

MR01

Particulars of a charge

173064/13

A fee is payable with this form.
Please see 'How to pay' on the
last page

You can use the WebFiling service to file this form online
Please go to www.companieshouse.gov.uk

☒ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

☒ **What this form is NOT for**
You may not use this form to
register a charge where the
instrument Use form MR02



L46GIR6H

LD4

01/05/2015

#12

COMPANIES HOUSE

This form **must be delivered to the Registrar for registration within 21 days** beginning with the day after the date of creation of the charge. If delivered outside of the 21 days it will be rejected unless it is accompanied by a court order extending the time for delivery



You **must** enclose a certified copy of the instrument with this form. This will be scanned and placed on the public record. **Do not send the original**

1

Company details

Company number 00556493

Company name in full SCHAEFFLER (UK) LIMITED

4

For official use

→ **Filing in this form**
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2

Charge creation date

Charge creation date 29/04/2015

3

Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name DEUTSCHE BANK LUXEMBOURG S A

AS GENERAL SECURITY TRUSTEE FOR SECURED CREDITORS

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

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Particulars of a charge

4

Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Brief description

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

5

Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ Yes

☐ No

6

Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☐ Yes Continue

☒ No Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7

Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

8

Trustee statement ¹

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

¹ This statement may be filed after the registration of the charge (use form MR06)

9

Signature

Please sign the form here

Signature

Signature

X *Shaughnessy and May* X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name JCQH/AJXM

Company name SLAUGHTER AND MAY

Address ONE BUNHILL ROW

Post town LONDON

County/Region

Postcode E C 1 Y 8 Y Y

Country UK

DX

Telephone 020 7600 1200



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following.

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record



How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge filed on paper

Make cheques or postal orders payable to 'Companies House'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below.

For companies registered in England and Wales.

The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland

The Registrar of Companies, Companies House, Fourth floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland

The Registrar of Companies, Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 556493

Charge code: 0055 6493 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 29th April 2015 and created by SCHAEFFLER (UK) LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 1st May 2015

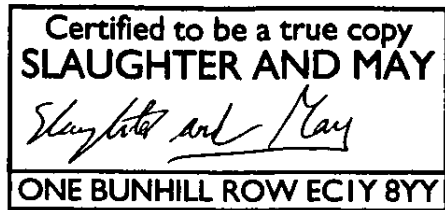
Given at Companies House, Cardiff on 11th May 2015



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**



1 May 2015

Dated

29 April

2015

Schaeffler (UK) Limited

as Chargor

and

Deutsche Bank Luxembourg S.A.

as General Security Trustee

SECOND RANKING CHARGE OVER SHARES

Slaughter and May
One Bunhill Row
London EC1Y 8YY

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THIS CHARGE OVER SHARES (the "Deed") dated *29 April* 2015 is made as a deed

BETWEEN:

- (1) **Schaeffler (UK) Limited**, a company registered in England and Wales with company number 00556493, whose registered office is situated at Forge Lane, Minworth, Sutton Coldfield, West Midlands, B76 1AP (the "**Chargor**"), and
- (2) **Deutsche Bank Luxembourg S.A.**, for itself and in its capacity as general security trustee under the Security Pooling and Intercreditor Agreement (as defined below) for the Secured Creditors (as defined below) (the "**General Security Trustee**", which expression shall include all successor trustees appointed from time to time)

WHEREAS:

- (A) Schaeffler AG ("**Schaeffler**") and certain of its subsidiaries are obligors under a EUR 1,750,000,000 and USD 1,300,000,000 syndicated term and multicurrency revolving credit facilities agreement dated 27 October 2014 for Schaeffler, with Deutsche Bank Luxembourg S A as facility agent and as security trustee (the "**Syndicated Facilities Agreement**")
- (B) Schaeffler Finance B V (the "**Issuer**") has issued:
 - (i) senior secured notes of EUR 600,000,000 at 4.25% maturing 2018 and USD 850,000,000 at 4.75% maturing 2021 (the "**First Notes**") under a New York law indenture dated 29 April 2013,
 - (ii) senior secured notes of EUR 500,000,000 at 2.75 % maturing 2019, EUR 500,000,000 at 3.50 % maturing 2022 and USD 700,000,000 at 4.25 % maturing 2021 under a New York law indenture dated 14 May 2014 (the "**Second Notes**"); and
 - (iii) senior secured notes of EUR 400,000,000 at 2.50% maturing 2020, EUR 600,000,000 at 3.25% maturing 2025 and USD 600,000,000 at 4.75% maturing 2023 under a New York law indenture dated on or around 13 April 2015 (the "**Third Notes**", and together with the First Notes and the Second Notes, the "**Existing Notes**")
- (C) As a condition precedent to the Syndicated Facilities Agreement, the Existing Notes and

other financings, *inter alios*, AS Auslandsholding GmbH and LuK Auslandsholding GmbH, each a current owner of the shares in the respective Companies (as defined below) (the "**Current Owners**") entered into the First Ranking Share Charge (as defined below) and certain security confirmation agreements dated 14 December 2012, 12 March 2013, 26 April 2013, 12 May 2014 and 28 October 2014 confirming that the security created by the First Ranking Share Charge would (i) extend to such Permitted Financing or Permitted Refinancing (as applicable), (ii) continue to secure all secured obligations under the Syndicated Facilities Agreement and the Existing Notes, and (iii) continue in full force and effect

- (D) As part of a corporate restructuring, the Chargor will purchase the shares in the Companies (as defined below) pursuant to certain share transfer agreements to be entered into by the Chargor and the Current Owners. Pursuant to the terms of the Transaction Finance Documents the Chargor must enter into this Deed
- (E) In order to remedy a failure to register the security constituted by a second ranking share charge dated 19 March 2015 between the Chargor and the General Security Trustee within the requisite 21 day period for registration at Companies House, the Chargor and the General Security Trustee are entering into this Deed
- (F) The security created by or pursuant to this Deed is to be held and administered by the General Security Trustee for and on behalf of the Secured Creditors (as defined below) pursuant to a security pooling and intercreditor agreement originally dated 27 January 2012 between, *inter alios*, Schaeffler Verwaltung Zwei GmbH (formerly named Schaeffler AG) and the General Security Trustee and others, as amended by way of an amendment deed dated 3 February 2012 and an amendment deed dated 19 November 2014 and as further amended from time to time (the "**Security Pooling and Intercreditor Agreement**")
- (G) The Issuer, Schaeffler and/or any of its affiliates may proceed to the issuance of any further notes (including any Additional Notes), other kind of bonds or similar debt instruments (any and all such instruments in respect of which the Notes Effective Date Requirements (as defined in the Security Pooling and Intercreditor Agreement) in relation to the respective notes, bonds or similar debt instrument have been satisfied, together with the Existing Notes, collectively the "**Notes**") after the date hereof

NOW, THIS DEED WITNESSES as follows:

1 **DEFINITIONS AND LANGUAGE**

1 1 In this Deed, unless a contrary indication appears, terms used in the Security Pooling and Intercreditor Agreement have the same meaning and construction when used herein:

"Charge" means all or any of the security created, or which may at any time be created, by or pursuant to this Deed

"Charged Property" means the Original Shares, any Further Shares, any Derived Assets (other than Original Shares) and any Dividends.

