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| **Licence Agreement** |
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| Dated 2010 |
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| (1) James Harold Stedman, Peter Richard Stedman, Marjory Jean Stedman as Trustees Of The Loft Shop Limited Directors Pension Scheme |
| (2) The Loft Shop Limited |
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**THIS AGREEMENT** is made the day of 2010

**BETWEEN:**

(1) **JAMES HAROLD STEDMAN, PETER RICHARD STEDMAN, MARJORY JEAN STEDMAN as TRUSTEES OF THE LOFT SHOP LIMITED DIRECTORS PENSION SCHEME** whose address for service is Argeles, Salt Hill Road, Chichester, P019 3PY (the “**Licensor**”); and

(2) **THE LOFT SHOP LIMITED** (company number 797762) whose registered office is at Eldon Way, Littlehampton, West Sussex, BN17 7HE (the “**Licensee**”).

**IT IS AGREED** as follows:

1. Definitions

In this Agreement the following terms shall have the following meanings:

* 1. “**Business**” the business carried on by the Licensee is the distribution and sale of loft and associated roofing materials;
  2. “**Intellectual Property**” the Trade Marks together with all goodwill, copyright and design rights in and to such marks;
  3. “**Net Sale Price**” in respect of the Products sold by or on behalf of the Licensee, the total amount invoiced by the Licensee in respect of such Products after deducting allowances for trade discounts and returns for which the Licensee has issued a credit note, sales and excise taxes (including value added tax and duties, if any);
  4. “**Notice**” notice in writing served in accordance with the provisions of clause 17;
  5. “**Royalty**” the sum of 0.5% of the Net Sale Price;
  6. “**Royalty Year**” each period of 12 months ending on 31 December;
  7. “**Products**” the goods or services in respect of which the Trade Marks are registered;
  8. “**Trade Marks**” the trade marks listed in the First, Second, Third and Fourth Schedules.

1. Recitals
   1. The Licensee is and has for some years been carrying on the Business using the Trade Marks.
   2. On the date of this Agreement the Licensee has assigned the Intellectual Property to the Licensor. The Licensor wishes now to grant a licence to the Licensee on the terms set out in this Agreement.
2. Grant

In consideration of the obligations undertaken by the Licensee under this Agreement the Licensor grants to the Licensee an exclusive worldwide licence to use the Intellectual Property in its Business to distribute, sell and market the Products under the terms of this Agreement in perpetuity unless terminated in accordance with clause 10. For the avoidance of doubt, the Licensee is permitted to use the Trade Marks as part of its company name.

1. Royalties
   1. In consideration of the rights granted by the Licensor, the Licensee undertakes to pay the Licensor in each Royalty Year the Royalty for that Royalty Year. The Licensee shall pay the Royalty to the Licensor within 30 days following the end of the Royalty Year.
   2. Where the Net Sale Price is equal to or more than £6.5m in any Royalty Year the parties agree that they will negotiate in good faith to agree an amendment to the Royalty. Such amendment to take effect in relation to any subsequent Royalty Year.
   3. If, within 30 days, the parties are unable to agree upon an amendment to the Royalty as set out in clause 4.2 the parties will agree on the appointment of an independent expert to resolve the dispute. If the parties are unable to agree upon an expert within 21 days of either party serving details of a suggested expert on the other, either party shall then be entitled to request the Institute of Chartered Accountants of England and Wales to appoint an expert accountant of repute with experience in intellectual property matters to settle the dispute.
2. Licensee's obligations as to conformity to specification and quality
   1. The Licensee shall sell, market and distribute the Products according to such specifications as the Licensor may from time to time agree and at all times ensure that the Products are of the highest quality attainable within such specifications.
   2. The Licensee shall, at the request of the Licensor, deliver to the Licensor free of charge samples of each unit of the Products including their wrappings and packaging and shall not commence distribution of the Products until it has received written approval from the Licensor of their design standard of workmanship quality or presentation and intrinsic merit.
   3. The Licensee shall ensure that all other units of the Products including their wrappings and packaging of the same description as the samples correspond to the samples approved by the Licensor in accordance with clause 5.2.
   4. The Licensee shall supply to the Licensor free of charge such further samples of the Products as the Licensor may reasonably require from time to time.
   5. Within 7 days following the end of the Royalty Year, the Licensee shall deliver to the Licensor:
      1. a written statement of the quantity of the Products sold during the Royalty Year and not included in a previous statement;
      2. the price charged and any discount allowed;
      3. the Net Sale Price;
      4. the Royalty due; and
      5. any other particulars the Licensor may reasonably require.
3. Use and protection of the Trade Marks
   1. The Licensee recognises the Licensor’s title to the Trade Marks and shall not claim any right title or interest in the Trade Marks or any part of it save as is granted by this Agreement.
   2. The Licensee shall promptly call to the attention of the Licensor the use of any part of the Trade Marks by any third party or any activity of any third party which might in the opinion of the Licensee amount to trade mark infringement or passing off.
   3. The Licensee shall not assign the benefit of this Agreement or grant any sub-licence without the prior written consent of the Licensor.
   4. The Licensee shall hold all goodwill generated by its operations under this Agreement as bare trustee for the benefit of the Licensor.
   5. Any designs or other works derived by the Licensee from the Trade Marks or any part of it shall be held by it as bare trustee for the Licensor and at the Licensor's request shall be assigned to it without compensation.
4. Registration of licence

When required by the Licensee the Licensor shall join with the Licensee in applying for recordal of this Agreement.

