens arising in the normal course of trading) or the subject of any factoring arrangement, hire-purchase, retention of title, conditional sale or credit sale agreement.
- 8.8 The present book debts and work-in-progress of the Borrower is in good condition and is (or will be once completed) capable of being sold profitably.
- 8.9 Each asset needed for the proper conduct of the business of the Borrower is in good repair and working order (fair wear and tear excepted).

9. Statutory and legal requirements

- 9.1 All statutory, municipal, governmental, court and other requirements applicable to the carrying on of the business of the Borrower, the formation, continuance in existence, creation and issue of securities, management, property or operation of the Borrower have been complied with, and all permits, authorities, licences and consents have been obtained and all conditions applicable to it complied with and, so far as the Board members are aware, there are no circumstances which might lead to the suspension, alteration or cancellation of any such permits, authorities, licences or consents, nor is there any agreement which materially restricts the fields within which the Borrower may carry on its business.
- 9.2 The Borrower has not committed, and is not liable for, any criminal, illegal, unlawful, ultra vires or unauthorised act or breach of covenant, contract or statutory duty and, so far as the Board members are aware, no officer or senior manager of the Borrower has committed any crime other than minor traffic offences.
- 9.3 No person, not being a director of the Borrower, has any actual or ostensible authority, whether under a power of attorney, agency agreement or otherwise, to commit the

Borrower to any obligation other than an obligation of a nature which it is usual for it to incur in the ordinary course of its business.

10. Records and registers

- 10.1 The records (including computer records), statutory books, registers, minute books and books of account of the Borrower are duly entered up and maintained in accordance with all legal requirements applicable thereto and contain true, full and accurate records of all matters required to be dealt with in them and all such books and all records and documents (including documents of title) which are the Borrower's property are in its possession or under its control.
- 10.2 The Board is not aware of any outstanding matter required to be entered in any of the records, statutory books, registers, minute books and books of account of the Borrower which has not been so entered at the date of this agreement.
- 10.3 All accounts, documents and returns required to be delivered or made to the Registrar of Companies have been duly and correctly delivered or made. There has been no notice of any proceedings to rectify the register of members of the Borrower or the Borrower's PSC register and there are no circumstances which might lead to any application for rectification of the register of members or the PSC register.
- 10.4 The Borrower has not made (or withdrawn) an election to keep information in its register of members, PSC register, register of directors, register of directors' residential addresses or register of secretaries on the central register at Companies House.

11. Borrowings and facilities

Full details of all limits on the Borrower's bank overdraft facilities and all borrowings of the Borrower are set out in the Disclosure Letter and the Borrower is not in breach of any of their terms and none of such facilities or terms of borrowing will be terminated as a result of the entry into of this agreement.

12. Insolvency

- 12.1 No step has been taken to initiate any process by or under which:
 - a) the ability of the creditors of the Borrower to take any action to enforce their debts is suspended, restricted or prevented; or
 - b) some or all of the creditors of the Borrower accept, by agreement or under a court order, an amount less than the sums owing to them in satisfaction of those sums with a view to preventing the dissolution of the Borrower; or

- c) a person is appointed to manage the affairs, business and assets of the Borrower, on behalf of the Borrower's creditors; or
- d) the holder of a charge over the Borrower's assets is appointed to control the business and assets of the Borrower.

12.2 In relation to the Borrower:

- a) no administrator has been appointed;
- b) no documents have been filed with the court for the appointment of an administrator; and
- c) no notice of an intention to appoint an administrator has been given by the relevant Borrower, its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986).

12.3 No distress, execution or other process has been levied on an asset of the Borrower.

13. Indemnities

13.1 Other indemnities

The Borrower shall indemnify the Lender within three Business Days of demand against any cost, loss or liability incurred by the Lender as a result of:

- a) the occurrence of any Event of Default or Potential Event of Default; or
- b) any prepayment of the Loan being made other than in accordance with a notice of prepayment given in accordance with the terms of this agreement.