"Companies" means LuK (UK) Limited (a company incorporated in England and Wales with registered number 02158744) and Schaeffler Automotive Aftermarket (UK) Limited (a company incorporated in England and Wales with registered number 02770881), and
 "Company" means any of them

"Default Notice" means a notification of the occurrence of an (i) event or circumstance specified as an event of default in any of the Transaction Finance Documents; or (ii) acceleration (howsoever described) under any of the Transaction Finance Documents, dispatched to Schaeffler by the General Security Trustee in its capacity as security trustee under the Security Pooling and Intercreditor Agreement.

"Derived Assets" means all Shares, rights or other property of a capital nature which accrue or are offered, issued or paid at any time (by way of bonus, rights, redemption, conversion, exchange, substitution, consolidation, subdivision, preference, warrant, option, purchase or otherwise) in respect of

- (a) the Original Shares; or
- (b) any Further Shares; or
- (c) any Shares, rights or other property previously accruing, offered, issued or paid as mentioned in this definition

"Dissolution" means an event or circumstance as described in the definition of **"Insolvency Proceedings"**

"Dividends" means all dividends, interest and other income paid or payable in respect of the Original Shares, any Further Shares or any Derived Assets.

"Enforcement Notice" means a notification to Schaeffler by the General Security Trustee in its capacity as security trustee under the Security Pooling and Intercreditor Agreement that an enforcement decision has been taken in accordance with the terms of the Security Pooling and Intercreditor Agreement

"Facility Agent" means Deutsche Bank Luxembourg S A , in its capacity as facility agent under the Syndicated Facilities Agreement and any other party appointed as successor of Deutsche Bank Luxembourg S A. as facility agent under the Syndicated Facilities Agreement

"First Ranking Share Charge" means the share charge dated 27 January 2012 between Industriewerk Schaeffler INA-Ingenieurdienst-, Gesellschaft mit beschränkter Haftung, AS Auslandsholding GmbH, LuK Auslandsholding GmbH, FAG Kugelfischer GmbH and the General Security Trustee.

"Further Shares" means all Shares (other than the Original Shares and any Shares comprised in any Derived Assets) which the Chargor and the General Security Trustee may at any time agree shall be subject to the Charge

"Insolvency Proceedings" includes, in relation to any person, any corporate action, legal proceedings or other procedure or step taken in relation to

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise);
- (b) a composition, compromise, assignment or arrangement with any of its creditors,
- (c) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of it or any of its assets; or
- (d) the enforcement of any security over any of its assets,

or any analogous procedure or step taken in any jurisdiction, and any such proceeding or case referred to in paragraphs (a) to (d) above continues undismissed, or an order, judgment or decree approving or ordering any of the foregoing is entered and continues unstayed and in effect, for a period of 60 or more days.

"LPA" means the Law of Property Act 1925.

"Obligors" means (i) the borrowers and the guarantors under the Syndicated Facilities Agreement, any entity which may accede to the Syndicated Facilities Agreement as an additional borrower or as an additional guarantor, any affiliate of a borrower under the Syndicated Facilities Agreement that becomes a borrower under any ancillary facility ~~pursuant to the terms of any of the Syndicated~~ Facilities Agreement; (ii) the issuers, guarantors or any other obligors from time to time under any of the Notes Documents; and (iii) the obligors, borrowers and guarantors under any of the other Transaction Finance Documents and any entity which may accede to any of these other Transaction Finance Documents as an additional obligor, borrower or guarantor.

"Original Shares" means the Shares listed in Schedule 1 (*Original Shares*).

"Receiver" means any receiver, receiver and manager or administrative receiver appointed by the General Security Trustee under this Deed.

"Rights" means rights, benefits, powers, privileges, authorities, discretions and remedies (in each case, of any nature whatsoever)

"Secured Obligations" means any and all obligations (present and future, actual and contingent) which are (or are expressed to be) or become owing by the Obligors (or any of them) to the Secured Creditors (or any of them) under or in connection with the Transaction Finance Documents (including, for the avoidance of doubt and without limitation, the Notes Documents) (each as extended including, without limitation, by way of increase of existing tranches, the making of further advances, the increase of pricing and/or principal or the issuance of Additional Notes), refinanced or deferred from time to time and in each case as amended, restated, varied, supplemented or novated from time to time, including any other documents replacing or providing for a refinancing in whole or in part of any indebtedness incurred by the Obligors (or any of them) to the Secured Creditors (or any of them) under or in connection with the Transaction Finance Documents) The Secured Obligations shall include any unfunded commitments and any obligations under any initially uncommitted facility under the Syndicated Facilities Agreement, or any other facilities agreement pursuant to which all or any part of the Secured Obligations and/or liabilities under any Notes are refinanced or replaced or any other financing from time to time governed by the Security Pooling and Intercreditor Agreement, any Parallel Debt Obligations (including any Parallel Debt Obligations arising or extended in connection with, or relating to, any future issuance of Notes, other future financings or refinancing (in each case by way of loans or notes) or future hedging agreements) and any obligation based on unjust enrichment (including *ungerechtfertigte Bereicherung*) or tort (including *Delikt*)

"Shares" means stocks, shares and other securities of any kind

1 2 .Construction

- (a) In this Deed any reference to a "Clause" or a "Schedule" shall, subject to any contrary indication, be construed as a reference to a Clause or a Schedule in this Deed. Any reference to "Shares" shall be construed to include any other form of participation or interest in any form of company or partnership
- (b) "security" means a mortgage, land charge, pledge, lien, charge, security transfer (including the German law concept of *Sicherungsübereignung*) or security assignment (including the German law concept of *Sicherungsabtretung*) or any other security interest in rem (including the German law concept of *dingliche Sicherheit*) securing any obligation of any person or any other agreement or arrangement having similar effect.

1 3 This Deed is made in the English language. For the avoidance of doubt, the English language version of this Deed shall prevail over any translation of this Deed

1 4 References to any statute or statutory provision are to be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted, and include references to all bye-laws, instruments, orders and regulations for the time being made thereunder or deriving validity therefrom.

1 5 Except to the extent that the context otherwise requires, any reference in this Deed to "this Deed" or any other deed, agreement or instrument is a reference to this Deed or, as the case may be, the relevant deed, agreement or instrument as amended, supplemented, replaced or novated from time to time and includes a reference to any document which amends, supplements, replaces, novates or is entered into, made or given pursuant to or in accordance with any of the terms of this Deed or, as the case may be, the relevant deed, agreement or instrument

1 6 The provisions of this Deed are subject to the terms and conditions of the Security Pooling and Intercreditor Agreement

2 CREATION OF CHARGE

2.1 With effect from the date of this Deed the Chargor, as continuing security for the payment and discharge of the Secured Obligations, hereby charges, subject to the first ranking

security granted pursuant to the First Ranking Share Charge, all of its Rights, title and interest to and in the Charged Property with full title guarantee by way of second ranking fixed charge in favour of the General Security Trustee (as agent and trustee for the Secured Creditors)

- 2.2 The General Security Trustee holds the benefit of the Charge on trust for the Secured Creditors
- 2.3 This Charge is created in addition, and without prejudice, to the First Ranking Share Charge and to any other security the General Security Trustee may now or hereafter hold in respect of the Secured Obligations
- 2.4 The validity and effect of any charge created under this Deed shall be independent from the validity and the effect of any of the other charges created hereunder. Each charge created under this Deed shall be a separate and individual charge ranking *pari passu* with the other charges created hereunder
- 2.5 The Chargor hereby confirms that the security created under this Deed shall not be affected or impaired in any way whatsoever by any amendment, variation, or restatement of, or supplement in relation to, the Transaction Finance Documents

3 FURTHER ASSURANCES

- 3.1 The Chargor shall, as soon as practicable and in any event within 3 Business Days of receiving any share certificate(s) and share transfer instrument(s) in respect of each Company, and within five Business Days of each occasion on which the General Security Trustee and the Chargor agree that any Shares in a Company shall become Further Shares, deposit with the General Security Trustee or the General Security Trustee's nominee
 - (a) all share certificates, documents of title and other documentary evidence of ownership in relation to such Shares; and
 - (b) stock transfer forms in respect of such Shares duly executed by the Chargor with the name of the transferee and the date left blank and such other documents as the General Security Trustee may require to enable the General Security Trustee (or the General Security Trustee's nominee) or, after the occurrence of an Enforcement Event (as defined in Clause 7), any purchaser to be registered as the owner of, or otherwise to obtain legal title to, such Shares.

3.2 The Chargor shall, within five Business Days of the accrual, offer, issue or payment of any Derived Assets, deliver or pay to the General Security Trustee (or the General Security Trustee's nominee) or procure the delivery or payment to the General Security Trustee (or the General Security Trustee's nominee) of

- (a) all such Derived Assets or the share certificates, renounceable certificates, letters of allotment, documents of title and other documentary evidence of ownership in relation to them; and
- (b) stock transfer forms in respect of any Shares comprised in such Derived Assets duly executed by the Chargor with the name of the transferee and the date left blank and such other documents as the General Security Trustee may require to enable the General Security Trustee (or the General Security Trustee's nominee) or, after the occurrence of an Enforcement Event, any purchaser to be registered as the owner of, or otherwise to obtain legal title to, the Shares comprised in such Derived Assets

3.3 Without prejudice to anything else contained in this Deed, the Chargor shall, at its own cost, promptly execute and do all such deeds, instruments, transfers, renunciations, proxies, notices, documents, assurances, acts and things in such form as the General Security Trustee may from time to time require.

- (a) for perfecting, preserving or protecting the Charge or the priority of the Charge, and
- (b) for facilitating the realisation of the Charge or the exercise of any Rights vested in the General Security Trustee

3.4 The General Security Trustee shall not be required to perform or fulfil any obligation of the Chargor in respect of any of the assets and rights charged pursuant to Clause 2.1 or to make any payment, or to make any enquiry as to the nature or sufficiency of any payment received by it or the Chargor, or to present or file any claim or take any action to collect or enforce the payment of any amount to which it may have been or to which it may be entitled under this Deed at any time or times.

4. SCOPE OF THE CHARGE

Until the receipt by Schaeffler of a Default Notice, the Chargor shall be entitled to receive and retain all dividend payments whether in cash, by the issue of any loan note, debt

instrument, or other financial instrument in respect of the Charged Property and all payments in connection with any other right and benefit arising in connection with the Charged Property and shall be entitled to assign and set-off any right and benefit arising in connection with the Charged Property.

5. PURPOSE OF THE CHARGE

5.1 The Charge hereunder is constituted in order to secure the prompt and complete satisfaction of any and all Secured Obligations. The Charge shall also cover any future extension, increase or other amendment of the Secured Obligations.

5.2 The Chargor and the General Security Trustee acknowledge the existence of the First Ranking Share Charge and acknowledge that any interest in the Shares of the Companies created by this Deed shall rank second behind those created pursuant to such First Ranking Share Charge (except as expressly set out therein)

5.3 For avoidance of doubt, nothing in this Deed shall be construed as, or otherwise be deemed to result in

(a) any of the first ranking security granted by the Current Owners pursuant to the First Ranking Share Charge being in any way released, varied, impaired or otherwise affected (in whole or in part), or

(b) any new, further or repeated requirement regarding the perfection, registration or giving notice in relation to such first ranking security.

6 EXERCISE OF VOTING RIGHTS

The voting rights attached to the Charged Property shall remain exercisable by the Chargor until occurrence of an Enforcement Event. The Chargor, however, shall at all times until the full satisfaction of all Secured Obligations or the release of the Charge exercise its voting rights in good faith to ensure that the validity and enforceability of the Charge and the existence of all or part of the Charged Property is not in any way adversely affected, other than through dividend payments pursuant to Clause 4.

