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Please complete legibly, preferably in black type, or bold block lettering

*insert full name of Company

COMPANIES FORM No. 395

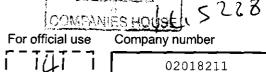
Particulars of a mortgage or charge

A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies (Address overleaf - Note 6)

Name of company



Saxton Bampfylde Hever Limited (the "Chargor")

Date of creation of the charge

15 December 2005

Description of the instrument (if any) creating or evidencing the charge (note 2)

Debenture made between the Chargor (1) and the Bank (2) (the "Debenture")

Amount secured by the mortgage or charge

Please see attached schedule 1

Names and addresses of the mortgagees or persons entitled to the charge

Singer & Friedlander Limited (21 New Street, Bishopsgate London (the "Bank")

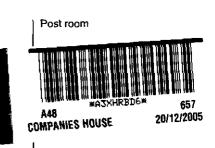
Postcode EC2M 4HR

Presentor's name address and reference (if any):

Taylor Wessing Carmelite 50 Victoria Embankment London EC4Y ODX

Ref: SWL/EVM

Time critical reference SFL-4-81/Deb Saxton For official Use (02/00) Mortgage Section



Please see attached schedule 2	Please do not write in
	this margin Please complete legibly, preferabl in black type, or bold block lettering
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Particulars as to commission allowance or discount (note 3)	
Nil	
Signed Taylor Date 16-12-05 On behalf of (CA)(CA)(CA) [mortgagee/chargee] †	A fee is payable to Companies House in respect of each register entry for a mortgage or charge. (See Note 5)
Notes	† delete as appropriate
The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4)	

- A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage", or "Legal charge", etc, as the case may be, should be given.
- In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional, for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- A fee of £13 is payable to Companies House in respect of each register entry for a mortgage or charge. Cheques and Postal Orders must be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is: Companies House, Crown Way, Cardiff CF14 3UZ

Definitions

In the Form 395 and schedules "Default Rate" and "Event of Default" (and any other terms not otherwise defined in the Debenture) have the same meanings as in the Loan Agreement and:

"Administrator" means any administrator of the Chargor appointed by the Bank under paragraph 14 of schedule B1 to the Insolvency Act 1986;

"Borrower" means Hat Pin pic (company number 03209877);

"Charged Property" means all property mortgaged, charged or assigned by the Debenture:

"Debts" means all existing and future book and other debts and rights to money and income liquidated and unliquidated owing to the Chargor including any rental income and the benefit of all negotiable instruments, securities, guarantees and indemnities for such debts and rights but not including cash at bank;

"Designated Account" means:

- (a) any account with the Bank; or
- (b) any account with any other bank which has been notified of the Bank's interest in such account and has agreed in writing not to permit withdrawals from such account except with the written consent of the Bank;

"Encumbrance" means any mortgage, charge, assignment by way of security, pledge, lien, trust, any form of distress, attachment, execution or other legal process or any other type of encumbrance or security interest or any other type of arrangement (including any sale and lease back or sale and repurchase arrangement) having or intended to have a similar effect;

"Event of Default" means any event or circumstance referred to in clause 19 (Events of Default) of the Loan Agreement;

"Finance Documents" has the same meaning as assigned to it in the Loan Agreement;

"Floating Charge Asset" means an amount charged under clause 3.3 (*Floating Charge*) of the Debenture;

"Guarantors" means:

Name	Jurisdiction	Company number	Registere	d office
Faverwise Limited	England & Wales	01428814	56-60 Street, W1W 6JL	Hallam London
KTNY Limited	England & Wales	03412660	56-60 Street, W1W 6JL	Hallam London
KTNY LLC	Delaware	2722870		

KTHK Limited

Hong Kong

The Chargor

England & Wales

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[35 Old Queen Street, London

SW1H 9JA]

and each other Subsidiary which becomes a guarantor under the Loan Agreement in accordance with clause 15.2 (Further Companies) of the Loan Agreement;

"Hedging Agreement" means any existing and future interest rate exchange agreement or other contract for the purpose of securing a profit or avoiding a loss by reference to fluctuations in interest rates entered into by the Chargor with any person:

"Intellectual Property Rights" means any existing and future right in respect of any patent, copyright, trade mark (including the Trade Marks), service mark, invention, design, knowhow, confidential information or any other kind of intellectual property whether registered or unregistered and any registration or application for registration, licence or permission relating to any of the foregoing;

"Insurance Policies" means any insurance policy in which the Chargor may now or at any time after the date of the Debenture have an interest including the Keyman Policies;

"Investment" means any existing or future:

- (a) stock, share, bond or any form of loan capital of or in any legal entity;
- (b) unit in any unit trust or similar scheme;
- (c) warrant or other right to acquire any such investment,

and, to the extent not constituting a Debt, any income, offer, right or benefit in respect of any such investment;

"Keyman Policies" means the following keyman policies:

- the policy number 011152889-9 with Legal & General in respect of (a) Stephen Bampfylde;
- the policy number 0305882213/001 with Royal & Sun Alliance in respect (b) of Stephen Bampfylde;
- the policy number RNF00061349A with Royal & Sun Alliance in respect (c) of Douglas Board; and
- (d) the policy with reference number K9997 effected through Lutine Assurance Services Limited in respect of Douglas Board;

"Law" includes common law, any statute, bye-law, regulation or instrument and any kind of subordinate legislation; and any order, requirement, code of practice, circular, guidance note, licence, consent or permission made or given under any of the foregoing;