1. Licensee not to use the Licensor's name

The Licensee shall not except with the prior written consent of the Licensor make use of the name of the Licensor in any connection otherwise than is expressly permitted by this Agreement.

1. Action against third parties
   1. The Licensor shall have the sole right to take action against third parties in respect of the Intellectual Property and if required to do so by the Licensor the Licensee shall co-operate fully with the Licensor in any such action the Licensee's expenses incurred in doing so being borne by the Licensor.
   2. If the Licensor fails to take any such action against third parties or to require the Licensee to do so the Licensee may serve Notice on the Licensor and on the expiry of 30 days after the service of such Notice the Licensee shall be entitled to prosecute such action itself and at its own expense provided that the Licensor has not served Notice within the 30 day period of its own intention to take action.
   3. The Licensee shall in no circumstances settle any claim or action against third parties without the prior written consent of the Licensor.
   4. All damages recovered from third parties shall be the exclusive property of the Licensor provided that the Licensee shall be entitled to set off any expenses which it is able to claim from the Licensor under this clause.
2. Termination
   1. The following breaches are fundamental and shall entitle the Licensor forthwith to give Notice terminating this Agreement and thereupon this Agreement shall absolutely terminate and cease to have effect but without prejudice to the rights and remedies of the Licensor in respect of the breach or antecedent breach by the Licensee of any of its obligations under this Agreement:
      1. failure on the part of the Licensee to make any payment due to the Licensor under this Agreement for 30 days after such payment shall have become due;
      2. failure on the part of the Licensee to rectify any breach of this Agreement within 30 days of receiving a Notice from the Licensor of such breach;
      3. the voluntary or compulsory liquidation of the Licensee or the appointment of an administrator or receiver of its assets or similar; and
      4. if the Licensee shall cease trading or to operate the Business.
   2. If at any time the Licensor shall cease to have the right to grant licence of the Intellectual Property the Licensor may forthwith terminate this Agreement by giving Notice to the Licensee.
   3. On termination of this Agreement the Licensee shall forthwith pay to the Licensor the balance of any Royalty accrued up to the date of termination.
3. Termination consequences
   1. Subject to clause 11.2 on termination of this Agreement the Licensee shall cease all use of the Intellectual Property within 90 days of termination.
   2. If the Licensee shall have any remaining stocks of Products at the time of termination they may be disposed of by the Licensee in compliance with the terms of this Agreement.
4. Indemnity
   1. The Licensee shall indemnify the Licensor against all actions claims costs damages and expenses which it may suffer or sustain as a result of the actions of the Licensee.
   2. The Licensor shall indemnify the Licensee against all actions claims costs damages and expenses arising out of the Licensee's use of the Trade Mark in accordance with the terms of this Agreement.
5. Inspection

The Licensee shall permit the Licensor at all reasonable times to inspect the Licensee's premises in order to satisfy itself that the Licensee is complying with its obligations under this Agreement.

1. No waiver

No waiver by the Licensor of any of the Licensee's obligations under this Agreement shall be deemed effective unless made by the Licensor in writing nor shall any waiver by the Licensor in respect of any breach be deemed to constitute a waiver of or consent to any subsequent breach by the Licensee of its obligations.

1. Severance

In the event that any provision of this Agreement is declared by any judicial or other competent authority to be void voidable or illegal the remaining provisions shall continue to apply unless the Licensor at the Licensor's discretion decides that the effect is to defeat the original intentions of the parties in which case it shall be entitled to terminate the Agreement by 90 days' Notice.

1. No agency or partnership

The parties are not partners or joint venturers nor is the Licensee entitled to act as the Licensor's agent nor shall the Licensor be liable in respect of any representation act or omission of the Licensee of whatever nature.

1. Notices

Any Notice to be served on either of the parties by the other shall be sent by pre-paid recorded delivery or registered post or by telex or facsimile transmission to the address stated above and shall be deemed to have been received by the addressee within 72 hours of posting or 24 hours if sent by telex or facsimile transmission to the correct number (with correct answer back) of the addressee.

1. Governing Law

This Agreement and any dispute or claim arising out of or in connection with it or its subject matter, whether of a contractual or non-contractual nature, shall be governed by and construed in accordance with the law of England and Wales. The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Agreement.