7 ENFORCEMENT OF THE CHARGE

7.1 The Charge shall become enforceable if and for so long as any of the Secured Obligations have not been satisfied after such obligations have become due and payable and if, in

addition, Schaeffler has received an Enforcement Notice (an “**Enforcement Event**”)

- 7.2 If the Secured Creditors, acting through the General Security Trustee, should seek to enforce the Charge under Clause 7.1, the Chargor shall, at its own expense, render forthwith all necessary assistance in order to facilitate the prompt sale of the Charged Property or any part thereof and/or the exercise by the Secured Creditors, acting through the General Security Trustee, of any other right they may have as a Secured Creditor.
- 7.3 Following the occurrence of an Enforcement Event, the Secured Creditors, acting through the General Security Trustee, shall, whether as proxy or otherwise, be entitled to exercise the voting rights attached to any Charged Property, but should the General Security Trustee not choose to exercise such voting rights the Chargor shall have the obligations, and the Secured Creditors, acting through the General Security Trustee, shall have the rights, set forth in Clause 18.9 regardless of which resolutions are intended to be adopted
- 7.4 Following the occurrence of an Enforcement Event all subsequent dividend payments and all payments based on similar ancillary rights attributed to the Charged Property may be applied by the Secured Creditors, acting through the General Security Trustee, in satisfaction in whole or in part of the Secured Obligations or treated as additional collateral
- 7.5 The Secured Creditors acting through the General Security Trustee, may, in their sole discretion, determine which of several security interests, if applicable, shall be used to satisfy the Secured Obligations
- 7.6 The Chargor hereby undertakes vis-à-vis the General Security Trustee not to seek satisfaction for any contractual and/or statutory damage, reimbursement and/or recourse claim against any of the Obligor it may have in case of a realisation or satisfaction of any of the Secured Obligations or the enforcement of the Charges hereunder, and undertakes not to assign any such claims

8 DEALINGS WITH CHARGED PROPERTY ON ENFORCEMENT

- 8.1 At any time after the occurrence of an Enforcement Event, the General Security Trustee shall have the right, without any notice to or consent of the Chargor:
- (a) to take possession of, collect and get in the Charged Property, and in particular to take any steps necessary to vest all or any of the Charged Property in the name of the General Security Trustee or its nominee (including completing any transfers of any Shares comprised in the Charged Property) and to receive and retain any

Dividends,

- (b) to sell, exchange, convert into money or otherwise dispose of or realise the Charged Property (whether by public offer or private contract) to any person and for such consideration (whether comprising cash, debentures or other obligations, Shares or other valuable consideration of any kind) and on such terms (whether payable or deliverable in a lump sum or by instalments) as it may think fit, and for this purpose to complete any transfers of the Charged Property;
 - (c) for the purpose of preserving the value of the Charge or realising the same, to exercise or direct the exercise of all voting and other Rights relating to the Charged Property in such manner as it may think fit,
 - (d) to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands relating in any way to the Charged Property,
 - (e) to bring, prosecute, enforce, defend and abandon actions, suits and proceedings in relation to the Charged Property, and
 - (f) to do all such other acts and things it may consider necessary or expedient for the realisation of the Charged Property or incidental to the exercise of any of the Rights conferred on it under or in connection with this Deed or the LPA and to concur in the doing of anything which it has the Right to do and to do any such thing jointly with any other person
- 8 2 The power of sale or other disposal conferred on the General Security Trustee and on a Receiver by this Deed shall operate as a variation and extension of the statutory power of sale under section 101 of the LPA and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on the execution of this Deed.
- 8 3 The restrictions contained in sections 93 and 103 of the LPA shall not apply to this Deed or to the exercise by the General Security Trustee of its right to consolidate all or any of the security created by or pursuant to this Deed with any other security in existence at any time or to its power of sale
- 8 4 After the occurrence of an Enforcement Event, all Dividends shall be paid to and retained by the General Security Trustee, and any such moneys which may be received by the Chargor shall, pending such payment, be segregated from any other property of the Chargor and held on trust for the General Security Trustee.

9 **APPLICATION OF MONEYS**

All moneys arising from the exercise of the powers of enforcement under this Deed shall be held and applied in accordance with the Security Pooling and Intercreditor Agreement

10 **RIGHTS OF GENERAL SECURITY TRUSTEE**

10.1 If the General Security Trustee shall take possession of the Charged Property, it may at any time relinquish such possession

10.2 The General Security Trustee shall not in any circumstances (whether by reason of taking possession of the Charged Property or for any other reason whatsoever and whether as mortgagee in possession or on any other basis whatsoever)

- (a) be liable to account to the Chargor or any other person for anything except the General Security Trustee's own actual receipts, or
- (b) be liable to the Chargor or any other person for any costs, charges, losses, damages, liabilities or expenses arising from any realisation of the Charged Property or from any exercise or non-exercise by the General Security Trustee of any Right conferred upon it in relation to the Charged Property or from any act, default, omission or misconduct of the General Security Trustee, its officers, employees or agents in relation to the Charged Property except to the extent that they shall be caused by the General Security Trustee's own fraud, gross negligence or wilful misconduct or that of its officers or employees or agents

10.3

- (a) To the extent that any of the Charged Property, this Deed and the rights and obligations of the parties under this Deed constitute a "security financial collateral arrangement" (as defined in and for the purposes of, the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003/3326) (the "**Regulations**")), the General Security Trustee shall (at any time after the occurrence of an Enforcement Event) have the benefit of all of the rights of a collateral taker conferred upon it by the Regulations, including the right to appropriate all or any part of the financial collateral (as defined in the Regulations) in or towards discharge of the Secured Obligations in accordance with the terms of the Security Pooling and Intercreditor Agreement, and thereafter in payment of any surplus to the Chargor or other person entitled to it, and

- (b) the parties agree that the value of the financial collateral (as defined in the Regulations) so appropriated shall be the market price of the relevant Shares determined by the General Security Trustee in a commercially reasonable manner taking into account advice obtained from an independent accountancy or investment firm of national standing and the parties agree that the method of valuation provided for in this Deed is a commercially reasonable method of valuation for the purposes of the Regulations

- 10 4 The powers conferred by this Deed on the General Security Trustee are in addition to and not in substitution for the powers conferred on mortgagees and mortgagees in possession under the LPA, the Insolvency Act 1986 or otherwise by law and in the case of any conflict between the powers contained in any such Act and those conferred by this Deed the terms of this Deed will prevail.

11 SUSPENSE ACCOUNT

The General Security Trustee may place and retain on a suspense account, for as long as it considers fit, any moneys received, recovered or realised under or in connection with this Deed and to apply the same in or towards the discharge of the Secured Obligations pursuant to the terms of the Security Pooling and Intercreditor Agreement.

12 ASSIGNMENT

- 12 1 The General Security Trustee may at any time assign or transfer all of its rights and obligations under this Deed to any successor General Security Trustee appointed in accordance with the terms of Clause 24 (*Change of Security Trustees and Delegation*) of the Security Pooling and Intercreditor Agreement. Upon such assignment and transfer taking effect, the replacement general security trustee shall be and be deemed to be acting as agent and trustee for each Secured Creditor (as well as for itself) for the purposes of this Deed in place of the previous General Security Trustee
- 12 2 The Chargor may not assign or transfer, or attempt to assign or transfer, any of its rights or obligations under or in respect of this Deed.

