


This is Exhibit "I" referred to in the
Affidavit of Naveed Z. Manzoor, sworn before
me at the City of Toronto, in the Province of
Ontario, this 16th day of May, 2016.



Commissioner for Taking Affidavits
Mark Sheeley

EXECUTION VERSION

DATED: 18 July 2013

DEBENTURE

between

J.S.N. JEWELLERY UK LIMITED

and

SALUS CAPITAL PARTNERS, LLC

VEDDER PRICE®

Vedder Price LLP

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London EC2R 5AR

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SCHEDULE 1 – Property

Part 1. Registered Property

Part 2. Unregistered Property

SCHEDULE 2 – Relevant Agreements

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THIS DEED is dated 18 July 2013

PARTIES

- (1) **J.S.N. JEWELLERY UK LIMITED** incorporated and registered in England and Wales, company number 03557501, with its registered office is at 19-20 Bourne Court, Southend Road, Woodford Green, Essex, IG8 8HD, United Kingdom as guarantor and indemnifier ("**Guarantor**").
- (2) **SALUS CAPITAL PARTNERS LLC** incorporated and registered in the State of Delaware, United States of America, with its registered office at 197, First Avenue, Suite 250, Needham Heights, Boston, MA, 02494-2816, United States of America as administrative agent and collateral agent (in such capacities, the "**Agent**") for its own benefit and for the benefit of the other Credit Parties (as defined in the Credit Agreement referred to below).

BACKGROUND

- (A) Reference is made to that certain credit agreement dated as of the date hereof (as amended, modified, supplemented or restated hereafter, the "**Credit Agreement**"), by and between, among others, (i) J.S.N. JEWELLERY INC., a company existing under the laws of the province of Ontario, Canada (the "**Lead Borrower**", the Guarantor and the other parties named in Schedule 1.02 of the Credit Agreement the "**Guarantors**"), (ii) the Agent, and (iii) the Lenders party thereto from time to time (the "**Lenders**").
- (B) The Lenders have agreed to make Loans to the Borrowers pursuant to, and upon the terms and subject to the conditions specified in, the Credit Agreement.
- (C) As a wholly-owned subsidiary of the Lead Borrower, the Guarantor acknowledges that it will receive direct and indirect corporate benefits from the availability of the credit facility provided for in the Credit Agreement and from the making of the Loans by the Lenders.
- (D) The obligations of the Lenders to make loans are each subject to, among other things, a condition precedent that the Guarantor guarantees the obligations and liabilities of the Loan Parties under the Credit Agreement and the Loan Documents and secures such guarantee by executing and delivering this Debenture. As consideration therefor, and in order to induce the Lenders to make loans, the Guarantor has entered into that certain Guarantee and Indemnity under the laws of England and Wales dated as of the date hereof (as amended, modified, supplemented or restated hereafter, the "**UK Guarantee**") and, by way of security therefor, has agreed to enter into this Debenture.

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AGREED TERMS

1 DEFINITIONS AND INTERPRETATION

1.1 Capitalised terms used and not defined in this Deed shall have the meanings assigned to such terms in the Credit Agreement.

1.2 The following definitions apply in this Deed.

“Administrator” an administrator appointed to manage the affairs, business and property of the Guarantor pursuant to clause 13.9.

“Book Debts” all present and future book and other debts, and monetary claims due or owing to the Guarantor, and the benefit of all security, guarantees and other rights of any nature enjoyed or held by the Guarantor in relation to any of them.

“Delegate” any person appointed by the Agent or any Receiver pursuant to clause 18 and any person appointed as attorney of the Agent, Receiver or Delegate.

“Designated Account” any account of the Guarantor nominated by the Agent as a designated account for the purposes of this deed.

“Environment” the natural and man-made environment including all or any of the following media, namely air, water and land (including air within buildings and other natural or man-made structures above or below the ground) and any living organisms (including man) or systems supported by those media.

“Environmental Law” all applicable laws, statutes, regulations, secondary legislation, bye-laws, common law, directives, treaties and other measures, judgments and decisions of any court or tribunal, codes of practice and guidance notes in so far as they relate to or apply to the Environment.

“Equipment” all present and future equipment, plant, machinery, tools, vehicles, furniture, fittings, installations and apparatus and other tangible moveable property for the time being owned by the Guarantor, including any part of it and all spare parts, replacements, modifications and additions.

“Financial Collateral” shall have the meaning given to that expression in the Financial Collateral Regulations.

“Financial Collateral Regulations” the Financial Collateral Arrangements (No 2) Regulations 2003 (*SI 2003/3226*).

“Insurance Policy” each contract and policy of insurance effected or maintained by the Guarantor from time to time in respect of its assets or business (including, without limitation, any insurances relating to the Properties or the Equipment).

“Intellectual Property” the Guarantor’s present and future patents, trade marks, service marks, trade names, designs, copyrights, inventions, topographical or similar rights, confidential information and know-how and any interest in any of these rights, whether or not registered, including all applications and rights to apply for registration and all fees, royalties and other rights derived from, or incidental to, these rights.

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“Investments” all present and future certificated stocks, shares, loan capital, securities, bonds and investments (whether or not marketable) for the time being owned (at law or in equity) by the Guarantor, including any:

- 1.2.1 dividend, interest or other distribution paid or payable in relation to any of the Investments; and
- 1.2.2 right, money, shares or property accruing, offered or issued at any time in relation to any of the Investments by way of redemption, substitution, exchange, conversion, bonus, preference or otherwise, under option rights or otherwise.

“LPA 1925” Law of Property Act 1925.

“Properties” all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future (and from time to time) owned by the Guarantor, or in which the Guarantor holds an interest and **“Property”** means any of them.

“Receiver” a receiver, receiver and manager or administrative receiver of any or all of the Secured Assets appointed by the Agent under clause 16.

“Relevant Agreement” each agreement specified in Schedule 2.

“Secured Assets” all the assets, property and undertaking for the time being subject to the Security Interests created by, or pursuant to, this deed.

“Secured Liabilities” all present and future monies, obligations and liabilities owed by the Guarantor to the Credit Parties, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the Credit Agreement, the UK Guarantee or this Deed (including, without limitation, those arising under clause 25.3.2), together with all interest (including, without limitation, default interest) accruing in respect of those monies or liabilities.

“Security Financial Collateral Arrangement” shall have the meaning given to that expression in the Financial Collateral Regulations.

“Security Interest” 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.

“Security Period” the period starting on the date of this Deed and ending on the date on which the Agent is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding.

1.3 Interpretation

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In this deed:

- 1.3.1 reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force for the time being, taking account of any amendment or re-enactment or extension and includes any former statute, statutory provision or subordinate legislation which it amends or re-enacts;
- 1.3.2 unless the context otherwise requires, a reference to one gender shall include a reference to the other genders;
- 1.3.3 unless the context otherwise requires, words in the singular include the plural and in the plural include the singular;
- 1.3.4 a reference to a clause or Schedule is to a clause of, or Schedule to, this Deed, unless the context otherwise requires;
- 1.3.5 a reference to “**continuing**” in relation to an Event of Default means an Event of Default which has not been remedied or waived;
- 1.3.6 a reference to “**this deed**” or “**this Debenture**” (or any provision of it) or any other document shall be construed as a reference to this Deed, that provision or that document as it is in force for the time being and as amended in accordance with its terms or with the agreement of the relevant parties;
- 1.3.7 a reference to a “**person**” shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, or any state or any agency of any person;
- 1.3.8 a reference to an “**amendment**” includes a novation, re-enactment, supplement or variation (and “**amended**” shall be construed accordingly);
- 1.3.9 a reference to “**assets**” includes present and future properties, undertakings, revenues, rights and benefits of every description;
- 1.3.10 a reference to an “**authorisation**” includes an approval, authorisation, consent, exemption, filing, licence, notarisation, registration and resolution;
- 1.3.11 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;
- 1.3.12 a reference to “**determines**” or “**determined**” means, unless the contrary is indicated, a determination made at the discretion of the person making it;
- 1.3.13 a reference to the “**Guarantor**” or the “**Agent**” or any “**Lender**” or any “**Credit Party**” or any “**Loan Party**” shall include its successors, permitted transferees and permitted assigns; and
- 1.3.14 clause and schedule headings shall not affect the interpretation of this Deed.

1.4 Clawback

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If the Agent considers that an amount paid by the Guarantor in respect of the Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Guarantor or otherwise, then that amount shall not be considered to have been irrevocably paid for the purposes of this Deed.