1. Transmission of benefit

This Agreement shall be binding upon and inure to the benefit of the Licensor and its successors and assigns.

1. Third parties

Except as otherwise expressly stated, this Agreement does not confer any rights on any person or party (other than the parties to this Agreement) under the Contracts (Rights of Third Parties) Act 1999.

1. Joint and several

All agreements on the part of either of the parties which comprise more than one person or entity shall be joint and several.

FIRST SCHEDULE

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| Trade Mark Number : 1316537  Mark Text: LOFT SHOP | | | |
|  | | | |
| **Number of Mark** | **Date of registration** | **Class** | **Goods or services in respect of which Mark is registered** |
| 1316537 | 17 May 1991 | 06,17,19,20 | Class 06:  Building materials and building Products; doors, door panels and door frames; windows and window framers; stairs; ladders; internal wall claddings; all included in Class 6; all being metallic and adapted for use in the construction or conversion of lofts.  Class 17:  Thermal insulation materials, included in Class 17, all being adapted for use in the construction or conversion of lofts.  Class 19:  Building materials and building Products; doors, door panels and door frames; windows and window framers; stairs; all being non-metallic; flooring; structural timber Products; non–metallic internal wall cladding; all included in Class19; all being adapted for use in the construction or conversion of lofts.  Class 20;  Ladders, all included in Class 20; and being adapted for use in lofts. |

SECOND SCHEDULE

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| Trade Mark Number : 2015561  Mark Text: LOFT SHOP | | | |
| **Number of Mark** | **Date of registration** | **Class** | **Goods or services in respect of which Mark is registered** |
| 2015561 | 13 December 1996 | 06,19,20,37 | Class 06:  Building materials and building Products; doors, door panels and door frames; windows and window framers; stairs; ladders; internal wall claddings; all included in Class 6; all being metallic and adapted for use in the construction or conversion of lofts.  Class 19:  Windows, roof lights, skylights, roof domes, roof flashing, loft ladders, blinds, steps, step ladders, stairs, staircases, stair treads, balustrading, ladders, chimney cowls, roofing hips, ridge cappings, roofing slates, shingles; and parts and fittings for the aforesaid goods.  Class 20:  Stairs, step ladders, steps, ladders and slatted blinds; and parts and fittings therefor; all made of non-metal material.  Class 37:  Installation services, in particular for fitting loft ladders, stairs and staircases, windows, roof windows, roof domes, roof lights and skylights. |

THIRD SCHEDULE

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| Trade Mark Number : 1316541 | | | |
|  | | | |
| **Number of Mark** | **Date of registration** | **Class** | **Goods or services in respect of which Mark is registered** |
| 1316541 | 05 May 1989 | 6, 17, 19 and 20 | Class 06:  Building materials and building products; doors, door frames and door panels; windows and window frames; stairs; ladders; internal wall cladding; all included in class 6; all being metallic.  Class 17:  Thermal insulation materials, included in Class 17.  Class 19:  Building materials and building products; doors, door panels, and door frames; windows and window frames; stairs; all being non-metallic; flooring; structural timber products; non–metallic internal wall cladding; all included in Class19.  Class 20;  Ladders included in Class 20. |

FOURTH SCHEDULE

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| Trade Mark Number : 212590  Mark Text: LOFT SHOP | | | |
| **Number of Mark** | **Date of registration** | **Class** | **Goods or services in respect of which Mark is registered** |
| 212590 | 09 July 1998 | 6 and 19 | Class 06:  Windows, roof lights and skylights, roof domes, window blinds, roof flashing, loft ladders, step ladders, steps, stairs, stair treads, staircases, balustrading, ladders, nails, chimney cowls, joists, girders and brackets; and parts and fittings for the all of the aforesaid goods; all made of metal; and all in class 6.  Class 19:  Windows, roof lights, skylights, roof domes, roof flashing, blinds, stairs, staircases, stair treads, balustrading, chimney cowls, roofing hips, ridge cappings, roofing slates, shingles; and parts and fittings for the aforesaid goods; all in class 19. |

AS WITNESS whereof the parties or their duly authorised representatives have signed this Agreement the day and year first before written

SIGNED by ....................................................………………… (signature)

The Loft Shop Limited (the Licensee)

acting by:  
  
Director   
Signature:  
Name:  
  
Director/Secretary  
Signature:  
Name:

SIGNED by ................................................…………………….. (signature)  
James Harold Stedman (the Licensor)   
in the presence of:   
  
Witness Signature:   
Name:  
Address:

SIGNED by ................................................…………………….. (signature)  
Peter Richard Stedman (the Licensor)   
in the presence of:   
  
Witness Signature:   
Name:  
Address:

SIGNED by ...................................…………………….. (signature)  
Marjory Jean Stedman (the Licensor)

in the presence of:  
  
Witness Signature:  
Name:  
Address: