

TERM LOAN AGREEMENT

PARTIES:

Lender: PCS Management Executive Pension Scheme

Address: 22 Camelot Way
Narborough
Leicester
LE19 3BT

Borrower: Hugo Holdings Limited

Address: c/o Baldwins First Floor, International House, 20 Hatherton Street, Walsall,
United Kingdom, WS4 2LA

Company Registration Number: - 11995299

AGREEMENT:

This Agreement sets out the terms on which the Lender has agreed to provide to the Borrower the loan facility as described below.

CONTRACT SCHEDULE

1. **FACILITY AMOUNT:** £100,000.00
2. **EFFECTIVE DATE:** 2nd February 2021
3. **EARLY REPAYMENT DATE:** N/A
4. **REPAYMENT DATE:** 2nd February 2024
5. **DRAWDOWN:** In full on the Effective Date subject to satisfaction of the Conditions Precedent.
6. **CONDITIONS PRECEDENT:** None.
7. **SECURITY AND SUBORDINATION:** All amounts outstanding under the Facility are unsecured.
8. **INTEREST RATE:** 12% per annum with an additional 3% of initial loan amount at the end of loan term.
9. **INTEREST PERIODS:** The Repayment Date or the Early Repayment Date.
10. **PAYMENT OF INTEREST:** On the last day of each Interest Period.
11. **INTEREST ON LATE PAYMENTS:** 1% per annum above the Interest Rate.

12. **EARLY REPAYMENT BY THE BORROWER:** Permitted without penalty at any time in whole or in part on not less than 5 Business Days' notice given by the Borrower to the Lender.
13. **RE-ADVANCES:** The Borrower is not entitled to re-borrow any amount repaid or prepaid under the Facility
14. **SPECIAL TERMS:** Interest of 12% per annum payable with interest payments paid on a monthly basis and an additional 3% of initial loan amount paid to borrower at the end of the term.
15. **ENTIRE AGREEMENT:** This Agreement, together with the Standard Terms referred to above, constitutes the whole agreement in respect of the loan facilities referred to above.

SIGNATURES:

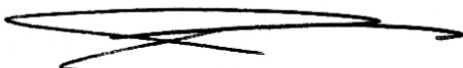
(1) Signed for and on behalf of the LENDER

Signature:  2272569EF6064BE...

Full name of Signatory: Gary Heath on behalf of PCS Management Executive Pension Scheme

Date of actual signature: 2/3/2021

(2) Signed for and on behalf of the BORROWER

Signature: 

Full name of Signatory: Greg Walters

Position / job title: Director Hugo Holdings Limited

Date of actual signature: 2nd February 2021

STANDARD TERMS AND CONDITIONS FOR THE PROVISION OF LOAN FACILITIES

1. INTERPRETATION

1.1. In these Standard Terms unless the context requires otherwise:

"Agreement" means the agreement between the Lender and the Borrower comprising the Contract Schedule and these Standard Terms;

"Business Day" means any day, other than Saturday or Sunday, on which clearing banks are open for commercial business in London;

"Contract Schedule" means a schedule signed by the Lender and the Borrower which incorporates these Standard Terms;

"Event of Default" has the meaning given to it in clause 9.1; and

"Facility" means the loan facility made available by the Lender to the Borrower as specified in the Agreement.

1.2. Words and expressions defined in the relevant Contract Schedule have the same meanings in these Standard Terms.

1.3. If there is any conflict between the Contract Schedule and these Standard Terms, the terms of the Contract Schedule shall prevail.

1.4. Any action required to be performed on a day which is not a Business Day shall be performed on the next Business Day.

2. THE FACILITY

The Facility is made available by the Lender with effect from the Effective Date until the Repayment Date if applicable and will be advanced to the Borrower as specified in the Contract Schedule.

3. CONDITIONS PRECEDENT

Each advance under the Facility is subject to satisfaction (or waiver by the Lender) of such conditions precedent as may be specified in the Contract Schedule.

4. INTEREST

4.1. Interest shall accrue at the Interest Rate on a daily basis on the balance outstanding from time to time under the Facility and shall be calculated on the basis of a 365 day year.