"Loan Agreement" means the loan agreement dated 25 November 2005 between the Borrower and the Bank;

"Obligor" means each of the Borrower and the Guarantors;

"Permitted Encumbrance" means:

- (a) any Encumbrance in favour of the Bank; and
- (b) liens arising by operation of law in the normal course of business provided the relevant Obligor takes all practicable steps to have any such lien removed or discharged as soon as it becomes aware of its existence;

"Real Property" means all freehold or leasehold property forming part of the Charged Property;

"Receiver" means any receiver appointed over any Charged Property whether under the Debenture or by order of the court on application by the Bank and includes a receiver and manager and an administrative receiver; and

"Security Documents" means the documents referred to in clause 15.1 (Security Documents) of the Loan Agreement and any other document which grants security rights or rights by way of guarantee and/or indemnity or other assurance against loss in respect of any liabilities of the Borrower under the Finance Documents; and

"Trade Marks" means the trademarks with registered numbers 2182671 and 1482723.

SCHEDULE 1

Amount secured by the mortgage or charge

All liabilities of any Obligor owed or expressed to be owed to the Bank, whether or not originally owed to the Bank and whether owed jointly or severally, as principal or surety or in any other capacity

(together the "Secured Liabilities").

SCHEDULE 2

Short particulars of all the property mortgaged or charged

1. Charging Clause

1.1 Fixed security

The Chargor as continuing security for the payment of the Secured Liabilities charged in favour of the Bank with full title guarantee the following assets, both present and future, owned by it or in which it has an interest:

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- (a) by way of fixed charge its interest in:
 - (i) any Investment;
 - (ii) any Intellectual Property Rights;
 - (iii) any money standing to the credit of any Designated Account;
 - (iv) its goodwill and uncalled capital;
 - (v) any Hedging Agreement;
 - (vi) any fittings, plant, equipment, machinery, tools, vehicles, furniture and other tangible movable property;
 - (vii) any sum received by it as a result of any order of the court under sections 213, 214, 238, 239 or 244 of the Insolvency Act 1986;
 - (viii) all other property not charged or assigned by the previous paragraphs of this clause (other than stock in trade or work in progress);
- (b) by way of legal mortgage all Real Property vested in it at the date of the Debenture; and
- (c) by way of equitable mortgage its interest in any freehold or leasehold property owned by it at the date of the Debenture or acquired by it after the date of the Debenture.

1.2 Assignment

The Chargor as continuing security for the payment of the Secured Liabilities assigned in favour of the Bank with full title guarantee its present and future interest in and the benefit of:

- (a) the Insurance Policies; and
- (b) all rights and claims in relation to the proceeds of any Insurance Policy

provided that if such any such policy is expressed to be non-assignable then the Chargor charged to the Bank by way of fixed charge its interest in and the benefit of it.

1.3 Floating security

As continuing security for the payment of the Secured Liabilities the Chargor charged to the Bank by way of floating charge with full title guarantee the whole of its existing and future undertaking and property to the extent not otherwise at any time subject to any fixed charge under the Debenture in favour of the Bank.

1.4 Conversion

Subject to clause 3.5 (*Moratorium*) of the Debenture, the Bank may at any time by written notice to the Chargor convert the floating charge created under clause 3.3 (*Floating Security*) of the Debenture into a fixed charge as regards any property specified in the notice if:

- (a) an Event of Default has occurred; or
- (b) in the reasonable opinion of the Bank such property is at risk of becoming subject to any Encumbrance (other than a Permitted Encumbrance) or is at risk of ceasing to be within the ownership or control of the Chargor or otherwise in jeopardy.

1.5 Moratorium

The Bank shall not be entitled to convert the floating charge created by this clause into a fixed charge as a result only of the Chargor obtaining a moratorium or anything done with a view to obtaining a moratorium under section 1A of and schedule A1 to the Insolvency Act 1986.

1.6 Qualifying floating charge

Section 14(2)(a) of schedule B1 to the Insolvency Act 1986 applies to the floating charge created by this clause which is a "qualifying floating charge" for the purpose of section 14(1) of the Insolvency Act 1986.

1.7 Automatic conversion

If the Chargor creates or purports to create any Encumbrance (except as permitted by the Loan Agreement or with the prior consent of the Bank) on or over any Floating Charge Asset without the prior consent in writing of the Bank, or if any third party levies or attempts to levy any distress, attachment, execution or other legal process against any Floating Charge Asset, the floating charge created under the Debenture will automatically (without notice) and immediately be converted into a fixed charge over the relevant Floating Charge Asset.

Negative covenant

The Chargor will not, except with the prior written consent of the Bank:

- (a) dispose or purport or agree to dispose of any interest in or lend or grant any licence or other right over any property mortgaged, charged or assigned under clause 3.1 (Fixed Security) of the Debenture;
- (b) save for full consideration in money or money's worth and in the ordinary course of its business, dispose of any interest in or lend or grant any licence or other right over any Floating Charge Asset;
- (c) create, agree to create or allow to arise or remain outstanding any Encumbrance over any Charged Property (other than a Permitted Encumbrance).

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OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 02018211

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE DATED THE 15th DECEMBER 2005 AND CREATED BY SAXTON BAMPFYLDE HEVER LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM ANY OBLIGOR TO SINGER & FRIEDLANDER LIMITED WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 20th DECEMBER 2005.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 21st DECEMBER 2005.