13.2 General indemnity provisions

Each indemnity in this agreement:

- i) is a separate and independent obligation from the other obligations in this agreement;
- ii) gives rise to a separate and independent cause of action;
- iii) applies whether or not any indulgence is granted by the Lender; and
- iv) shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this agreement, or any other judgment or order.

14. Representations and warranties

The Borrower makes the representations and warranties in clause 14.1 to clause 14.16 to the Lender on the date of this agreement.

14.1 Power and authority

- a) The Borrower has the power to enter into, deliver and perform, and has taken all necessary action to authorise its entry into, delivery and performance of this agreement, the Finance Documents and the transactions contemplated by them.
- b) No limit on its powers will be exceeded as a result of the borrowing or grant of security contemplated by this agreement and the Finance Documents.

14.2 Non-contravention

The entry into and performance by it of, and the transactions contemplated by, this agreement and the Finance Documents do not and will not contravene or conflict with:

- a) any agreement or instrument binding on its or its assets or constitute a default or termination event (however described) under any such agreement or instrument; or
- b) any law or regulation or judicial or official order, applicable to it.

14.3 Authorisations

The Borrower has obtained all required or desirable authorisations to enable it to enter into, exercise its rights and comply with its obligations under this agreement and in the Finance Documents.

14.4 No default

- a) No Event of Default and, on the date of this agreement Potential Event of Default, is continuing or might reasonably be expected to result from the making or receipt of the Loan.
- b) No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination thereof, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on the Borrower or to which any of the Borrower's assets is subject which has or is likely to have a Material Adverse Effect.

14.5 Information

The information, in written or electronic format, supplied by, or on behalf of, the Borrower to the Lender in connection with the Loan and the Finance Documents was, at the time it was supplied or at the date it was stated to be given (as the case may be):

- a) if it was factual information, complete, true and accurate in all material respects;
- b) if it was a financial projection or forecast, prepared on the basis of recent historical information and on the basis of reasonable assumptions and was arrived at after careful consideration;
- c) if it was an opinion or intention, made after careful consideration and was fair and made on reasonable grounds; and
- d) not misleading in any material respect, nor rendered misleading by a failure to disclose other information,

except to the extent that it was amended, superseded or updated by more recent information supplied by, or on behalf of, the Borrower to the Lender.

14.6 Financial statements

- a) The Financial Document delivered to the Lender by the Borrower under this agreement gives a true and fair view of the Borrower's financial condition.
- b) There has been no material adverse change in the financial condition, of the Borrower since the date of this agreement.

14.7 No litigation

No litigation, arbitration or administrative proceedings are taking place or pending, or, to the best of the Borrower's knowledge and belief (after due and careful enquiry), have been threatened against the Borrower, which, if adversely determined, might reasonably be expected to have a Material Adverse Effect.

14.8 No breach of law

The Borrower has not breached any law or regulation which breach has or is likely to have a Material Adverse Effect.

14.9 Ownership of assets

The Borrower is the sole legal and beneficial owner of, and has good, valid and marketable title to, all its assets and no Security exists over its assets including the Secured Assets.

14.10 General covenants

The Borrower covenants with the Lenders as set out in clause 14.2 to clause 14.10 and undertakes to comply with those covenants.

14.11 Continuing obligations

The covenants given by the Borrower in this clause 14.10 clause and 14.16 shall remain in force from the date of this agreement for so long as the Loan remain outstanding.

14.12 Negative pledge

- a) The Borrower shall not:
- i) create, or permit to subsist, any Security on or over the Secured Assets other than the Security created as a result of this agreement; or
 - ii) create, or permit to subsist, any Security on or over any of its assets; or
 - iii) sell, transfer or otherwise dispose of any of its assets on terms whereby such asset is or may be leased to or re-acquired or acquired by it; or
 - iv) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - v) enter into any other preferential arrangement having a similar effect.

14.13 Borrowings

The Borrower shall not incur or permit to subsist, any obligation for financial indebtedness other than under this agreement and the Finance Documents.

14.14 Authorisations

The Borrower shall promptly obtain all consents and authorisations under any law or regulation (and do all that is needed to maintain them in full force and effect) to enable it to perform its obligations under this agreement and the Finance Documents and to ensure the legality, validity, enforceability and admissibility in evidence of the Finance Documents in its jurisdiction of incorporation.

14.15 Compliance with law

The Borrower shall comply in all respects with all relevant laws to which it may be subject, if failure to do so would materially impair its ability to perform her obligations under this agreement and the Finance Documents.

14.16 Further information

The Borrower shall supply to the Lender:

- a) details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against the Borrower as soon as it becomes aware of them, and which might, if adversely determined, have a Material Adverse Effect; and
- b) promptly, any further information about the financial condition, business and operations of the Borrower that the Lender may reasonably request.

14.17 Notification of default

- a) The Borrower shall notify the Lender of any Potential Event of Default or Event of Default (and the steps, if any, being taken to remedy it) promptly on becoming aware of its occurrence.

15. Events of Default

Each of the events or circumstances set out in clause 15.1 to clause 15.8 is an Event of Default.

15.1 Non-payment

The Borrower fails to pay any sum payable by it under this agreement and any Finance Document when due, unless its failure to pay is caused solely by an administrative error or technical problem and payment is made within three Business Days of its due date.

15.2 Non-compliance

The Borrower fails to comply with any provision of this agreement and the Finance Documents and (if the Lender consider, acting reasonably, that the default is capable of remedy) such default is not remedied within fourteen (14) days of the earlier of:

- a) the Lender notifying the Borrower of the default and the remedy required; and
- b) the Borrower becoming aware of the default.

15.3 Misrepresentation

Any representation, warranty or statement made, repeated or deemed made by the Borrower in, or pursuant to, this agreement, the Finance Documents is (or proves to

have been) incomplete, untrue, incorrect or misleading when made, repeated or deemed made.

15.4 Insolvency

- a) The Borrower stops or suspends payment of any of its debts or is unable to, or admits its inability to, pay its debts as they fall due.
- b) The Borrower commences negotiations, or enters into any composition, compromise, assignment or arrangement, with one or more of its creditors (excluding the Lender) with a view to rescheduling any of its indebtedness (because of actual or anticipated financial difficulties).
- c) A moratorium is declared in respect of any indebtedness of the Borrower.
- d) Any action, proceedings, procedure or step is taken in relation to:
 - i) the suspension of payments, a moratorium in respect of any indebtedness, winding up, dissolution, administration or reorganisation (using a voluntary arrangement, scheme of arrangement or otherwise) of the Borrower; or
 - ii) a composition, compromise, assignment or arrangement with any creditor of the Borrower; or
 - iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Borrower or any of its assets.
- e) The value of the Borrower's assets is less than her liabilities (taking into account contingent and prospective liabilities).
- f) Any event occurs in relation to the Borrower that is analogous to those set out in clause 15.4(a) to clause 15.4(e) (inclusive) in any jurisdiction.

15.5 Illegality

All or any part of this agreement and/or any Finance Document becomes invalid, unlawful, unenforceable, terminated, disputed or ceases to be effective or to have full force and effect.

15.6 Repudiation and rescission

The Borrower repudiates or rescinds or shows an intention to repudiate or rescind the Finance Documents or any of them.

15.7 Material adverse change

Any event occurs (or circumstances exist) which, in the opinion of the Lender, has or is likely to have a Material Adverse Effect.

15.8 Assignment or transfer by the Borrower

The Borrower may not assign any of its rights or transfer any of its rights or obligations under this agreement.

16. Confidential information

16.1 Confidentiality

The Lender agrees to keep all Confidential Information confidential and not disclose it to anyone other than in accordance with clause 16.1.