13 RECEIVERS

- 13 1 At any time after the occurrence of an Enforcement Event, the General Security Trustee may by deed or otherwise (acting through an authorised officer of the General Security Trustee), without prior notice to the Chargor

- (a) appoint one or more persons to be a Receiver of the whole or any part of the Charged Property,
- (b) appoint one or more Receivers of separate parts of the Charged Property respectively,
- (c) remove (so far as it is lawfully able) any Receiver so appointed; and
- (d) appoint another person(s) as an additional or replacement Receiver(s).

13.2 Each person appointed to be a Receiver pursuant to Clause 13.1 will be

- (a) entitled to act individually or together with any other person appointed or substituted as Receiver,
- (b) for all purposes deemed to be the agent of the Chargor which shall be jointly and severally responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the General Security Trustee; and
- (c) entitled to remuneration for his services at a rate to be fixed by the General Security Trustee from time to time (without being limited to the maximum rate specified by the LPA).

13.3 The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the General Security Trustee under the LPA (as extended by this Deed) or otherwise and such powers shall remain exercisable from time to time by the General Security Trustee in respect of any part of the Charged Property

13.4 Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the Chargor) have and be entitled to exercise, in relation to the Charged Property in respect of which he was appointed, and as varied and extended by the provisions of this Deed (in the name of or on behalf of the Chargor or in his own name and, in each case, at the cost of the Chargor)

- (a) all the powers conferred by the LPA on mortgagors and on mortgagees in possession and on receivers appointed under the LPA,
- (b) all the powers of an administrative receiver set out in Schedule B1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver),

- (c) all the powers and rights of an absolute owner and power to do or omit to do anything which the Chargor itself could do or omit to do,
- (d) the power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Deed or any of the Transaction Finance Documents on such terms and conditions as it shall reasonably see fit which delegation shall not preclude either the subsequent exercise of any subsequent delegation or any revocation of such power, authority or discretion by the Receiver itself; and
- (e) ~~the power to do~~ all things (including bringing or defending proceedings in the name or on behalf of the Chargor) which seem to the Receiver to be incidental or conducive to:
 - (i) any of the functions, powers, authorities or discretions conferred on or vested in him;
 - (ii) the exercise of any rights, powers and remedies of the General Security Trustee provided by or pursuant to this Deed or by law (including realisation of all or any part of the Charged Property); or
 - (iii) bringing to his hands any assets of the Chargor (or any of them) forming part of, or which when got in would be, Charged Property

13.5 The receipt of the General Security Trustee or any Receiver shall be a conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Property or making any acquisition, the General Security Trustee or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

13.6 No purchaser or other person dealing with the General Security Trustee or any Receiver shall be bound to inquire whether the right of the General Security Trustee or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the General Security Trustee or such Receiver in such dealings

14 **CHARGE NOT TO BE AFFECTED**

Without prejudice to Clauses 21.2 and 21.3, neither the Charge nor the liability of the Chargor for the Secured Obligations shall be prejudiced or affected by

- (a) any variation or amendment of, or waiver or release granted under or in connection with, any Transaction Finance Document, this Deed or any other security or any guarantee or indemnity or other document, in each case however fundamental and of whatsoever nature, or
- (b) the release of the Chargor or any Obligor or any other person under the terms of any composition or arrangement with any creditor; or
- (c) time being given, or any other indulgence or concession being granted, by the General Security Trustee to the Chargor or any other person, or
- (d) the taking, holding, failure to take or hold, varying, realisation, non-enforcement, non-perfection or release by the General Security Trustee or any other person of any other security, or any guarantee or indemnity or other document; or
- (e) the insolvency, administration, reorganisation, liquidation or dissolution of, or any analogous proceeding in respect of, the Chargor or any other person, or
- (f) any change in the constitution of the Chargor or any Obligor; or
- (g) any amalgamation, merger or reconstruction that may be effected by the General Security Trustee with any other person or any sale or transfer of the whole or any part of the undertaking, property and assets of the General Security Trustee to any other person; or
- (h) any change in the identity of the General Security Trustee or any variation of the terms of the trust upon which the General Security Trustee holds the security, or
- (i) the existence of any claim, set-off or other right which any Obligor or the Chargor may have at any time against the General Security Trustee or any other person, or
- (j) the making or absence of any demand for payment of any Secured Obligations on the Chargor or any other person, whether by the General Security Trustee or any other person, or
- (k) any arrangement or compromise entered into by the General Security Trustee with the Chargor or any other person, or
- (l) any incapacity, lack of power, authority or legal personality of or Dissolution or change in the members or status of any Obligor, Chargor or any other person; or

- (m) any unenforceability, illegality or invalidity of any obligation of any person under any Transaction Finance Document, this Deed or any other guarantee, indemnity, security or other document, or
- (n) any other thing done or omitted or neglected to be done by the General Security Trustee or any other person or any other dealing, fact, matter or thing which, but for this provision, might operate to prejudice or affect the liability of the Chargor for the Secured Obligations.

15. IMMEDIATE RECOURSE

The Chargor waives any right it may have of first requiring the General Security Trustee or a Secured Creditor to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Chargor under this Deed. This waiver applies irrespective of any law or any provision of this Deed to the contrary

16. POWER OF ATTORNEY

16 1 The Chargor hereby appoints as its attorney, irrevocably (within the meaning of section 4 of the Powers of Attorney Act 1971) and by way of security for the performance of its obligations under this Deed, the General Security Trustee, any person nominated in writing by the General Security Trustee and any Receiver appointed hereunder and for the time being holding office as such, severally (with full powers of substitution and delegation), on its behalf and in its name or otherwise and as its act and deed, at such time and in such manner as the attorney may think fit

- (a) to take any action which it is obliged to take under this Deed but has not taken; and
- (b) to take any action required to enable the General Security Trustee to exercise all or any of the rights, powers, authorities and discretions conferred on it by or pursuant to this Deed or by law,

and the taking of action by the attorney or attorneys shall (as between the attorney and any third party) be conclusive evidence to any third party of its right to take such action.

16 2 The Chargor undertakes to ratify and confirm everything that any attorney lawfully does or purports to do in the exercise or purported exercise of the power of attorney in Clause 16 1

17 REPRESENTATIONS AND WARRANTIES

The Chargor represents and warrants to the General Security Trustee that at the date hereof unless otherwise permitted under the Transaction Finance Documents

- 17 1 each of the Companies are validly existing and neither unable to pay their respective debts when due or deemed unable to pay their respective debts as they fall due within the meaning of section 123 of the Insolvency Act 1986 nor subject to any Insolvency Proceedings,
- 17 2 the Chargor is validly existing and is not unable to pay its debts and has not been deemed to, or declared to, be unable to pay its debts (all within the meaning of section 123 of the Insolvency Act 1986) nor is the Chargor subject to any insolvency proceedings of any kind;
- 17 3 the information contained in Schedule 1 (*Original Shares*) is true, accurate and complete in all respects,
- 17.4 the Chargor is, or will be, the sole legal and beneficial owner of the Shares set out against its name in Schedule 1 (*Original Shares*) and such Shares constitute the entire issued share capital of each Company, in each case free from encumbrances (other than the charges created hereunder and subject to any First Ranking Share Charge),
- 17.5 it has not sold, transferred, lent, assigned, parted with its interest in, disposed of, granted any option in respect of or otherwise dealt with any of its Rights, title and interest in and to the Charged Property, or agreed to do any of the foregoing (otherwise than pursuant to the Transaction Finance Documents);
- 17.6 the Original Shares and any Shares comprised in any Derived Assets are fully paid and there are no moneys or liabilities outstanding in respect of any of the Charged Property and there is no obligation for a shareholder to make additional contributions;
- 17 7 the share capital of each of the Companies has not been repaid in any way,
- 17 8 no Company maintains a share register outside England and neither the Chargor nor any Company has received notice of any order of any court or other authority which might affect the Original Shares and may affect its ability to perform its obligations under this Deed,
- 17 9 it has the corporate power and authority to enter into this Deed;
- 17 10 all necessary authorisations to enable or entitle it to enter into this Deed have been obtained and are in full force and effect construed and pursuant to the articles of association of any of the Companies, the Charge over the Charged Property and over any and all ancillary rights

and claims associated with the Charged Property (as more particularly specified in Clause 2) are not subject to the approval of any of the Companies' shareholders or any of the Companies or such approval has been obtained prior to the date of this Deed,

- 17.11 there are no silent partnership agreements or similar arrangements by which a third party is entitled to a participation in the profits or revenue of any of the Companies (otherwise than pursuant to the Transaction Finance Documents or under the First Ranking Share Charge);
- 17.12 the Original Shares and any Shares comprised in any Derived Assets are duly authorised and validly issued and the Original Shares and any Shares comprised in any Derived Assets are not subject to any pre-emption rights, options or other restrictions upon disposals which would operate to restrict in any way their disposal upon enforcement other than for the avoidance of doubt, any First Ranking Share Charge,
- 17.13 subject to the Reservations (as defined in the Syndicated Facilities Agreement), general principles of law applying to companies generally, all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) in order to permit the creation of the Charge and ensure that (subject to all necessary registrations thereof being made) the Charge is a valid, legal, binding and enforceable first fixed charge over the Charged Property ranking in priority to the interests of any liquidator, administrator or creditor of the Chargor have been taken, fulfilled and done;
- 17.14 for the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the "**Regulation**"), the Chargor's centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in England and the Chargor has no "establishment" (as that term is used in Article 2(h) of the Regulations) in any other jurisdiction, and

The representations contained in Clauses 17.3, 17.4, 17.5, 17.11 and 17.12 shall be deemed to be repeated on each date on which any Further Shares become subject to the Charge. Any reference in such Clauses to "**Shares**" or "**Original Shares**" shall be deemed to refer only to those Further Shares and any reference in such Clauses to "**Rights**", "**Charged Property**" or "**Derived Assets**" shall be deemed to refer to such which are associated with those Further Shares

18. UNDERTAKINGS OF THE CHARGOR

During the term of this Deed, each of the Chargor undertakes to the General Security Trustee unless otherwise permitted under the Transaction Finance Documents

- 18.1 not to take, or participate in, any action which results or might result in the Chargor's loss of ownership of all or part of the Original Shares or the Further Shares, or any other transaction which would have the same result as a sale, transfer or other disposal of the Original Shares or Further Shares or which would have an adverse effect on the validity or enforceability of the Charge or which would materially defeat, impair or circumvent the rights of the Secured Creditors or the security purpose (as described in Clause 5) except
- (a) as permitted by the General Security Trustee or under the terms of this Deed;
 - (b) if, following any action described under this Clause 18.1, any other member of the Group will become the owner of the Original Shares or the Further Shares *provided that* such member of the Group
 - (i) in its capacity as new chargor becomes a party to this Deed (subject to any additional limitation language as agreed in good faith between the General Security Trustee and the new chargor) and the Security Pooling and Intercreditor Agreement and charges any future shares in the relevant Company, and
 - (ii) is a (direct or indirect) subsidiary of Schaeffler, and
 - (iii) the shares or interests in such member of the Group are charged in favour of the Secured Creditors; or
 - (c) following the release of the Charge over the Original Shares and Further Shares by the General Security Trustee
- 18.2 not to encumber, permit to subsist, create or agree to create any other security interest or third party right in or over the Charged Property except
- (a) as permitted by the General Security Trustee or under the terms of this Deed;
 - (b) for the benefit of the holders of any Notes issued for the purpose of refinancing the Syndicated Facilities Agreement if such security interest or third party right referred to under this Clause 18.2 is on materially the same terms as this Deed and the holders of such security interest or third party rights are party to the Security Pooling and Intercreditor Agreement, or
 - (c) any Security which is in existence at the date of this Deed pursuant to the First

Ranking Share Charge

- 18.3 to ensure that the Original Shares, any Further Shares and any Shares comprised in any Derived Assets are free from any restriction on transfer or rights of pre-emption on transfer, except for any restrictions arising pursuant to the First Ranking Share Charge,
- 18.4 to promptly effect any contributions in cash or kind to be made in respect of the Charged Property,
- 18.5 to procure that each Company maintains a share register only in England,
- 18.6 to promptly notify the Secured Creditors, by notification in writing to the General Security Trustee, of any change in the shareholding in or capital of any of the Companies and to promptly deliver to the Secured Creditors, by sending the same to the General Security Trustee, in its capacity as agent for and on behalf of the Secured Creditors, a copy of the updated shareholder register and a copy of the amended articles of association as filed with Companies House;
- 18.7 to notify the Secured Creditors without undue delay, by notification in writing to the General Security Trustee, of any encumbrance (other than encumbrances under the First Ranking Share Charge) over the Charged Property (or part of it). In the case of any attachment in respect of any of the Charged Property, the Chargor shall promptly notify the Secured Creditors, by notification in writing to the General Security Trustee, such notice to be accompanied by any documents required for the General Security Trustee to defend the Secured Creditors against any claim of a third party. In particular, the Chargor shall promptly forward to the General Security Trustee a copy of the attachment order, any transfer order and all other documents necessary or expedient for a defence against such attachment;
- 18.8 to inform the Secured Creditors without undue delay, by notification in writing to the General Security Trustee, of all matters concerning any of the Companies of which the Chargor is aware which might adversely affect the validity or enforceability of the Charge. In particular, the Chargor shall notify the Secured Creditors, by notification in writing to the General Security Trustee, forthwith of any shareholders' meeting at which a shareholders' resolution is intended to be adopted which could have a materially adverse effect upon the Charge. The Chargor shall allow, if the Charge constituted hereunder has become enforceable in accordance with Clause 7.1, the Secured Creditors or, as the case may be, their proxy or any other person designated by the Secured Creditors, to participate in all

such shareholders' meetings of any of the Companies as attendants without power to vote. Subject to the provision contained in Clause 21.1, the Secured Creditors' right to attend the shareholders' meeting shall lapse immediately if the prerequisites for an enforcement pursuant to Clause 7.1 have fallen away,

- 18.9 in the event of any increase in the capital of any of the Companies, not to allow, without the prior written consent of the Secured Creditors, acting through the General Security Trustee, any party other than itself to subscribe for any Further Shares, unless such party is or becomes a party to the Security Pooling and Intercreditor Agreement and perfects corresponding security over the Further Shares (satisfactory to the General Security Trustee) in each case within 40 Business Days upon subscription,
- 18.10 to refrain from any acts or omissions, the purpose or effect of which is or would be the Original Shares or the Further Shares ceasing to exist,
- 18.11 (unless required by mandatory law) not to change the articles of association of any of the Companies to the effect that any transfer of Shares shall only be possible with the consent of the shareholders and not to amend, or vote for any amendment of, the articles of association of any of the Companies to the extent that such amendment would or would be likely to adversely affect the enforceability of the security interest of the Secured Creditors created hereunder without the prior written consent of the Secured Creditors, acting through the General Security Trustee;
- 18.12 insofar as additional declarations or actions are necessary for the creation of the Charge (or any of them) in favour of the Secured Creditors (or any of them), to make such declarations and undertake such actions at its own costs and expenses at the General Security Trustee's reasonable request; and
- 18.13 upon reasonable request of the General Security Trustee to confirm or re-execute as a deed on the same terms as contained herein and at its own costs and expenses the Charge created hereunder in order to ensure that any Secured Creditor shall receive the benefit of such Charge.

19 STAMP TAXES

The Chargor shall pay promptly, and in any event before any penalty becomes payable, all stamp, registration, documentary and similar taxes, if any, payable in connection with the entry into, performance, enforcement or admissibility in evidence of this Deed or any other document referred to in this Deed and shall, in each case, indemnify the General Security

Trustee on an after-tax basis within three Business Days of demand against any cost, loss or liability with respect to, or resulting from any delay in paying or omission to pay, any such tax

20 INDEMNITY

- 20.1 The General Security Trustee shall not be liable for any loss or damage suffered by the Chargor save in respect of such loss or damage which is suffered as a result of the wilful misconduct or gross negligence of the General Security Trustee.
- 20.2 The Chargor will, within five (5) Business Days of demand, indemnify the General Security Trustee and keep the General Security Trustee indemnified against any and all cost, loss or liability (together with any applicable VAT) incurred by it (i) in relation to or as a result of the taking, holding, protection or enforcement of the Charges, (ii) in relation to or as a result of the exercise of any of the rights, powers, discretions and remedies vested in the General Security Trustee by this Deed, (iii) in relation to or as a result of any default by the Chargor in the performance of any of the obligations expressed to be assumed by it under this Deed and (iv) which otherwise relates to any of the Charged Property or the performance of this Deed (otherwise than as a result of its gross negligence or wilful misconduct)

21 DURATION AND INDEPENDENCE

- 21.1 This Deed shall remain in full force and effect until complete satisfaction of the Secured Obligations. The Charge shall not cease to exist if the Obligors under the Transaction Finance Documents have only temporarily discharged the Secured Obligations.
- 21.2 This Deed shall create a continuing security and no change, amendment, or supplement whatsoever in the Transaction Finance Documents or this Deed or in any document or agreement related to any of the Transaction Finance Documents shall affect the validity or the scope of this Deed nor the obligations which are imposed on the Chargor pursuant to it.
- 21.3 This Deed is in addition to and independent from the First Ranking Share Charge and any other security or guarantee which may have been or will be given to the Secured Creditors or the General Security Trustee. None of such other security shall prejudice, or shall be prejudiced by, or shall be merged in any way with this Deed.

22 RELEASE OF CHARGED PROPERTY

- 22.1 The General Security Trustee shall, at the request and cost of the Chargor and subject to and in accordance with the provisions of the Security Pooling and Intercreditor Agreement, promptly execute such deeds and do all such acts and things as may be necessary to release the Charged Property from the Charge
- 22.2 If the General Security Trustee reasonably considers that any payment to, or security or guarantee provided to it or any Secured Creditor is capable of being avoided, reduced or invalidated by virtue of applicable law, the liability of the Chargor under this Deed and the Charge shall continue as if such amounts had not been paid or as if any such security or guarantee had not been provided

23 COSTS AND EXPENSES

The Chargor shall, within five (5) Business Days of demand, reimburse the General Security Trustee for all costs, expenses (including legal fees) and taxes reasonably incurred by it (i) in connection with the negotiation, preparation, printing, execution and perfection of this Deed, (ii) in connection with any release of security under this Deed, and (iii) in connection with any amendment, waiver or consent in relation to this Deed (if and to the extent such amendment, waiver or consent has been sought by Schaeffler) In addition, the Chargor shall, within five (5) Business Days of demand, reimburse the General Security Trustee for all costs and expenses (including legal fees and together with any applicable VAT or any similar tax charged or chargeable in respect thereof) incurred by it in connection with the enforcement of or the preservation of any rights under this Deed, or in connection with any proceedings instituted by or against the General Security Trustee as a consequence of taking, holding or enforcing the Charges.