1.5 Nature of security over real property

A reference in this Deed to a charge or mortgage of or over any Property includes:

- 1.5.1 all buildings and fixtures and fittings (including trade and tenant's fixtures and fittings) that are situated on or form part of that Property at any time;
- 1.5.2 the proceeds of the sale of any part of that Property and any other monies paid or payable in respect of or in connection with that Property;
- 1.5.3 the benefit of any covenants for title given, or entered into, by any predecessor in title of the Guarantor in respect of that Property, and any monies paid or payable in respect of those covenants; and
- 1.5.4 all rights under any licence, agreement for sale or agreement for lease in respect of that Property.

1.6 Law of Property (Miscellaneous Provisions) Act 1989

For the purposes of section 2 of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the Credit Agreement and of the other Loan Documents are incorporated into this Deed.

1.7 Third party rights

The Credit Parties shall have the right to enforce and enjoy the benefit of any term of this Debenture under the Contracts (Rights of Third Parties) Act 1999, but no other third party has the right under such Act, to enforce, or to enjoy the benefit of, any term of this Debenture.

1.8 Perpetuity period

If the rule against perpetuities applies to any trust created by this Deed, the perpetuity period shall be 125 years (as specified by section 5(1) of the Perpetuities and Accumulations Act 2009).

1.9 Schedules

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

2 COVENANT TO PAY

The Guarantor covenants to the Agent, for its own benefit and for the benefit of the Credit Parties on demand, to pay to the Agent and to discharge the Secured Liabilities when they become due.

*EXECUTION VERSION***3 GRANT OF SECURITY****3.1 Legal mortgage**

As a continuing security for the payment and discharge of the Secured Liabilities, the Guarantor with full title guarantee charges to the Agent, for its own benefit and for the benefit of the Credit Parties, by way of first legal mortgage, any Property specified in Schedule 1.

3.2 Fixed charges

As a continuing security for the payment and discharge of the Secured Liabilities, the Guarantor with full title guarantee charges to the Agent, for its own benefit and for the benefit of the Credit Parties by way of first fixed charge:

- 3.2.1 all Properties acquired by the Guarantor in the future;
- 3.2.2 all present and future interests of the Guarantor not effectively mortgaged or charged under the preceding provisions of this clause 3 in, or over, freehold or leasehold property;
- 3.2.3 all present and future rights, licences, guarantees, rents, deposits, contracts, covenants and warranties relating to each Property;
- 3.2.4 all licences, consents and authorisations (statutory or otherwise) held or required in connection with the Guarantor's business or the use of any Secured Asset, and all rights in connection with them;
- 3.2.5 all its present and future goodwill;
- 3.2.6 all its uncalled capital;
- 3.2.7 all the Equipment;
- 3.2.8 all the Intellectual Property;
- 3.2.9 all the Book Debts;
- 3.2.10 all the Investments; and
- 3.2.11 all monies from time to time standing to the credit of its accounts with any bank, financial institution or other person (including each Designated Account).

3.3 Assignment

As a continuing security for the payment and discharge of the Secured Liabilities, the Guarantor with full title guarantee assigns to the Agent, for its own benefit and for the benefit of the Credit Parties, absolutely, subject to a proviso for reassignment on irrevocable discharge in full of the Secured Liabilities:

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3.3.1 all its rights in each Insurance Policy, including all claims, the proceeds of all claims and all returns of premium in connection with each Insurance Policy; and

3.3.2 the benefit of each Relevant Agreement and the benefit of any guarantee or security for the performance of an Relevant Agreement.

3.4 Floating charge

As a continuing security for the payment and discharge of the Secured Liabilities, the Guarantor with full title guarantee charges to the Agent, for its own benefit and for the benefit of the Credit Parties, by way of first floating charge, all the undertaking, property, assets and rights of the Guarantor at any time not effectively mortgaged, charged or assigned pursuant to clause 3.1 to clause 3.3 inclusive.

3.5 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by clause 3.4.

3.6 Automatic crystallisation of floating charge

The floating charge created by clause 3.4 shall automatically and immediately (without notice) be converted into a fixed charge over the assets subject to that floating charge if:

3.6.1 the Guarantor:

- (a) creates, or attempts to create, without the prior written consent of the Agent, a Security Interest or a trust in favour of another person over all or any part of the Secured Assets (except as expressly permitted by the terms of this Deed or the Facility Agreement); or
- (b) disposes, or attempts to dispose of, all or any part of the Secured Assets (other than Secured Assets that are only subject to the floating charge while it remains uncrystallised);

3.6.2 any person levies (or attempts to levy) any distress, attachment, execution or other process against all or any part of the Secured Assets; or

3.6.3 a resolution is passed or an order is made for the winding-up, dissolution, administration or re-organisation of the Guarantor.

3.7 Crystallisation of floating charge by notice

The Agent may, in its sole discretion, at any time and by written notice to the Guarantor, convert the floating charge created under this deed into a fixed charge as regards any part of the Secured Assets specified by the Agent in that notice.

3.8 Assets acquired after any floating charge has crystallised

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Any asset acquired by the Guarantor after any crystallisation of the floating charge created under this Deed that, but for that crystallisation, would be subject to a floating charge under this Deed, shall (unless the Agent confirms otherwise to the Guarantor in writing) be charged to the Agent, for its own benefit and for the benefit of the Credit Parties by way of first fixed charge.

4 LIABILITY OF THE GUARANTOR

4.1 Liability not discharged

The Guarantor's liability under this Deed in respect of any of the Secured Liabilities shall not be discharged, prejudiced or affected by:

- 4.1.1 any security, guarantee, indemnity, remedy or other right held by, or available to, the Credit Parties that is, or becomes, wholly or partially illegal, void or unenforceable on any ground;
- 4.1.2 the Credit Parties renewing, determining, varying or increasing any facility or other transaction in any manner or concurring in, accepting or varying any compromise, arrangement or settlement, or omitting to claim or enforce payment from any other person; or
- 4.1.3 any other act or omission that, but for this clause 4.1, might have discharged, or otherwise prejudiced or affected, the liability of the Guarantor.

4.2 Immediate recourse

The Guarantor waives any right it may have to require the Agent to enforce any security or other right, or claim any payment from, or otherwise proceed against, any other person before enforcing this Deed against the Guarantor.

5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and warranties

The Guarantor makes the representations and warranties set out in this clause 5 to the Agent, for its own benefit and for the benefit of the Credit Parties.

5.2 Ownership of Secured Assets

The Guarantor is the legal and beneficial owner of the Secured Assets.

5.3 No Security Interests

The Secured Assets are free from any Security Interest other than the Security Interests created by this Deed.

5.4 No adverse claims

The Guarantor has not received, or acknowledged notice of, any adverse claim by any person in respect of the Secured Assets or any interest in them.

*EXECUTION VERSION***5.5 No adverse covenants**

There are no covenants, agreements, reservations, conditions, interests, rights or other matters whatsoever that materially and adversely affect the Secured Assets.

5.6 No breach of laws

There is no breach of any law or regulation that materially and adversely affects the Secured Assets.

5.7 No interference in enjoyment

No facility necessary for the enjoyment and use of the Secured Assets is subject to terms entitling any person to terminate or curtail its use.

5.8 No overriding interests

Nothing has arisen, has been created or is subsisting, that would be an overriding interest in any Property.

5.9 Avoidance of security

No Security Interest expressed to be created under this Deed is liable to be avoided, or otherwise set aside, on the liquidation or administration of the Guarantor or otherwise.

5.10 No prohibitions or breaches

There is no prohibition on assignment in any Insurance Policy or Relevant Agreement and the entry into this Deed by the Guarantor does not, and will not, constitute a breach of any Insurance Policy, Relevant Agreement or any other agreement or instrument binding on the Guarantor or its assets.

5.11 Environmental compliance

The Guarantor has, at all times, complied in all material respects with all applicable Environmental Law.

5.12 Enforceable security

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

5.13 Times for making representations and warranties

The representations and warranties set out in clause 5.2 to clause 5.12 are made by the Guarantor on the date of this Deed and are deemed to be repeated on each day of the Security Period with reference to the facts and circumstances existing at the time of repetition.

6 GENERAL COVENANTS**6.1 Negative pledge and disposal restrictions**

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The Guarantor shall not at any time, except with the prior written consent of the Agent :

- 6.1.1 create, purport to create or permit to subsist any Security Interest on, or in relation to, any Secured Asset other than any Security Interest created by this Deed;
- 6.1.2 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 (except, in the ordinary course of business, Secured Assets that are only subject to an uncrystallised floating charge); or
- 6.1.3 create or grant (or purport to create or grant) any interest in the Secured Assets in favour of a third party.

6.2 Preservation of Secured Assets

The Guarantor 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 Agent, for its own benefit or for the benefit of the Credit Parties, or materially diminish the value of any of the Secured Assets or the effectiveness of the security created by this Deed.