16.2 Disclosure of confidential information

The Lender may disclose:

- a) to his professional advisers, in addition to any publicly available information, such Confidential Information as the Lender shall consider appropriate, if the person to whom the information is given is informed that is confidential except that the Lender does not need to inform the recipient of the information, if the recipient is subject to professional obligations to maintain the confidentiality of the information;
- b) to any actual or potential assignee or transferee of his rights or obligations under this agreement (and any of their professional advisers), in addition to any publicly available information, such Confidential Information as the Lender shall consider appropriate, if the person to whom the information is given has entered into a Confidentiality Undertaking, except that there shall be no requirement for a Confidentiality Undertaking if the recipient is subject to professional obligations to maintain the confidentiality of the information;
- c) to any person with (or through) whom he enters into (or may enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, this agreement and/or the Borrower (and any of their professional advisers), in addition to any publicly available information, such Confidential Information as the Lender shall consider appropriate, if the person to whom the information is given has entered into a Confidentiality Undertaking, except that there shall be no requirement for a Confidentiality Undertaking if the recipient is subject to professional obligations to maintain the confidentiality of the information; and
- d) to any person to whom information is required to be disclosed in connection with, and for the purpose of, any litigation, arbitration, administrative or other investigations, proceedings or disputes, such Confidential Information as the Lender shall consider appropriate.

16.3 Entire agreement

This clause 16 constitutes the entire agreement between the parties in relation to the obligations of the Lender under this agreement and the Finance Documents regarding Confidential Information and supersedes any previous agreement regarding Confidential Information.

16.4 Continuing obligations

The obligations in this clause 16 are continuing and will remain binding on the Lender for a period of three (3) years from the date on which all amounts payable by the Borrower under or in connection with this agreement have been paid in full.

17. Amendments, waivers and consents

17.1 Amendments

No amendment of this agreement shall be effective unless it is in writing and signed by, each party.

17.2 Waivers and consents

- a) A waiver of any right or remedy under this agreement or by law, or any consent given under this agreement, is only effective if given in writing by the waiving or consenting party and shall not be deemed a waiver of any other breach or default. It only applies in the circumstances for which it is given and shall not prevent the party giving it from subsequently relying on the relevant provision.
- b) A failure or delay by a party to exercise any right or remedy provided under this agreement or by law shall not constitute a waiver of that or any other right or remedy, prevent or restrict any further exercise of that or any other right or remedy or constitute an election to affirm the agreement. No single or partial exercise of any right or remedy provided under this agreement or by law shall prevent or restrict the further exercise of that or any other right or remedy.

18. Severance

18.1 Severance

If any provision (or part of a provision) of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this clause shall not affect the legality, validity and enforceability of the rest of this agreement.

19. Counterparts

19.1 Counterparts

- a) This agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute one agreement.
- b) Transmission of an executed counterpart of this agreement (but for the avoidance of doubt not just a signature page) by fax or email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this agreement. If either method of delivery is adopted, without prejudice to the validity of the agreement thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.
- c) No counterpart shall be effective until each party has executed at least one counterpart.

20. Third party rights

20.1 Third party rights

- a) A person who is not a party to this agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this agreement. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.
- b) The rights of the parties to rescind or agree any amendment or waiver under this agreement are not subject to the consent of any other person.

21. Notices

21.1 A notice given to a party under or in connection with this agreement:

- a) shall be in writing and in English;
- b) shall be signed by or behalf of the party giving it;
- c) shall be sent to the relevant party for the attention of the contact and to the address (or email address) specified in clause 21.2, or such other address, email address or contact as that party may notify to the other in accordance with the provisions of this clause 21;
- d) shall be:
 - i) delivered by hand; or

- ii) sent by pre-paid first class post or another next day working day delivery service providing proof of delivery; or
- iii) sent by airmail or by reputable international overnight courier (if the notice is to be served by post to an address outside the country from which it is sent; or
- iv) sent by email to an email address notified by the relevant party to the other party for such purpose .

21.2 The addresses for service of notice are:

a) Borrower:

for the attention of: (i) Mr Paolo Buscaglia, Valle Lomellina (PV), Via Stazione, Italy, 27020; and (ii) Mr Paul Lee, The Brands House, 61 Kings Road, Halstead, Essex. CO9 1HA

Email: (i) buscaglia@curtiriso.it (ii) Paul@euricomuk.com

b) Lender: Mr Graham Kent, Horsepits Farm Barn, Cooks Hall Road, West Bergholt, Colchester, Essex, Co6 3EX.

Email: graham@brandsdirectltd.com

21.3 A party may change its details for service of notices as specified in clause 21.2 by giving notice in writing to the other parties provided that the address for service is an address in the United Kingdom following any change. Any change notified pursuant to this clause 21.3 shall take effect at 9.00 am on the later of:

- a) the date (if any) specified in the notice as the effective date for the change; and
- b) five Business Days after deemed receipt of the notice of change.

21.4 Delivery of a notice is deemed to have taken effect (provided that all other requirements in this clause have been satisfied):

- a) if delivered by hand, on signature of a delivery receipt; or
- b) if sent by fax, at the time of transmission; or
- c) if sent by pre-paid first-class post or another next day working day delivery service providing proof of delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
- d) if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or
- e) if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt; or]
- f) if sent by email, at the time of transmission; and

- g) if deemed receipt under the previous paragraphs of this clause 21.4 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 am on the day when business next starts in the place of deemed receipt. For the purposes of this clause 21.4, all references to time are to local time in the place of deemed receipt.

21.5 To prove service, it is sufficient to prove that:

- a) if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- b) if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- c) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- d) if sent by email, the notice was properly addressed and sent to the email address of the recipient.

21.6 This clause 21 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

21.7 A notice given under or in connection with this agreement is not valid if sent by email.

22. Further assurance

Without prejudice to clause 3, at its own expense each party shall, and shall use all reasonable endeavours to procure that any necessary third party shall, promptly execute and deliver such documents and perform such acts as may be required for the purpose of giving full effect to this agreement.

23. No partnership

23.1 Nothing in this agreement is intended to, or shall be deemed to, establish any partnership or joint venture between any of the parties, constitute any party the agent of another party, or authorise any party to make or enter into any commitments for or on behalf of any other party.

23.2 Each party confirms it is acting on its own behalf and not for the benefit of any other person.

24. Language

24.1 This agreement is drafted in the English language.

24.2 Any notice given under or in connection with this agreement shall be in English. All other documents provided under or in connection with this agreement shall be in English, or accompanied by a certified English translation.

24.3 The English language version of this agreement and any notice or other document relating to this agreement shall prevail if there is a conflict.

25. Inadequacy of damages

25.1 Without prejudice to any other rights or remedies that a party may have, each party acknowledges and agrees that other than in respect of a claim, damages alone would not be an adequate remedy for any breach of the terms of this agreement by that party. Accordingly, the other parties shall be entitled to seek the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of the terms of this agreement.

26. Agreement survives Completion Date

This agreement (other than obligations that have already been fully performed) remains in full force after Completion Date.

27. Governing law and Jurisdiction

27.1 Governing law

This agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

27.2 Jurisdiction

Each party irrevocably agrees that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this agreement or its

subject matter or formation. Nothing in this clause shall limit the right of the Lender to take proceedings against the Borrower in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdictions, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

Schedule 1

Conditions to Completion

1. The passing of applicable Board resolutions in the agreed form, at a duly convened Board meeting.
2. The passing of resolutions of the shareholders to authorise the Board to register fixed charges with Companies House against the Borrower's Assets and its entire book debt now or in the future.
3. Delivery to the Lender of the Business Plan, the accounts and the Management Accounts.
4. Delivery to the Lender of the applicable registered fixed charges.
5. Delivery to the Lender of the Disclosure Letter.