4.2. Where the Interest Rate is expressed as a variable rate, it will be fixed for each Interest Period on the first Business Day of that period.

4.3. Unless otherwise specified in the Contract Schedule, the Borrower will pay all accrued interest on the last day of each Interest Period.

5. REPAYMENT

- 5.1. Subject as otherwise provided in the Agreement, the balance outstanding under the Facility including all accrued interest and all other amounts due under the Agreement shall be repaid by the Borrower to the Lender on the Repayment Date.
- 5.2. Unless otherwise specified in the Contract Schedule, the Borrower may not re-borrow any amount repaid or prepaid under the terms of the Agreement.
- 5.3. Any amounts not paid when they are required to be paid pursuant to the Agreement shall bear interest at the Default Rate.

6. EARLY REPAYMENT

Unless otherwise specified in the Contract Schedule, the Borrower may prepay all or part of the Loan without premium or penalty before the Repayment Date. Any such prepayment must be accompanied by all accrued interest on the amount prepaid.

7. NO DEDUCTIONS

- 7.1. All sums payable by the Borrower under the Agreement (whether of principal or interest) shall be paid in full without any setoff or counterclaim whatsoever and without any deductions for any taxes, deductions or withholdings of any nature unless the Borrower is required by law to make such a deduction.
- 7.2. If the Borrower is required by law to withhold or deduct any amounts from any sum paid or payable to the Lender under this Agreement, the sum payable by the Borrower shall be increased by an amount so as to result in the receipt by the Lender of a net amount equal to the full amount expressed to be payable under this Agreement.

8. UNDERTAKINGS

The Borrower undertakes that, so long as any sum remains payable under the Agreement, it will notify the Lender in writing of the occurrence of any Event of Default, or any event or circumstance which, with the giving of notice and/or lapse of any period of time and/or the fulfilment of any other requirement, would or may become an Event of Default, immediately upon becoming aware of it.

9. DEFAULT

- 9.1. The occurrence of any of the following events shall constitute an "Event of Default":-
 - 9.1.1. the Borrower does not perform or comply with any one or more of its obligations under the Agreement and, if that default is capable of remedy, it is not remedied within 5 Business Days after written notice of that default has been given to the Borrower by the Lender;
 - 9.1.2. the Borrower becomes bankrupt or insolvent, is unable to pay its debts as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law;

- 9.1.3. the Borrower applies for or consents to or suffers the appointment of a liquidator, receiver, manager, administrative receiver or administrator of itself or the whole or any material part of its undertaking, property, assets or revenues;
 - 9.1.4. any order is made by any competent court a resolution passed for the winding up or dissolution of the Borrower;
 - 9.1.5. the Borrower ceases or threatens to cease to carry on the whole or a substantial part of its business;
 - 9.1.6. any present or future security over a material part of the assets of the Borrower becomes enforceable and any step (including the taking of possession or the appointment of a receiver, manager, administrator or similar officer) is taken to enforce that security;
 - 9.1.7. it is unlawful for the Borrower to perform or comply with any one or more of its obligations under the Agreement;
 - 9.1.8. there is a material adverse change in the financial condition of the Borrower which materially impairs the ability of the Borrower to perform or comply with any one or more of its obligations under the Agreement; or
 - 9.1.9. the Borrower ceases to be a member of the same group as the Lender.
- 9.2. If an Event of Default occurs and is continuing the Lender may by notice to the Borrower cancel any amount still available to the Borrower under the Agreement and/or declare any amount outstanding under this Agreement together with all accrued interest thereon to be immediately due and payable whereupon they shall become so due and payable.
- 9.3. Any amounts not paid following a demand under this clause shall bear interest at the Default Rate.

10. ENTIRE AGREEMENT

- 10.1. These Standard Terms and the Contract Schedule constitute the entire agreement of the parties and supersede all prior agreements and understandings between the parties in connection with its subject matter.
- 10.2. Any representation, warranty or undertaking implied by law or by custom is expressly excluded.
- 10.3. Nothing in the Agreement operates to exclude any liability for fraud.

11. APPLICABLE LAW AND JURISDICTION

The Agreement shall be governed by the laws of England and Wales and shall be subject to the non-exclusive jurisdiction of the English court.