6.3 Compliance with laws and regulations

6.3.1 The Guarantor shall not, without the Agent 's prior written consent, use or permit the Secured Assets to be used in any way contrary to law.

6.3.2 The Guarantor shall:

- (a) comply with the requirements of any law and regulation relating to or affecting the Secured Assets or the use of it or any part of them;
- (b) obtain, and promptly renew from time to time, and comply with the terms of all authorisations that are required in connection with the Secured Assets or their use or that are necessary to preserve, maintain or renew any Secured Asset; and
- (c) promptly effect any maintenance, modifications, alterations or repairs that are required by any law or regulation to be effected on or in connection with the Secured Assets.

6.4 Enforcement of rights

The Guarantor shall use its best endeavours to:

- 6.4.1 procure the prompt observance and performance of the covenants and other obligations imposed on the Guarantor's counterparties (including each counterparty in respect of a Relevant Agreement and each insurer in respect of an Insurance Policy); and
- 6.4.2 enforce any rights and institute, continue or defend any proceedings relating to any of the Secured Assets which the Agent may require from time to time.

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6.5 Notice of misrepresentation and breaches

The Guarantor shall, promptly on becoming aware of any of the same, give the Agent notice in writing of:

6.5.1 any representation or warranty set out in this Deed that is incorrect or misleading in any material respect when made or deemed to be repeated; and

6.5.2 any breach of any covenant set out in this Deed.

6.6 Title documents

The Guarantor shall, as so required by the Agent, deposit with the Agent and the Agent shall, for the duration of this Deed be entitled to hold:

6.6.1 all deeds and documents of title relating to the Secured Assets that are in the possession or control of the Guarantor (and if these are not within the possession or control of the Guarantor, the Guarantor undertakes to obtain possession of all these deeds and documents of title);

6.6.2 all Insurance Policies and any other insurance policies relating to any of the Secured Assets that the Guarantor is entitled to possess;

6.6.3 all deeds and documents of title (if any) relating to the Book Debts as the Agent may specify from time to time; and

6.6.4 copies of all the Relevant Agreements, certified to be true copies by either a director of the Guarantor or by the Guarantor's solicitors.

6.7 Insurance

6.7.1 The Guarantor shall insure and keep insured (or where, in the case of any leasehold property, insurance is the responsibility of the landlord under the terms of the lease, either procure that the landlord insures and keeps insured or, if and to the extent that the landlord does not do so, itself insure and keep insured) the Secured Assets against:

- (a) loss or damage by fire or terrorist acts;
- (b) other risks, perils and contingencies that would be insured against by reasonably prudent persons carrying on the same class of business as the Guarantor; and
- (c) any other risk, perils and contingencies as the Agent may reasonably require.

Any such insurance must be with an insurance company or underwriters, and on such terms, as are reasonably acceptable to the Agent, and must be for not less than the replacement value of the Secured Assets.

6.7.2 The Guarantor shall, if requested by the Agent, produce to the Agent the policy, certificate or cover note relating to the insurance required by

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clause 6.7.1 (or where, in the case of any leasehold property, that insurance is effected by the landlord, such evidence of insurance as the Guarantor is entitled to obtain from the landlord under the terms of the relevant lease).

6.7.3 The Guarantor shall, if requested by the Agent, procure that a note of the Agent's interest is endorsed upon each insurance policy maintained by it or any person on its behalf in accordance with clause 6.7.1 and that the terms of each insurance policy require the insurer not to invalidate the policy as against the Agent by reason of the act or default of any other joint or named insured and not to cancel it without giving at least 30 days' prior written notice to the Agent.

6.8 Insurance premiums

The Guarantor shall:

6.8.1 promptly pay all premiums in respect of each insurance policy maintained by it in accordance with clause 6.7.1 and do all other things necessary to keep that policy in full force and effect; and

6.8.2 (if the Agent so requires) produce to, or deposit with, the Agent the receipts for all premiums and other payments necessary for effecting and keeping up each insurance policy maintained by it in accordance with clause 6.7.1.

6.9 No invalidation of insurance

The Guarantor shall not do or omit to do, or permit to be done or omitted, any act or thing that may invalidate or otherwise prejudice any insurance policy maintained by it in accordance with clause 6.7.1.

6.10 Proceeds of insurance policies

All monies received or receivable by the Guarantor under any insurance policy maintained by it in accordance with clause 6.7.1 (including all monies received or receivable by it under any Insurance Policy) at any time (whether or not the security constituted by this deed has become enforceable) shall:

6.10.1 immediately be paid into a Designated Account;

6.10.2 if they are not paid directly to the Agent by the insurers, be held by the Guarantor as trustee of the same for the benefit of the Agent (and the Guarantor shall account for them to the Agent); and

6.10.3 be applied in making good or recouping expenditure in respect of the loss or damage for which those monies are received or, after the security constituted by this deed has become enforceable and if the Agent so directs, in or towards discharge or reduction of the Secured Liabilities.

6.11 Notices to be given by the Guarantor

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The Guarantor shall immediately on the execution of this Deed (or, if later, the date of acquisition of the relevant Secured Asset):

- 6.11.1 give notice to each insurer that it has assigned its rights and interest in and under each Insurance Policy under clause 3.3.1 and procure that each addressee of any such notice promptly provides within five Business Days to the Agent an acknowledgement of the notice of the Agent's interest;
- 6.11.2 give notice to each counterparty to a Relevant Agreement that it has assigned its rights and interest in and under that Relevant Agreement under clause 3.3.2 and procure that each addressee of any such notice promptly provides within five Business Days to the Agent an acknowledgement of the notice of the Agent's interest;
- 6.11.3 give notice to any bank, financial institution or other person (excluding the Agent) with whom it has an account that it has charged to the Agent its rights and interests under that account under clause 3.2.11 and procure that each addressee of any such notice promptly provides within five Business Days to the Agent an acknowledgement of the notice of the Agent's interest.

The Guarantor shall obtain the Agent's prior approval of the form of any notice or acknowledgement to be used under this clause 6.11.

6.12 Information

The Guarantor shall:

- 6.12.1 give the Agent such information concerning the location, condition, use and operation of the Secured Assets as the Agent may require;
- 6.12.2 permit any persons designated by the Agent and any Receiver to enter on its premises and inspect and examine any Secured Asset, and the records relating to that Secured Asset, at all reasonable times and on reasonable prior notice; and
- 6.12.3 promptly notify the Agent in writing of any action, claim or demand made by or against it in connection with any Secured Asset or of any fact, matter or circumstance which may, with the passage of time, give rise to such an action, claim or demand, together with, in each case, the Guarantor's proposals for settling, liquidating, compounding or contesting any such action, claim or demand and shall, subject to the Agent's prior approval, implement those proposals at its own expense.

6.13 Payment of outgoings

The Guarantor shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Secured Assets and, on demand, produce evidence of payment to the Agent.

6.14 Appointment of accountants

6.14.1 The Guarantor shall:

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- (a) at its own cost, if at any time so required by the Agent, appoint an accountant or firm of accountants nominated by the Agent to investigate the financial affairs of the Guarantor and those of its subsidiaries and report to the Agent; and
- (b) co-operate fully with any accountants so appointed and immediately provide those accountants with all information requested.

6.14.2 The Guarantor authorises the Agent to make an appointment as it shall think fit at any time, without further authority from the Guarantor. In every case, the Guarantor shall pay, or reimburse the Agent for, the fees and expenses of those accountants.

6.15 Guarantor's waiver of set-off

The Guarantor waives any present or future right of set-off it may have in respect of the Secured Liabilities (including sums payable by the Guarantor under this Deed).

7 PROPERTY COVENANTS

7.1 Maintenance

The Guarantor shall keep all buildings and all fixtures on each Property in good and substantial repair and condition.

7.2 Preservation of Property, fixtures and Equipment

The Guarantor shall not, without the prior written consent of the Agent:

- 7.2.1 pull down or remove the whole, or any part of, any building forming part of any Property or permit the same to occur;
- 7.2.2 make or permit any material alterations to any Property, or sever or remove, or permit to be severed or removed, any of its fixtures; or
- 7.2.3 remove or make any material alterations to any of the Equipment belonging to, or in use by, the Guarantor on any Property (except to effect necessary repairs or replace them with new or improved models or substitutes).

7.3 Conduct of business on Properties

The Guarantor shall carry on its trade and business on those parts (if any) of the Properties as are used for the purposes of trade or business in accordance with the standards of good management from time to time current in that trade or business.