Schedule 2

Matters requiring the consent of the Lender

1. Granting of any legal charge, fixed or floating against the Secured Assets and/or book debt.
2. Offer or grant any rights to any future shareholder in the Borrower or future creditors of the Borrower without offering substantially similar rights to the Lender.
3. Dispose of any asset of a capital nature having a book or market value greater than £5,000 other than on arm's length terms.
4. Engage any employee or consultant, or vary the terms of any person so engaged with the Borrower so that:
 - i) more than three months' notice is required to terminate the contract; or
 - ii) the emoluments and/or commissions or bonuses are or are likely to be more than £2,000 each per calendar month.
5. Make any change to:
 - i) its bankers or the terms of the mandate given to such bankers in relation to its account(s);
 - ii) its accounting policies, bases or methods from those set out in the accounts and the accountants' report (other than as recommended by the auditors of the Borrower).
6. Make any amendment to the Business Plan.
7. Enter into any contract or arrangement that is not on an arm's length basis.
8. Allow the Borrower to cease (or propose to cease) to carry on its business.
9. Take any step to wind up the Borrower (except where it is insolvent within the meaning of section 123 of the Insolvency Act).
10. Take any step to place the Borrower in administration.
11. Propose or enter into any arrangement, scheme, moratorium, compromise or composition with its creditors (whether under Part I of the Insolvency Act 1986 or otherwise).
12. Approve any merger, liquidation, dissolution or acquisition of the Borrower.
13. Other transactions which are of interest to the Lender from time to time.

Schedule 3

Assets

The Borrower's invoice debt / book asset with respect to the Borrower's purchase agreement with J Sainsbury Plc.


Schedule 4

Finance Documents

1. This agreement, duly executed by the Borrower.
2. The fixed charge, duly executed by the Borrower.
3. Copies of bank mandates for the Borrower's bank.
4. Any other information and/or documents required by the Lender.
5. Evidence that all outstanding Security granted by the Borrower or affecting its interest in the Secured Assets subject to the fixed charge has been, or will be, discharged by the Completion Date.
6. Payment by the Borrower of all fees and expenses incurred by the Lender and to be paid or reimbursed by the Borrower before the Completion Date.

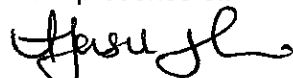
This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Signed as a Deed by **GRAHAM KENT**



.....

In the presence of:



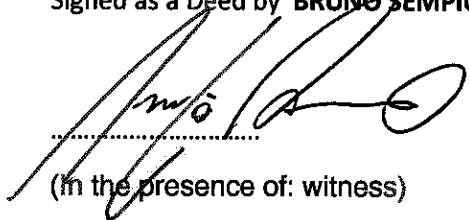
ALASDAIR HODGKINS
87 CHURCH ST
COGRESHALL
COG IUR MANAGING DIRECTOR

Signed as a Deed by **BRUNO SEMPIO**

.....

In the presence of:

Signed as a Deed by **BRUNO SEMPIO**


.....
(In the presence of: witness)


.....
(Name/occupation/address)


Mario Francese, CEO Euricom Spa


Via Stazione 119, 27020 Valle Lomellina (PV) - Italy

.....

Signed by **PAOLO BUSCAGLIA**

for and on behalf of **EURICOM UK LIMITED**


..... Director
(In the presence of: witness)


.....
(Name/occupation/address)

Edda Simionato – Commercial Assistant

Via Stazione 119, 27020 Valle Lomellina (PV) - Italy

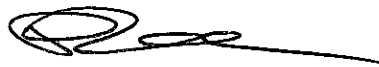
.....

Signed by PAOLO BUSCAGLIA
for and on behalf of EURICOM
UK LIMITED

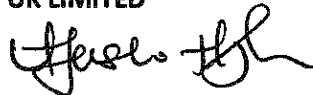
.....
Director

In the presence of:

Signed by PAUL LEE
for and on behalf of EURICOM
UK LIMITED



.....



.....

ALASDAIR HODGKINS
87 CHURCH ST
COGESHAM
COB 103 MANAGING DIRECTOR