24 PARTIAL INVALIDITY, WAIVER

- 24.1 If at any time, any one or more of the provisions hereof is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction, such provision shall as to such jurisdiction, be ineffective to the extent necessary without affecting or impairing the validity, legality and enforceability of the remaining provisions hereof or of such provisions in any other jurisdiction The invalid, illegal or unenforceable provision shall be deemed to be replaced with such valid, legal or enforceable provision which comes as close as possible to the original intent of the parties and the invalid, illegal or unenforceable provision. Should a gap become evident in this Deed, such gap shall, without affecting or impairing the

validity, legality and enforceability of the remaining provisions hereof, be deemed to be filled in with such provision which comes as close as possible to the original intent of the parties

- 24.2 No failure to exercise, nor any delay in exercising, by the General Security Trustee on the part of the Secured Creditors, any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies provided hereunder are cumulative and not exclusive of any rights or remedies provided by law.
- 24.3 In particular, the Charge shall not be affected and shall in any event extend to any and all Shares in any of the Companies even if the number or nominal value of the Original Shares or the aggregate share capital of the Companies as stated in Schedule 1 (*Original Shares*) are inaccurate or deviate from the actual facts

25 AMENDMENTS

Changes and amendments to this Deed including this Clause 25 shall be made in writing

26. NOTICES AND THEIR LANGUAGE

- 26.1 All notices and communications under or in connection with this Deed shall be in writing and, unless otherwise stated, shall be made by fax or letter or by means of telecommunication by electronic mail or attached as an electronic photocopy (".pdf", or any form agreed with the General Security Trustee) to electronic mail. Each notice or communication shall be given to the relevant party at the address or fax number and marked for the attention of the person(s) or department from time to time specified in writing by that party to the other. The initial address, fax number and person(s) or department so specified by each party are set out below:

For Schaeffler (UK) Limited

Address:	c/o Schaeffler AG Industriestrasse 1-3 91074 Herzogenaurach Germany
Fax	+49 (0)9132 82-4963

Attention **Klaus Deußenberger**
Email: **Klaus Deussenberger@schaeffler.com**

For the Secured Creditors to the
General Security Trustee:

Address: Deutsche Bank Luxembourg S.A.
International Loans & Agency Services
2, Boulevard Konrad Adenauer
1115 Luxembourg
Luxembourg
Fax: +352 42122 95771
Attention **Johannes Philippi and Astrid-Breyer-Simski**
johannes.philippi@db.com
Emails. astrid.breyer-simski@db.com

- 26.2 Any notice or other communication under or in connection with this Deed shall be in the English language or, if in any other language and reasonably requested by the General Security Trustee, accompanied by a translation into English. In the event of any conflict between the English text and the text in any other language, the English text shall prevail.
- 26.3 Any such communication shall be addressed as provided in Clause 26.1 and, if so addressed, shall be deemed to have been duly given or made as follows:
- (a) if sent by personal delivery, upon delivery at the address of the relevant party;
 - (b) if sent by first class post, two Business Days after the date of posting,
 - (c) if sent by telex, when despatched but only if the recipient's answerback appears correctly at the start and end of the sender's telex; and
 - (d) if sent by fax, upon receipt by the relevant party,

provided that if, in accordance with the above provisions, any such communication would otherwise be deemed to be given or made outside normal business hours, such communication shall be deemed to be given or made at the start of the next period of normal business hours

27 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

- 27.1 Except as expressly provided otherwise in this Deed, the parties to this Deed do not intend that any term of this Deed should be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to this Deed
- 27.2 Notwithstanding any term of this Deed, the consent of any person who is not a party is not required to rescind or vary this Deed at any time

28 TRUSTS

If any trust intended to arise pursuant to Clause 8.4 of this Deed fails or for any reason (including the laws of any jurisdiction in which any assets, moneys, payments or distributions may be situated) cannot be given effect to, the Chargor will pay to the General Security Trustee an amount equal to the amount intended to be so held on trust for the Secured Creditors by the General Security Trustee.

29 EXECUTION AS A DEED

Each of the parties intends this Deed to be a deed and confirms that it is executed and delivered as a deed, notwithstanding the fact that any one or more of the parties may only execute it under hand.

30 COUNTERPARTS

This Deed may be executed in any number of counterparts, and by the parties to this Deed on separate counterparts, but will not be effective until each such party has executed at least one counterpart. Each counterpart shall constitute an original of this Deed, but all the counterparts will together constitute one and the same instrument.

31 GOVERNING LAW AND JURISDICTION

- 31.1 This Deed and any matter, claim or dispute arising out of or in connection with this Deed shall be governed by and construed in accordance with English law.
- 31.2 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) (a "**Dispute**")
- 31.3 The parties agree that the courts of England are the most appropriate and convenient courts

to settle Disputes and accordingly no party will argue to the contrary

- 31.4 This Clause 31 is for the benefit of only the General Security Trustee and the Secured Creditors. As a result, no Secured Creditor nor the General Security Trustee shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, a Secured Creditor and the General Security Trustee may take concurrent proceedings in any number of jurisdictions.

IN WITNESS of which this document has been executed as a deed and delivered on the date at the beginning of this Deed

SCHEDULE 1

Original Shares

Name of Company	Number of shares	Class of shares	Nominal value of each share	Registered holder(s) as at the date hereof
Schaeffler Automotive Aftermarket (UK) Limited	1,000	Ordinary	£1	AS Auslandsholding GmbH
LuK (UK) Limited	100,000	Ordinary	£100	LuK Auslandsholding GmbH

**CHARGE OVER SHARES
EXECUTION PAGE**

SIGNED as a **DEED** by
SCHAEFFLER (UK) LIMITED acting by
its attorney
DR. ALEXANDRA ZECH

A. Zech

in the presence of

Signature of witness.

S. Hellweg

Name of witness:

Susanne Hellweg

Address of witness

Occupation of witness.

[Signature]

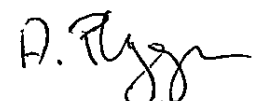
Chargor's Address Forge Lane, Minworth, Sutton Coldfield, West Midlands, B76 1AP
Fax No +49 (0)9132 82-4963
Email Klaus.Deissenberger@schaeffler.com
Attention Klaus Deissenberger

With a copy to	Legal Department of Schaeffler AG
Address	Industriestraße 1-3, 91074 Herzogenaurach, Germany
Phone	+49 9132 82 2197
Fax No.	+49 9132 82 4963
Email	Klaus.Deissenberger@schaeffler.com
Attention	Mr Klaus Deissenberger

SIGNED as a DEED on behalf of **DEUTSCHE BANK LUXEMBOURG S.A.** incorporated in Luxembourg acting by ANNA PLYGUN being a person who, in accordance with the laws of that territory, is acting under the authority of that company


BANU KOLOGLU


A BREYER-SIMSKI

Signature of witness: 
Name of witness: Anna Plygun

Address of witness

Occupation of witness

Address Deutsche Bank Luxembourg S A
International Loans & Agency Services
2, Boulevard Konrad Adenauer
1115 Luxembourg
Luxembourg
Fax +352 42122 95771

Attention Mr Johannes Philipp
Email johannes.philipp@db.com
Phone +352 42122 368

Attention Ms Astrid Breyer-Simski
Email astrid.breyer-simski@db.com
Phone +352 42122 294