7.4 Planning information

The Guarantor shall:

- 7.4.1 give full particulars to the Agent of any notice, order, direction, designation, resolution or proposal given or made by any planning authority or other public body or authority ("**Planning Notice**") that specifically applies to any

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Property, or to the locality in which it is situated, within seven days after becoming aware of the relevant Planning Notice; and

7.4.2 (if the Agent so requires) immediately, and at the cost of the Guarantor, take all reasonable and necessary steps to comply with any Planning Notice, and make, or join with the Agent in making, any objections or representations in respect of that Planning Notice that the Agent may desire.

7.5 Compliance with covenants and payment of rent

The Guarantor shall:

7.5.1 observe and perform all covenants, stipulations and conditions to which each Property, or the use of it, is or may be subjected, and (if the Agent so requires) produce evidence sufficient to satisfy the Agent that those covenants, stipulations and conditions have been observed and performed;

7.5.2 diligently enforce all covenants, stipulations and conditions benefiting each Property and shall not (and shall not agree to) waive release or vary any of the same; and

7.5.3 (without prejudice to the generality of the foregoing) where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time, and perform and observe all the tenant's covenants and conditions.

7.6 Payment of rent and outgoings

The Guarantor shall:

7.6.1 where a Property, or part of it, is held under a lease, duly and punctually pay all rents due from time to time; and

7.6.2 pay (or procure payment of the same) when due all charges, rates, taxes, duties, assessments and other outgoings relating to or imposed on each Property or on its occupier.

7.7 Maintenance of interests in Properties

The Guarantor shall not, without the prior written consent of the Agent:

7.7.1 grant, or agree to grant, any licence or tenancy affecting the whole or any part of any Property, or exercise, or agree to exercise, the statutory powers of leasing or of accepting surrenders under sections 99 or 100 of the Law of Property Act 1925; or

7.7.2 in any other way dispose of, surrender or create, or agree to dispose of, surrender or create, any legal or equitable estate or interest in the whole or any part of any Property.

7.8 Registration restrictions

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If the title to any Property is not registered at the Land Registry, the Guarantor shall procure that no person (other than itself) shall be registered under the Land Registration Acts 1925 to 2002 as proprietor of all or any part of any Property without the prior written consent of the Agent. The Guarantor shall be liable for the costs and expenses of the Agent in lodging cautions against the registration of the title to the whole or any part of any Property from time to time.

7.9 Development restrictions

The Guarantor shall not, without the prior written consent of the Agent:

7.9.1 make or, insofar as it is able, permit others to make any application for planning permission or development consent in respect of the Property; or

7.9.2 carry out, or permit, or suffer to be carried out on any Property any development as defined in the Town and Country Planning Act 1990 and the Planning Act 2008, or change or permit or suffer to be changed the use of any Property.

7.10 Environment

The Guarantor shall:

7.10.1 comply with all the requirements of Environmental Law both in the conduct of its general business and in the management, possession or occupation of each Property; and

7.10.2 obtain and comply with all authorisations, permits and other types of licences necessary under Environmental Law.

7.11 No restrictive obligations

The Guarantor shall not, without the prior written consent of the Agent, enter into any onerous or restrictive obligations affecting the whole or any part of any Property, or create or permit to arise any overriding interest, easement or right whatever in or over the whole or any part of any Property.

7.12 Proprietary rights

The Guarantor shall procure that no person shall become entitled to assert any proprietary or other like right or interest over the whole or any part of any Property without the prior written consent of the Agent.

7.13 Inspection

The Guarantor shall permit the Agent, any Receiver and any person appointed by either of them to enter on and inspect any Property on reasonable prior notice.

7.14 Property information

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The Guarantor shall inform the Agent promptly of any acquisition by the Guarantor of, or contract made by the Guarantor to acquire, any freehold, leasehold or other interest in any property.

7.15 VAT option to tax

The Guarantor shall not, without the prior written consent of the Agent:

7.15.1 exercise any VAT option to tax in relation to any Property; or

7.15.2 revoke any VAT option to tax exercised, and disclosed to the Agent, before the date of this Deed.

7.16 Registration at the Land Registry

The Guarantor consents to an application being made by the Agent to the Land Registrar for the following restriction in Form P to be registered against its title to each Property:

“No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the charge dated [the date hereof] in favour of Salus Capital Partners LLC referred to in the charges register.”

8 INVESTMENTS COVENANTS

8.1 Deposit of title documents

8.1.1 The Guarantor shall:

- (a) on the execution of this Deed, deposit with the Agent all stock or share certificates and other documents of title or evidence of ownership relating to any Investments owned by the Guarantor at that time; and
- (b) on the purchase or acquisition by it of Investments after the date of this Deed, deposit with the Agent all stock or share certificates and other documents of title or evidence of ownership relating to those Investments.

8.1.2 At the same time as depositing documents with the Agent in accordance with clause 8.1.1(a) or clause 8.1.1(b), the Guarantor shall also deposit with the Agent :

- (a) all stock transfers forms relating to the relevant Investments duly completed and executed by or on behalf of the Guarantor, but with the name of the transferee, the consideration and the date left blank; and
- (b) any other documents (in each case duly completed and executed by or on behalf of the Guarantor) that the Agent may request in order to enable it or any of its nominees, or any purchaser or transferee, to be

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registered as the owner of, or otherwise obtain a legal title to, or to perfect its security interest in any of the relevant Investments,

so that the Agent may, at any time and without notice to the Guarantor, complete and present those stock transfer forms and other documents to the issuer of the Investments for registration.

8.2 Nominations

8.2.1 The Guarantor shall terminate with immediate effect all nominations it may have made (including, without limitation, any nomination made under section 145 or section 146 of the Companies Act 2006) in respect of any Investments and, pending that termination, procure that any person so nominated:

- (a) does not exercise any rights in respect of any Investments without the prior written approval of the Agent; and
- (b) immediately on receipt by it, forward to the Agent all communications or other information received by it in respect of any Investments for which it has been so nominated.

8.2.2 The Guarantor shall not, during the Security Period, exercise any rights (including, without limitation, any rights under sections 145 and 146 of the Companies Act 2006) to nominate any person in respect of any of the Investments.

8.3 Additional registration obligations

The Guarantor shall:

- 8.3.1 obtain all consents, waivers, approvals and permissions that are necessary, under the articles of association of any issuer that is not a public company or otherwise, for the transfer of the Investments to the Agent or its nominee, or to a purchaser on enforcement of this Deed; and
- 8.3.2 procure the amendment of the share transfer provisions (including, but not limited to, deletion of any pre-emption provisions) of the articles of association of each issuer that is not a public company in any manner that the Agent may require in order to permit such a transfer.

8.4 Dividends and voting rights before enforcement

- 8.4.1 Before the security constituted by this Deed becomes enforceable, the Guarantor may retain and apply for its own use all dividends, interest and other monies paid or payable in respect of the Investments and, if any are paid or payable to the Agent or any of its nominees, the Agent will hold all those dividends, interest and other monies received by it for the Guarantor and will pay them to the Guarantor promptly on request; and
- 8.4.2 Before the security constituted by this Deed becomes enforceable, the Guarantor may exercise all voting and other rights and powers in respect of the Investments or, if any of the same are exercisable by the Agent or any of

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its nominees, to direct in writing the exercise of those voting and other rights and powers provided that:

- (a) it shall not do so in any way that would breach any provision of the Credit Agreement, any of the other Loan Documents or this Deed or for any purpose inconsistent with the Credit Agreement, any of the other Loan Documents or this Deed; and
- (b) the exercise of, or the failure to exercise, those voting rights or other rights and powers would not, in the Agent's opinion, have an adverse effect on the value of the Investments or otherwise prejudice the Agent's security under this Deed.

8.4.3 The Guarantor shall indemnify the Agent and each of the Credit Parties against any loss or liability incurred by the Agent or any Credit Party (or its nominee) as a consequence of the Agent or any Credit Party (or its nominee) acting in respect of the Investments at the direction of the Guarantor.

8.4.4 The Agent shall not, by exercising or not exercising any voting rights or otherwise, on behalf of the Credit Parties, be construed as permitting or agreeing to any variation or other change in the rights attaching to or conferred by any of the Investments that the Agent considers prejudicial to, or impairing the value of, the security created by this Deed.

8.5 Dividends and voting rights after enforcement

After the security constituted by this Deed has become enforceable:

8.5.1 all dividends and other distributions paid in respect of the Investments and received by the Guarantor shall be held by the Guarantor on trust for the Agent and immediately paid into a Designated Account or, if received by the Agent, shall be retained by the Agent ; and

8.5.2 all voting and other rights and powers attaching to the Investments shall be exercised by, or at the direction of, the Agent and the Guarantor shall, and shall procure that its nominees shall, comply with any directions the Agent may give, in its absolute discretion, concerning the exercise of those rights and powers.

8.6 Calls on Investments

The Guarantor shall promptly pay all calls, instalments and other payments that may be or become due and payable in respect of all or any of the Investments. The Guarantor acknowledges none of the Agent or any of the Credit Parties shall be under any liability in respect of any such calls, instalments or other payments.

8.7 No alteration of constitutional documents or rights attaching to Investments

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The Guarantor shall not, without the prior written consent of the Agent, amend, or agree to the amendment of:

8.7.1 the memorandum or articles of association, or any other constitutional documents, of any issuer that is not a public company; or

8.7.2 the rights or liabilities attaching to any of the Investments.

8.8 Preservation of Investments

The Guarantor shall ensure (as far as it is able to by the exercise of all voting rights, powers of control and other means available to it) that any issuer that is not a public company shall not:

8.8.1 consolidate or subdivide any of its Investments, or reduce or re-organise its share capital in any way;

8.8.2 issue any new shares or stock; or

8.8.3 refuse to register any transfer of any of its Investments that may be lodged for registration by, or on behalf of, the Agent or the Guarantor in accordance with this Deed.

8.9 Investments information

The Guarantor shall, promptly following receipt, send to the Agent copies of any notice, circular, report, accounts and any other document received by it that relates to the Investments.

9 EQUIPMENT COVENANTS

9.1 Maintenance of Equipment

The Guarantor shall:

9.1.1 maintain the Equipment in good and serviceable condition (except for expected fair wear and tear) in compliance with all relevant manuals, handbooks, manufacturer's instructions and recommendations and maintenance or servicing schedules;

9.1.2 at its own expense, renew and replace any parts of the Equipment when they become obsolete, worn out or damaged with parts of a similar quality and of equal or greater value; and

9.1.3 not permit any Equipment to be:

(a) used or handled other than by properly qualified and trained persons; or

(b) overloaded or used for any purpose for which it is not designed or reasonably suitable.

*EXECUTION VERSION***9.2 Payment of Equipment taxes**

The Guarantor shall promptly pay all taxes, fees, licence duties, registration charges, insurance premiums and other outgoings in respect of the Equipment and, on demand, produce evidence of such payment to the Agent.

9.3 Notice of charge

The Guarantor:

9.3.1 shall, if so requested by the Agent, affix to and maintain on each item of Equipment in a conspicuous place, a clearly legible identification plate containing the following wording:

“NOTICE OF CHARGE

This [DESCRIBE ITEM] and all additions to it and ancillary equipment are subject to a fixed charge dated [the date hereof] in favour of Salus Capital Partners, LLC.”

9.3.2 shall not, and shall not permit any person to, conceal, obscure, alter or remove any plate affixed in accordance with clause 9.3.1.

10 BOOK DEBTS COVENANTS**10.1 Realising Book Debts**

The Guarantor shall:

10.1.1 as an agent for the Agent, for its own benefit and for the benefit of the Credit Parties, collect in and realise all Book Debts, pay the proceeds into a Designated Account immediately on receipt and, pending that payment, hold those proceeds in trust for the Agent;

10.1.2 not, without the prior written consent of the Agent, withdraw any amounts standing to the credit of any Designated Account; and

10.1.3 if called on to do so by the Agent, execute a legal assignment of the Book Debts to the Agent on such terms as the Agent may require and give notice of that assignment to the debtors from whom the Book Debts are due, owing or incurred.

10.2 Preservation of Book Debts

The Guarantor shall not (except as provided by clause 10.1 or with the prior written consent of the Agent) release, exchange, compound, set-off, grant time or indulgence in respect of, or in any other manner deal with, all or any of the Book Debts.

11 RELEVANT AGREEMENTS COVENANTS**11.1 Relevant Agreements**

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The Guarantor shall, unless the Agent agrees otherwise in writing:

11.1.1 comply with the terms of;

11.1.2 not amend or vary or agree to any change in, or waive any requirement of;

11.1.3 not settle, compromise, terminate, rescind or discharge (except by performance); and

11.1.4 not abandon, waive, dismiss, release or discharge any action, claim or proceedings against any counterparty to a Relevant Agreement or other person in connection with,

any Relevant Agreement and any other document, agreement or arrangement comprising the Secured Assets (other than the Insurance Policies).

12 INTELLECTUAL PROPERTY COVENANTS

12.1 Preservation of rights

The Guarantor shall take all necessary action to safeguard and maintain present and future rights in, or relating to, the Intellectual Property including (without limitation) by observing all covenants and stipulations relating to those rights, and by paying all applicable renewal fees, licence fees and other outgoings.

12.2 Registration of Intellectual Property

The Guarantor shall use all reasonable efforts to register applications for the registration of any Intellectual Property, and shall keep the Agent informed of all matters relating to each such registration.

12.3 Maintenance of Intellectual Property

The Guarantor shall not permit any Intellectual Property to be abandoned, cancelled or to lapse.

13 POWERS OF THE AGENT

13.1 Power to remedy

13.1.1 The Agent shall be entitled (but shall not be obliged) to remedy, at any time, a breach by the Guarantor of any of its obligations contained in this Deed.

13.1.2 The Guarantor irrevocably authorises the Agent and its agents to do all things that are necessary or desirable for that purpose.

13.1.3 Any monies expended by the Agent in remedying a breach by the Guarantor of its obligations contained in this Deed shall be reimbursed by the Guarantor to the Agent on a full indemnity basis and shall carry interest in accordance with clause 20.1.

13.2 Exercise of rights

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The rights of the Agent under clause 13.1 are without prejudice to any other rights of the Agent under this Deed. The exercise of any rights of the Agent under this Deed shall not make the Agent liable to account as a mortgagee in possession.

13.3 Power to dispose of chattels

13.3.1 At any time after the security constituted by this deed has become enforceable, the Agent or any Receiver may, as agent for the Guarantor, dispose of any chattels or produce found on any Property.

13.3.2 Without prejudice to any obligation to account for the proceeds of any disposal made under clause 13.3.1, the Guarantor shall indemnify the Agent and each of the Credit Parties and any Receiver against any liability arising from any disposal made under clause 13.3.1.

13.4 Agent has Receiver's powers

To the extent permitted by law, any right, power or discretion conferred by this Deed on a Receiver may, after the security constituted by this Deed has become enforceable, be exercised by the Agent in relation to any of the Secured Assets whether or not it has taken possession of any Secured Assets and without first appointing a Receiver or notwithstanding the appointment of a Receiver.

13.5 Conversion of currency

13.5.1 For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Agent may convert any monies received, recovered or realised by it under this Deed (including the proceeds of any previous conversion under this clause 13.5) from their existing currencies of denomination into any other currencies of denomination that the Agent may think fit.

13.5.2 Any such conversion shall be effected at the Agent's then prevailing spot selling rate of exchange for such other currency against the existing currency.

13.5.3 Each reference in this clause 13.5 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

13.6 New accounts

13.6.1 If the Agent receives, or is deemed to have received, notice of any subsequent Security Interest, or other interest, affecting all or part of the Secured Assets, the Agent may open a new account for the Guarantor in the Agent's books. Without prejudice to the Agent's right to combine accounts, no money paid to the credit of the Guarantor in any such new account shall be appropriated towards, or have the effect of discharging, any part of the Secured Liabilities.

13.6.2 If the Agent does not open a new account immediately on receipt of the notice, or deemed notice, under clause 13.6.1, then, unless the Agent gives express written notice to the contrary to the Guarantor, all payments made by the Guarantor to the Agent shall be treated as having been credited to a new account of the Guarantor and not as having been applied in reduction of the

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Secured Liabilities, as from the time of receipt of the relevant notice by the Agent.

13.7 Agent's set-off rights

If the Agent has more than one account for the Guarantor in its books, the Agent may at any time after:

13.7.1 the security constituted by this Deed has become enforceable; or

13.7.2 the Agent has received, or is deemed to have received, notice of any subsequent Security Interest or other interest affecting all or any part of the Secured Assets,

transfer, without prior notice, all or any part of the balance standing to the credit of any account to any other account that may be in debit. After making any such transfer, the Agent shall notify the Guarantor of that transfer.

13.8 Indulgence

The Agent may, at its discretion, grant time or other indulgence, or make any other arrangement, variation or release with any person not being a party to this Deed (whether or not any such person is jointly liable with the Guarantor) in respect of any of the Secured Liabilities, or of any other security for them without prejudice either to this Deed or to the liability of the Guarantor for the Secured Liabilities.

13.9 Appointment of an Administrator

13.9.1 The Agent may, without notice to the Guarantor, appoint any one or more persons to be an Administrator of the Guarantor pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986 if the security constituted by this deed becomes enforceable.

13.9.2 Any appointment under this clause 13.9 shall:

- (a) be in writing signed by a duly authorised signatory of the Agent ; and
- (b) take effect, in accordance with paragraph 19 of Schedule B1 of the Insolvency Act 1986.

13.9.3 The Agent may apply to the court for an order removing an Administrator from office and may by notice in writing in accordance with this clause 13.9 appoint a replacement for any Administrator who has died, resigned, been removed or who has vacated office upon ceasing to be qualified.

14 WHEN SECURITY BECOMES ENFORCEABLE

14.1 Security becomes enforceable on Event of Default

The security constituted by this Deed shall be immediately enforceable if an Event of Default occurs.

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14.2 Discretion

After the security constituted by this Deed has become enforceable, the Agent may, in its absolute discretion, enforce all or any part of that security at the times, in the manner and on the terms it thinks fit, and take possession of and hold or dispose of all or any part of the Secured Assets.

15 ENFORCEMENT OF SECURITY

15.1 Enforcement powers

15.1.1 The power of sale and other powers conferred by section 101 of the LPA 1925 (as varied or extended by this Deed) shall, as between the Agent and a purchaser from the Agent, arise on and be exercisable at any time after the execution of this Deed, but the Agent shall not exercise such power of sale or other powers until the security constituted by this deed has become enforceable under clause 14.1.

15.1.2 Section 103 of the LPA 1925 does not apply to the security constituted by this Deed.

15.2 Extension of statutory powers of leasing

The statutory powers of leasing and accepting surrenders conferred on mortgagees under the LPA 1925 and by any other statute are extended so as to authorise the Agent and any Receiver, at any time after the security constituted by this deed has become enforceable, whether in its own name or in that of the Guarantor, to:

15.2.1 grant a lease or agreement to lease;

15.2.2 accept surrenders of leases; or

15.2.3 grant any option of the whole or any part of the Secured Assets with whatever rights relating to other parts of it,

whether or not at a premium and containing such covenants on the part of the Guarantor, and on such terms and conditions (including the payment of money to a lessee or tenant on a surrender) as the Agent or Receiver thinks fit without the need to comply with any of the restrictions imposed by sections 99 and 100 of the LPA 1925.

15.3 Access on enforcement

15.3.1 At any time after the Agent has demanded payment of the Secured Liabilities or if the Guarantor defaults in the performance of its obligations under this Deed or the Credit Agreement or any of the other Loan Documents, the Guarantor will allow the Agent or its Receiver, without further notice or demand, immediately to exercise all its rights, powers and remedies in particular (and without limitation) to take possession of any Secured Asset and for that purpose to enter on any premises where a Secured Asset is situated (or where the Agent or a Receiver reasonably believes a Secured Asset to be

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situated) without incurring any liability to the Guarantor for, or by any reason of, that entry.

15.3.2 At all times, the Guarantor must use its best endeavours to allow the Agent or its Receiver access to any premises for the purpose of clause 15.3.1 (including obtaining any necessary consents or permits of other persons) and ensure that its employees and officers do the same.

15.4 Prior Security Interests

At any time after the security constituted by this Deed has become enforceable, or after any powers conferred by any Security Interest having priority to this Deed shall have become exercisable, the Agent may:

15.4.1 redeem that or any other prior Security Interest;

15.4.2 procure the transfer of that Security Interest to it; and

15.4.3 settle and pass any account of the holder of any prior Security Interest.

Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Guarantor. All monies paid by the Agent to an encumbrancer in settlement of any of those accounts shall, as from its payment by the Agent, be due from the Guarantor to the Agent on current account and shall bear interest at the Default Rate and be secured as part of the Secured Liabilities.

15.5 Protection of third parties

No purchaser, mortgagee or other person dealing with the Agent, any Receiver or Delegate shall be concerned to enquire:

15.5.1 whether any of the Secured Liabilities have become due or payable, or remain unpaid or undischarged;

15.5.2 whether any power the Agent, a Receiver or Delegate is purporting to exercise has become exercisable or is properly exercisable; or

15.5.3 how any money paid to the Agent, any Credit Party, any Receiver or any Delegate is to be applied.

15.6 Privileges

Each Receiver and the Agent is entitled to all the rights, powers, privileges and immunities conferred by the LPA 1925 on mortgagees and receivers.

15.7 No liability as mortgagee in possession

None of the Agent, any Credit Party, any Receiver, any Delegate or any Administrator shall be liable to account as mortgagee in possession in respect of all or any of the Secured Assets, nor shall any of them be liable for any loss on realisation of, or for any neglect or default of any nature in connection with, all or any of the Secured Assets for which a mortgagee in possession might be liable as such.

*EXECUTION VERSION***15.8 Conclusive discharge to purchasers**

The receipt of the Agent or any Receiver or Delegate shall be a conclusive discharge to a purchaser and, in making any sale or other disposal of any of the Secured Assets or in making any acquisition in the exercise of their respective powers, the Agent, every Receiver and Delegate may do so for any consideration, in any manner and on any terms that it or he thinks fit.

15.9 Right of appropriation**15.9.1 To the extent that:**

- (a) the Secured Assets constitute Financial Collateral; and
- (b) this Deed and the obligations of the Guarantor under it constitute a Security Financial Collateral Arrangement,

the Agent shall have the right, at any time after the security constituted by this deed has become enforceable, to appropriate all or any of those Secured Assets in or towards the payment or discharge of the Secured Liabilities in any order that the Agent may, in its absolute discretion, determine.

15.9.2 The value of any Secured Assets appropriated in accordance with this clause shall be the price of those Secured Assets at the time the right of appropriation is exercised as listed on any recognised market index, or determined by any other method that the Agent may select (including independent valuation).

15.9.3 The Guarantor agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Financial Collateral Regulations.

16 RECEIVER**16.1 Appointment**

At any time after the security constituted by this Deed has become enforceable, or at the request of the Guarantor, the Agent may, without further notice, appoint by way of deed, or otherwise in writing, any one or more persons to be a Receiver of all or any part of the Secured Assets.

16.2 Removal

The Agent may, without further notice (subject to section 45 of the Insolvency Act 1986), from time to time, by way of deed, or otherwise in writing, remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

16.3 Remuneration

The Agent may fix the remuneration of any Receiver appointed by it without the restrictions contained in section 109 of the LPA 1925, and the remuneration of the

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Receiver shall be a debt secured by this Deed, which shall be due and payable immediately on its being paid by the Agent.

16.4 Power of appointment additional to statutory powers

The power to appoint a Receiver conferred by this deed shall be in addition to all statutory and other powers of the Agent under the Insolvency Act 1986, the LPA 1925 or otherwise, and shall be exercisable without the restrictions contained in sections 103 and 109 of the LPA 1925 or otherwise.

16.5 Power of appointment exercisable despite prior appointments

The power to appoint a Receiver (whether conferred by this Deed or by statute) shall be, and remain, exercisable by the Agent despite any prior appointment in respect of all or any part of the Secured Assets.

16.6 Agent of the Guarantor

Any Receiver appointed by the Agent under this Deed shall be the agent of the Guarantor and the Guarantor shall be solely responsible for the contracts, engagements, acts, omissions, defaults, losses and remuneration of that Receiver and for liabilities incurred by that Receiver. The agency of each Receiver shall continue until the Guarantor goes into liquidation and after that the Receiver shall act as principal and shall not become the agent of the Agent or any Credit Party.

17 POWERS OF RECEIVER

17.1 General

17.1.1 Any Receiver appointed by the Agent under this Deed shall, in addition to the powers conferred on him by statute, have the powers set out in clause 17.2 to clause 17.23.

17.1.2 If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

17.1.3 Any exercise by a Receiver of any of the powers given by clause 17 may be on behalf of the Guarantor, the directors of the Guarantor (in the case of the power contained in clause 17.16) or himself.

17.2 Repair and develop Properties

A Receiver may undertake or complete any works of repair, building or development on the Properties and may apply for and maintain any planning permission, development consent, building regulation approval or any other permission, consent or licence to carry out any of the same.

17.3 Surrender leases

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A Receiver may grant, or accept surrenders of, any leases or tenancies affecting any Property and may grant any other interest or right over any Property on any terms, and subject to any conditions, that he thinks fit.

17.4 Employ personnel and advisors

A Receiver may provide services and employ, or engage any managers, officers, servants, contractors, workmen, agents, other personnel and professional advisers on any terms, and subject to any conditions, that he thinks fit. A Receiver may discharge any such person or any such person appointed by the Guarantor.

17.5 Make VAT elections

A Receiver may make, exercise or revoke any value added tax option to tax as he thinks fit.

17.6 Remuneration

A Receiver may charge and receive any sum by way of remuneration (in addition to all costs, charges and expenses incurred by him) that the Agent may prescribe or agree with him.

17.7 Realise Secured Assets

A Receiver may collect and get in the Secured Assets or any part of them in respect of which he is appointed, and make any demands and take any proceedings as may seem expedient for that purpose, and take possession of the Secured Assets with like rights.

17.8 Manage or reconstruct the Guarantor's business

A Receiver may carry on, manage, develop, reconstruct, amalgamate or diversify or concur in carrying on, managing, developing, reconstructing, amalgamating or diversifying the business of the Guarantor.

17.9 Dispose of Secured Assets

A Receiver may sell, exchange, convert into money and realise all or any of the Secured Assets in respect of which he is appointed in any manner (including, without limitation, by public auction or private sale) and generally on any terms and conditions as he thinks fit. Any sale may be for any consideration that the Receiver thinks fit and a Receiver may promote, or concur in promoting, a company to purchase the Secured Assets to be sold.

17.10 Sever fixtures and fittings

A Receiver may sever and sell separately any fixtures or fittings from any Property without the consent of the Guarantor.

17.11 Sell Book Debts

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A Receiver may sell and assign all or any of the Book Debts in respect of which he is appointed in any manner, and generally on any terms and conditions, that he thinks fit.

17.12 Valid receipts

A Receiver may give valid receipt for all monies and execute all assurances and things that may be proper or desirable for realising any of the Secured Assets.

17.13 Make settlements

A Receiver may make any arrangement, settlement or compromise between the Guarantor and any other person that he may think expedient.

17.14 Bring proceedings

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to any of the Secured Assets as he thinks fit.

17.15 Improve the Equipment

A Receiver may make substitutions of, or improvements to, the Equipment as he may think expedient.

17.16 Make calls on Guarantor members

A Receiver may make calls conditionally or unconditionally on the members of the Guarantor in respect of uncalled capital with (for that purpose and for the purpose of enforcing payments of any calls so made) the same powers as are conferred by the articles of association of the Guarantor on its directors in respect of calls authorised to be made by them.

17.17 Insure

A Receiver may, if he thinks fit, but without prejudice to the indemnity in clause 20, effect with any insurer any policy of insurance either in lieu or satisfaction of, or in addition to, the insurance required to be maintained by the Guarantor under this Deed.

17.18 Powers under the LPA 1925

A Receiver may exercise all powers provided for in the LPA 1925 in the same way as if he had been duly appointed under the LPA 1925, and exercise all powers provided for an administrative receiver in Schedule I to the Insolvency Act 1986.

17.19 Borrow

A Receiver may, for any of the purposes authorised by this clause 17, raise money by borrowing from the Agent (or from any other person) either unsecured or on the security of all or any of the Secured Assets in respect of which he is appointed on any terms that he thinks fit (including, if the Agent consents, terms under which that security ranks in priority to this Deed).

*EXECUTION VERSION***17.20 Redeem prior Security Interests**

A Receiver may redeem any prior Security Interest and settle and pass the accounts to which the Security Interest relates. Any accounts so settled and passed shall be, in the absence of any manifest error, conclusive and binding on the Guarantor, and the monies so paid shall be deemed to be an expense properly incurred by the Receiver.

17.21 Delegation

A Receiver may delegate his powers in accordance with this Deed.

17.22 Absolute beneficial owner

A Receiver may, in relation to any of the Secured Assets, exercise all powers, authorisations and rights he would be capable of exercising, and do all those acts and things, as an absolute beneficial owner could exercise or do in the ownership and management of the Secured Assets or any part of the Secured Assets.

17.23 Incidental powers

A Receiver may do any other acts and things:

17.23.1 that he may consider desirable or necessary for realising any of the Secured Assets;

17.23.2 that he may consider incidental or conducive to any of the rights or powers conferred on a Receiver under or by virtue of this Deed or law; and

17.23.3 that he lawfully may or can do as agent for the Guarantor.

18 DELEGATION**18.1 Delegation**

The Agent or any Receiver may delegate (either generally or specifically) by power of attorney or in any other manner to any person any right, power, authority or discretion conferred on it by this Deed (including the power of attorney granted under clause 22.1).

18.2 Terms

The Agent and each Receiver may make a delegation on the terms and conditions (including the power to sub-delegate) that it thinks fit.

18.3 Liability

None of the Agent, any Credit Party or any Receiver shall be in any way liable or responsible to the Guarantor for any loss or liability arising from any act, default, omission or misconduct on the part of any Delegate.

19 APPLICATION OF PROCEEDS**19.1 Order of application of proceeds**

EXECUTION VERSION

All monies received by the Agent, any Credit Party, a Receiver or a Delegate pursuant to this Deed, after the security constituted by this deed has become enforceable, shall (subject to the claims of any person having prior rights and by way of variation of the LPA 1925) be applied in the following order of priority:

19.1.1 in or towards payment of or provision for all costs, charges and expenses incurred by or on behalf of the Agent (and any Receiver, Delegate, attorney or agent appointed by it) under or in connection with this Deed, and of all remuneration due to any Receiver under or in connection with this Deed;

19.1.2 in or towards payment of or provision for the Secured Liabilities in any order and manner that the Agent determines; and

19.1.3 in payment of the surplus (if any) to the Guarantor or other person entitled to it.

19.2 Appropriation

None of the Agent, any Credit Party, any Receiver or any Delegate shall be bound (whether by virtue of section 109(8) of the LPA 1925, which is varied accordingly, or otherwise) to pay or appropriate any receipt or payment first towards interest rather than principal or otherwise in any particular order between any of the Secured Liabilities.

19.3 Suspense account

All monies received by the Agent, any Credit Party, a Receiver or a Delegate under this Deed:

19.3.1 may, at the discretion of the Agent, Receiver or Delegate, be credited to any suspense or securities realised account;

19.3.2 shall bear interest, if any, at the rate agreed in writing between the Agent and the Guarantor; and

19.3.3 may be held in that account for so long as the Agent, Receiver or Delegate thinks fit.

20 COSTS AND INDEMNITY

20.1 Costs

The Guarantor shall pay to, or reimburse, the Agent and any Receiver on demand, on a full indemnity basis, all costs, charges, expenses, taxes and liabilities of any kind (including, without limitation, legal, printing and out-of-pocket expenses) incurred by the Agent, any Credit Party, any Receiver or any Delegate in connection with:

20.1.1 this Deed or the Secured Assets;

20.1.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) any of the Agent's, a Receiver's or a Delegate's rights under this Deed;

EXECUTION VERSION

20.1.3 taking proceedings for, or recovering, any of the Secured Liabilities,

together with interest, which shall accrue and be payable (without the need for any demand for payment being made) from the date on which the relevant cost or expense arose until full discharge of that cost or expense (whether before or after judgment, liquidation, winding up or administration of the Guarantor) at the rate and in the manner specified in the Credit Agreement.

20.2 Indemnity

The Guarantor shall indemnify the Agent, each Credit Party, each Receiver and each Delegate, and their respective employees and agents, on a full indemnity basis against any cost, charge, expense, tax, loss, liability or damage incurred by any of them as a result of:

20.2.1 the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under this deed or by law in respect of the Secured Assets;

20.2.2 taking, holding, protecting, perfecting, preserving or enforcing (or attempting to do so) the security constituted by this Deed; or

20.2.3 any default or delay by the Guarantor in performing any of its obligations under this Deed.

Any past or present employee or agent may enforce the terms of this clause 20.2 subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999.

21 FURTHER ASSURANCE

21.1 Further assurance

The Guarantor shall, at its own expense, take whatever action the Agent or any Receiver may reasonably require for:

21.1.1 creating, perfecting or protecting the security intended to be created by this Deed;

21.1.2 facilitating the realisation of any Secured Asset; or

21.1.3 facilitating the exercise of any right, power, authority or discretion exercisable by the Agent or any Receiver in respect of any Secured Asset,

including, without limitation (if the Agent or Receiver thinks it expedient) the execution of any transfer, conveyance, assignment or assurance of all or any of the assets forming part of (or intended to form part of) the Secured Assets (whether to the Agent or to its nominee) and the giving of any notice, order or direction and the making of any registration.

*EXECUTION VERSION***22 POWER OF ATTORNEY****22.1 Appointment of attorneys**

By way of security, the Guarantor irrevocably appoints the Agent, every Receiver and every Delegate separately to be the attorney of the Guarantor and, in its name, on its behalf and as its act and deed, to execute any documents and do any acts and things that:

22.1.1 the Guarantor is required to execute and do under this Deed; or

22.1.2 any attorney deems proper or desirable in exercising any of the rights, powers, authorities and discretions conferred by this Deed or by law on the Agent, any Receiver or any Delegate.

22.2 Ratification of acts of attorneys

The Guarantor ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in clause 22.1.

23 RELEASE

Subject to clause 25.3, on the expiry of the Security Period (but not otherwise), the Agent shall, at the request and cost of the Guarantor, take whatever action is necessary to:

23.1.1 release the Secured Assets from the security constituted by this Deed; and

23.1.2 reassign the Secured Assets to the Guarantor.

24 ASSIGNMENT AND TRANSFER**24.1 Assignment by Agent**

24.1.1 At any time, without the consent of the Guarantor, the Agent, for its own benefit or for the benefit of any of the Credit Parties, may assign or transfer the whole or any part of the respective rights of the Agent or any Credit Party and/or their obligations under this Deed to any person.

24.1.2 The Agent may disclose to any actual or proposed assignee or transferee any information about the Guarantor, the Secured Assets and this Deed that the Agent considers appropriate.

24.2 Assignment by Guarantor

The Guarantor may not assign any of its rights, or transfer any of its obligations, under this Deed, or enter into any transaction that would result in any of those rights or obligations passing to another person.

25 FURTHER PROVISIONS**25.1 Independent security**

This Deed shall be in addition to, and independent of, any other security or guarantee that the Agent or any Credit Party may hold for any of the Secured Liabilities at any time. No prior security held by the Agent or any Credit Party over the whole or any part of the Secured Assets shall merge in the security created by this Deed.

25.2 Continuing security

This Deed shall 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 Agent discharges this Deed in writing.

25.3 Discharge conditional

Any release, discharge or settlement between the Guarantor and the Agent shall be deemed conditional on no payment or security received by the Agent in respect of the Secured Liabilities being avoided, reduced or ordered to be refunded pursuant to any law relating to insolvency, bankruptcy, winding-up, administration, receivership or otherwise. Despite any such release, discharge or settlement:

25.3.1 the Agent or its nominee may retain this Deed and the security created by or pursuant to it, including all certificates and documents relating to the whole or any part of the Secured Assets, for any period that the Agent deems necessary to provide the Agent with security against any such avoidance, reduction or order for refund; and

25.3.2 the Agent may recover the value or amount of such security or payment from the Guarantor subsequently as if the release, discharge or settlement had not occurred.

25.4 Certificates

A certificate or determination by the Agent as to any amount for the time being due to it from the Guarantor under this Deed and the Credit Agreement shall be, in the absence of any manifest error, conclusive evidence of the amount due.

25.5 Rights cumulative

The rights and remedies of the Agent and the Credit Parties conferred by this Deed are cumulative, may be exercised as often as the Agent considers appropriate, and are in addition to its rights and remedies under the general law.

25.6 Variations and waivers

Any waiver or variation of any right or remedy by the Agent (whether arising under this deed or under the general law), or any consent given under this Deed, is only be effective if it is in writing and signed by the waiving, varying or consenting party, and applies only in the circumstances for which it was given, and shall not prevent the party giving it from subsequently relying on the relevant provision.

*EXECUTION VERSION***25.7 Further exercise of rights**

No act or course of conduct or negotiation by, or on behalf of, the Agent shall, in any way, preclude the Agent or any Credit Party from exercising any right or remedy under this Deed or constitute a suspension or variation of any such right or remedy.

25.8 Delay

No delay or failure to exercise any right or remedy under this Deed shall operate as a waiver of that right or remedy or constitute an election to affirm this Deed. No election to affirm this Deed on the part of the Agent shall be effective unless it is in writing.

25.9 Single or partial exercise

No single or partial exercise of any right or remedy under this Deed shall prevent any further or other exercise of that right or remedy, or the exercise of any other right or remedy under this Deed.

25.10 Consolidation

The restriction on the right of consolidation contained in section 93 of the LPA 1925 shall not apply to this Deed.

25.11 Partial invalidity

The invalidity, unenforceability or illegality of any provision (or part of a provision) of this Deed under the laws of any jurisdiction shall not affect the validity, enforceability or legality of the other provisions. If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with any modification necessary to give effect to the commercial intention of the parties.

25.12 Counterparts

This Deed may be executed and delivered in any number of counterparts, each of which is an original and which together have the same effect as if each party had signed the same document.

26 NOTICES**26.1 Service**

Each notice or other communication required to be given under, or in connection with, this Deed shall be:

26.1.1 in writing, delivered personally or sent by pre-paid first-class letter or fax; and

26.1.2 sent:

(a) to the Guarantor at:

EXECUTION VERSION

Unit 10, Building 2, Canonbury Business Centre
 190a New North Road
 London
 N1 7BJ
 United Kingdom
 Fax: 1-905-660-0803
 Attention: Joseph Shilon

(b) to the Agent at:

197, First Avenue,
 Suite 250
 Needham Heights
 Boston, MA 02494-28146
 United States of America
 Fax: +1 781 459 0058
 Attention: Danielle Prentis

or to any other address or fax number as is notified in writing by one party to the other from time to time.

26.2 Receipt by Guarantor

Any notice or other communication that the Agent gives shall be deemed to have been received:

- 26.2.1 if sent by fax, when received in legible form;
- 26.2.2 if given by hand, at the time of actual delivery; and
- 26.2.3 if posted, on the second Business Day after the day it was sent by pre-paid first-class post.

A notice or other communication given as described in clause 26.2.1 or clause 26.2.2 on a day that is not a Business Day, or after normal business hours, in the place it is received, shall be deemed to have been received on the next Business Day.

26.3 Receipt by Agent

Any notice or other communication given to the Agent shall be deemed to have been received only on actual receipt.

27 GOVERNING LAW AND JURISDICTION

27.1 Governing law

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

27.2 Jurisdiction

EXECUTION VERSION

The parties to this Deed irrevocably agree that, subject as provided below, the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this Deed or its subject matter or formation (including non-contractual disputes or claims). Nothing in this clause shall limit the right of the Agent, for its own benefit or for the benefit of the Credit Parties, to take proceedings against the Guarantor 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 that other jurisdiction.

27.3 Other service

The Guarantor irrevocably consents to any process in any proceedings under clause 27.2 being served on it in accordance with the provisions of this Deed relating to service of notices. Nothing contained in this Deed shall affect the right to serve process in any other manner permitted by law.

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

EXECUTION VERSION

SCHEDULE 1
PROPERTY

Part 1. Registered Property

NONE AS AT THE DATE HEREOF

Part 2. Unregistered Property

NONE AS AT THE DATE HEREOF

EXECUTION VERSION

SCHEDULE 2
RELEVANT AGREEMENTS

Type of contract: Group of Accounts Agreement

Date: December 8, 2008

Parties: J.S.N. Jewellery UK Limited and National Westminster Bank Plc

Type of contract: Invoice Discounting Agreement

Date: Undated

Parties: J.S.N. Jewellery UK Limited and Royal Bank of Scotland Commercial Services Limited

Type of contract: Lease Agreement

Date: February 2, 2005

Parties: J.S.N. Jewellery UK Limited and Canonbury Limited

EXECUTION VERSION

EXECUTED and delivered as a deed by)
J.S.N. JEWELLERY UK LIMITED)
acting by one director)
in the presence of a witness)

.....
Director

Witness signature:

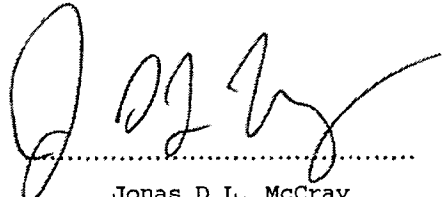
Witness name:

Witness address:

.....

Witness occupation:

EXECUTED and delivered as a deed)
by and on behalf of)
SALUS CAPITAL PARTNERS, LLC)
acting by two authorised representatives)



Name: Jonas D.L. McCray

Title: Senior Vice President

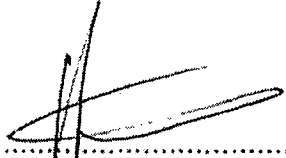


Name: Daniel F. O'Rourke

Title: Senior Vice President

EXECUTION VERSION

EXECUTED and delivered as a deed by)
J.S.N. JEWELLERY UK LIMITED)
acting by one director)
in the presence of a witness)


.....
Director

Witness signature: Paul Sclador.....

Witness name: PAUL SCLADOR.....

Witness address: 28 TROOP CLIFF.....
WOODFORD GREEN, ESSEX, IG8 0LF

Witness occupation: CHIEF FINANCIAL OFFICER.....

EXECUTED and delivered as a deed)
by and on behalf of)
SALUS CAPITAL PARTNERS, LLC)
acting by two authorised representatives)

.....

Name:

Title:

.....

Name:

Title: