

MR01

Particulars of a charge

laserform



Go online to file this information
www.gov.uk/companieshouse

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

☒ **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 there is no
instrument. Use form MR08.

For further information, please
refer to our guidance at:
www.gov.uk/companieshouse

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 must be scanned and placed on the public record. **Do not send the original.**

MONDAY



A89AD3MJ

A12

08/07/2019

#108

COMPANIES HOUSE

1

Company details

Company number 00867053

Company name in full HEXION UK LIMITED

0013 For official use

→ **Filling 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 01/07/2019

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 JPMORGAN CHASE BANK, N.A. AS THE COLLATERAL AGENT

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.

MR01

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

SECURITY INTERESTS (NOT EXPRESSED AS FLOATING CHARGES) ARE CREATED OVER ALL OF THE CHARGOR'S RIGHTS IN ANY LAND AND INTELLECTUAL PROPERTY. NONE IS SPECIFIED. SEE THE INSTRUMENT FOR MORE DETAILS.

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 *Mayer Brown International LLP* 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 **Lynette Edwin**

Company name **Mayer Brown International LLP**

Address **201 Bishopsgate**

Post town **London**

County/Region

Postcode

E	C	2	M		3	A	F
---	---	---	---	--	---	---	---

Country

DX **DX 556 London and City**

Telephone **020 3130 3000**

**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 £23 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.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 867053

Charge code: 0086 7053 0013

The Registrar of Companies for England and Wales hereby certifies that a charge dated 1st July 2019 and created by HEXION UK LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 8th July 2019.



Given at Companies House, Cardiff on 15th July 2019



Companies House



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

EXECUTION VERSION

Dated 1 July 2019

- (1) **THE COMPANIES** listed in Schedule 1 as
Chargors
- (2) **JPMORGAN CHASE BANK, N.A.** as
Collateral Agent

SECURITY DEED (ABL)

I certify that, save for material redacted pursuant
to s.859G of the Companies Act 2006, this copy
instrument is a correct copy of the original instrument.

Signed *Mayer Brown International LLP*

Mayer Brown International LLP

Date 05/07/2019

MAYER • BROWN

LONDON

CONTENTS

Clause	Page
1. Definitions and Interpretation	3
2. Payment of the Secured Obligations.....	10
3. Security	10
4. Crystallisation of Floating Charge	11
5. Perfection of Security and Further Assurance	12
6. Representations	15
7. Negative Pledge and Disposals.....	15
8. Other Covenants of General Application.....	16
9. Accounts and Related Matters	17
10. Bank Accounts	17
11. Inventory	18
12. Enforcement – General Provisions	20
13. Right of Appropriation.....	22
14. Appointment of Receiver	22
15. Appointment of Administrator.....	23
16. Application of Proceeds	23
17. General Security Provisions.....	24
18. Power of Attorney.....	26
19. Release of Security	27
20. Prior Liens.....	28
21. Collateral Agent Provisions	28
22. Credit Agreement Provisions.....	34
23. Indemnity	34
24. Transfers	34
25. Communications	35
26. Calculations and Certificates	35
27. Partial Invalidity.....	35
28. Remedies and Waivers.....	36
29. Amendments and Waivers	36
30. Counterparts.....	36
31. Conduct of Business	36
32. Governing Law	37
33. Enforcement.....	37

SCHEDULES

1. The Chargors
2. Properties
 - Part 1: Registered Land
 - Part 2: Unregistered Land
3. Specified Assets
 - Part 1: Collection Accounts
 - Part 2: Payment Accounts
 - Part 3: Specified Intellectual Property
 - Part 4: Specified Investments
4. Form of Notices of Security
 - Part 1: Notice of Security over of Accounts
 - Part 2: Notice of assignment of Assigned Documents
 - Part 3: Notice of assignment of Insurance
5. Notice of Charge of Collection Account
6. Notice of Charge of Payment Account
7. Location of Inventory

THIS DEED is dated 1 July 2019 and made between:

- (1) **THE PERSONS** listed in Schedule 1 (*The Chargors*) (each a "**Chargor**" and together the "**Chargors**"); and
- (2) **JPMORGAN CHASE BANK, N.A.**, as trustee for the Secured Parties (the "**Collateral Agent**").

BACKGROUND:

- (A) By an asset based revolving credit agreement dated on or around the date of this Deed and made between amongst others (1) Hexion Inc., Hexion Canada Inc., Hexion B.V., Hexion UK Limited and Hexion GmbH and (2) JP Morgan Chase Bank, N.A. as administrative agent and collateral agent (the "**Credit Agreement**"), the Lenders have agreed to provide revolving credit facilities to the Borrowers on the terms of the Credit Agreement.
- (B) The provision of this Deed is a condition precedent to the obligations of the Lenders under the Credit Agreement. This is a "**U.K. Security Document**" as defined in the Credit Agreement.
- (C) The Collateral Agent holds the benefit of the Security Trust Property on trust for the Secured Parties on the terms set out in the Credit Agreement and Clause 27 (*Collateral Agent provisions*).
- (D) This document is the deed of each Chargor, even if it has not been duly executed by the Collateral Agent or has been executed by the Collateral Agent but not as a deed.

THIS DEED WITNESSES that:

**SECTION 1
INTERPRETATION**

1. DEFINITIONS AND INTERPRETATION

1.1 Terms defined in the Credit Agreement

Terms defined in the Credit Agreement but not in this Deed shall have the same meanings in this Deed (including the Recitals) as in the Credit Agreement.

1.2 Definitions

In addition, in this Deed:

"Account Control Agreement" means any agreement or other documentation entered into between the Collateral Agent, any Chargor and the relevant account holding bank (at such bank's or Chargor's request), necessary or desirable to perfect the Liens of the Collateral Agent and effect control over the bank accounts of a Chargor in accordance with the provisions of this Deed and the Credit Agreement.

"Account Debtor" means any person who is obligated in relation to an Account.

"Accounts" shall mean, with respect to any Chargor, its now owned and hereafter acquired or arising accounts receivable, including any rights to payment for the sale or lease of goods or rendition of services, whether or not they have been earned by performance. In relation to a Chargor, "its Accounts" means all Accounts in which it has any rights.

"Administrator" means any administrator appointed under this Deed to manage the affairs, business and assets of any Chargor.

"Assigned Document" means any document any rights under which are from time to time assigned under this Deed.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Collateral" means the assets from time to time the subject of this Security, and means any of them and any reference to one or more of the Collateral includes all or any part of it or each of them.

"Collection Accounts" means a deposit account or a securities account used solely for the collection of proceeds of Accounts of a Chargor, details of which are, in respect of such accounts that are in existence on the date of this Deed set out in Schedule 3, Part 1 (*Collection Accounts*) and will also include any other such account subsequently designated as a **"Collection Account"** from time to time by the Collateral Agent and a Chargor.

"Company" means Hexion UK Limited, a company incorporated in England and Wales (registered number 00867053) whose registered office is at Sully Moors Road, Penarth, South Glamorgan CF64 5YU.

"Credit Agreement" has the meaning given to it in Recital (A).

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Collateral Agent or a Receiver.

"Discharge Date" has the meaning given to it in Clause 23.1 (*Release of Security*).

"Equipment" means all present and future plant machinery, equipment, tools, furniture, furnishings, vehicles, computers and computer hardware and software (whether owned or licensed) and other chattels of any kind (except Inventory and Fixtures), together with all present and future additions thereto and replacements therefor, component and auxiliary parts and supplies used or to be used in connection therewith and all substitutes for any of the foregoing, and all manuals, drawings, instructions, warranties and rights with respect thereto, wherever any of the foregoing is located. In relation to a Chargor, **"its Equipment"** means all Equipment in which it has any rights.

"Fixtures" means all fixtures and fittings which form part of any real estate.

"HHL" means Hexion UK Holdings Limited.

"IA" means the Insolvency Act 1986.

"Insolvency" of a person includes the dissolution, bankruptcy, insolvency, winding-up, liquidation, administration, examination, amalgamation, reconstruction, reorganisation, arrangement, adjustment, administrative or other receivership or dissolution of that person, the official management of all of its revenues or other assets or the seeking of protection or relief of debtors and any equivalent or analogous proceeding by whatever name known and in whatever jurisdiction.

"Instrument" means any document (which term includes any form of writing) under which any obligation is evidenced or undertaken or any Lien (or right in any Lien) is granted or perfected or purported to be granted or perfected.

"Insurance" means any material policy or contract of insurance (excluding any title insurance or third party liability insurance). In relation to a Chargor, **"its Insurances"** means all Insurances in which it has any rights (including as loss payee or additional insured).

"Intellectual Property" means:

- (a) all patents, utility models, trade and service marks, trade names, domain names, design rights, copyrights, moral rights, topography rights, rights in databases, trade secrets, know-how and other intellectual property, whether or not registered or registrable; and including
- (b) registrations and applications for registration of any of these and rights to apply for the same,

and all rights and forms of protection of a similar nature or having equivalent or similar effect to any of these anywhere in the world. In relation to a Chargor, **"its Intellectual Property"** means all Intellectual Property (including where applicable any listed in Schedule 3, Part 3 (*Specified Intellectual Property*) as such schedule may be updated from time to time including, without limitation, an update which is to be provided within five (5) Business Days of the date this Deed) in which it has any rights.

"Inventory" means with respect to any Chargor, all of such person's now owned and hereafter acquired inventory, goods and merchandise, wherever located, in each case to be furnished under any contract of service or held for sale or lease, all returned goods, raw materials, stock-in-trade, work-in-progress, finished goods, (including embedded software), other materials, and supplies of any kind, nature, or description which are or might be used or consumed in such person's business or used in connection with the manufacture, packing, shipping, advertising, selling, or finishing of such goods, merchandise, and other property, and all documents of title or other documents representing them. In relation to a Chargor, **"its Inventory"** means all Inventory in which it has any rights.

"Lease" means any lease, tenancy, licence, sub-lease, sub-licence or other occupational right.

"Loan Documents" has the meaning given to it in the Credit Agreement and includes the Credit Agreement and this Deed.

"Losses" means losses (including loss of profit), claims, demands, actions, proceedings, damages and other payments, costs, expenses and other liabilities of any kind.

"LPA" means the Law of Property Act 1925.

"Notice and Acknowledgement" means individually and collectively, each Notice of Assignment and Notice of Charge, together with their respective acknowledgements.

"Notice of Assignment" means a notice of assignment substantially in the form set out in Schedule 4, Part 1(*Notice of Security over Accounts*), Part 2 (*Notice of Assignment of Assigned Document*) or Part 3 (*Notice of Assignment of Insurance*) or in such other form as may be specified by the Collateral Agent.

"Notice of Charge of Collection Account" means a notice of charge substantially in the form set out in Schedule 5 (*Notice of Charge of Collection Account*) or in such other form as may be reasonably specified by the Collateral Agent or any account bank.

"Notice of Charge of Payment Account" means a notice of charge substantially in the form set out in Schedule 6 (*Notice of Charge of Payment Account*) or in such other form as may be reasonably specified by the Collateral Agent or any account bank.

"Notice of Charge" means a Notice of Charge of Collection Account or a Notice of Charge of Payment Account (or, as applicable, an Account Control Agreement).

"Occupational Lease" means any Lease to which a Material Real Property may at any time be subject.

"Party" means a party to this Deed.

"Payment Account" means the accounts used by any Chargor to operate its business, details of which are set out in Schedule 3, Part 2 (*Payment Accounts*) and any other account opened and maintained by any Chargor after the date of this Deed which is used by any Chargor to operate its business (excluding any Collection Account) and which has been designated as such by the Collateral Agent and the relevant Chargor.

"Permitted Lien" means Liens permitted under Section 6.02 (*Liens*) of the Credit Agreement.

"Properties" means the properties brief details of which are set out in Schedule 2 (*Properties*), **"Property"** means any of them and any reference to one or more of the Properties includes all or any part of each relevant Property.

"Receiver" means any receiver, receiver and manager or administrative receiver appointed under this Deed by the Collateral Agent over all or any of the Collateral whether solely, jointly, severally or jointly and severally with any other person and includes any substitute for any of them appointed from time to time.

"Secured Obligations" has the meaning given to the term **"Foreign Obligations"** in the Credit Agreement:

- (a) in whatever currency;
- (b) whether due, owing or incurred alone or jointly with others or as principal, surety or otherwise; and
- (c) including monies and liabilities purchased by or transferred to the relevant Secured Party,

but excluding any money, obligation or liability which would cause the covenant set out in Clause 2.1 (*Covenant to pay*) or the security which would otherwise be constituted by this Deed to be unlawful or prohibited by any applicable law or regulation.

"Secured Parties" shall mean (a) the Lenders and the Agents, (b) each Issuing Bank, (c) each counterparty to any Ancillary Agreement (to the extent the obligations thereunder constitute Obligations), (d) the beneficiaries of each indemnification obligation undertaken by any Loan Party under any Loan Document, (e) the successors and permitted assigns of each of the foregoing and (f) any Receiver or delegate of a Receiver.

"Security Enforcement Party" means the Collateral Agent, any Receiver or any Delegate.

"Security Trust Property" means the Transaction Security, the proceeds of the Transaction Security, any rights or other assets expressed in any U.K. Security Document, in each case, to be granted to or held by the Collateral Agent as trustee and any rights granted in any U.K. Security Document to any Secured Parties that are not party to that U.K. Security Document.

"Specified Investment" means any Equity Interest listed or referred to in Schedule 3, Part 4 (*Specified Investments*).

"Transaction Security" means this Security and the Liens constituted by or pursuant to the U.K. Security Documents.

"Transaction Security Assets" means the assets from time to time the subject of the Transaction Security, **"Transaction Security Asset"** means any of them and any reference to one or more of the Transaction Security Assets includes all or any part of it or each of them.

"Warrants" means all warrants or other documents of title (wheresoever located) relating to Inventory held in depositaries, warehouses or other storage locations and constituting Collateral.

1.3 Construction

- (a) In this Deed, any reference to:
 - (i) **"assets"** includes present and future properties, revenues, rights and other assets of every description. Any reference to **an asset** includes any proceeds of disposal of all or part of that asset and any other monies paid or payable in respect of that asset and any reference to a

- particular type or category of assets** includes any present or future assets of that type or category;
- (ii) the "**Chargors**" includes a reference to any one or more of them as well as a reference to all of them;
 - (iii) "**this Deed**" includes the Recitals and Schedules which form part of this Deed for all purposes;
 - (iv) a "**disposal**" includes any lease, licence, transfer, sale or other disposal of any kind (with related words being construed accordingly);
 - (v) the masculine, feminine or neuter **gender** respectively includes the other genders and the **singular** includes the plural (and vice versa);
 - (vi) a "**guarantee**" means:
 - (A) any guarantee, letter of credit, bond, indemnity, third party security or other legally binding assurance against loss; or
 - (B) any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person, to make an investment in or loan to any person or to purchase assets from any person where, in each case, that obligation is assumed in order to maintain or assist the ability of that person to meet its indebtedness;
 - (vii) "**including**" means "including without limitation" (with related words being construed accordingly), "**in particular**" means "in particular but without limitation" and other **general words** shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of assets, matters or things;
 - (viii) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (ix) any **Loan Document**, other **Instrument** or other **document** is to that Loan Document, other Instrument or other document as supplemented, otherwise amended, replaced or novated from time to time (however fundamental that amendment, novation or replacement may be, even if it involves increased, new, additional and/or replacement facilities or an increase in any other amount or rate);
 - (x) a "**person**" includes any individual, firm, company or other corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of them and any reference to a **Party** or other **particular person** includes its successors in title (including in the case of the Collateral Agent, any successor Collateral Agent), permitted

assignees and permitted transferees in accordance with their respective interests;

- (xi) a **provision of law** is to that provision as amended, re-enacted or replaced from time to time and includes any subordinate legislation in force under it from time to time;
 - (xii) a **"Recital"** is to a statement made under the heading "Background" above and any reference to a **"Clause"** or to a **"Schedule"** is to a clause of or a schedule to this Deed (as the case may be);
 - (xiii) **"regulation"** includes any regulation, rule, official directive, notice, request, code of practice, guideline, demand or decision (in each case whether or not having the force of law, but, if not having the force of law, compliance with which is customary) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (xiv) a **"right"** includes any title, estate, interest, claim, remedy, power, authority, discretion or other right of any kind, both present and future (and any reference to a Chargor's rights in any document or a particular asset (or any type or category of documents or assets) includes any rights that it holds from time to time in, to, under, in respect of or derived from that document or asset within that type or in that category);
 - (xv) **"tax"** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same); and
 - (xvi) **"this Security"** means the Liens constituted by or pursuant to this Deed.
- (b) The index and Clause and Schedule headings are for ease of reference only.
 - (c) If there is any inconsistency between the terms of this Deed and those of the Credit Agreement or the ABL Intercreditor Agreement, the terms of the Credit Agreement or the ABL Intercreditor Agreement (as applicable) shall prevail.

1.4 **Third party rights**

- (a) A person who is not a Party (other than any Receiver or Delegate) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.
- (b) No consent of any person who is not a Party is required to rescind or vary this Deed at any time.

1.5 Credit Agreement

The Parties acknowledge that each Chargor is fully aware of the terms and conditions of the Credit Agreement.

1.6 Joint and several

Each representation, warranty, covenant and other obligation given or entered into by the Chargors in or pursuant to this Deed is given or entered into by them jointly and severally. Each Chargor shall be bound by this Deed even if any person who was intended to execute it or be bound by it as a Chargor has not duly executed or become bound by it.

SECTION 2
COVENANT TO PAY; GRANTING AND PERFECTION OF SECURITY

2. PAYMENT OF THE SECURED OBLIGATIONS

2.1 Covenant to pay

Each Chargor covenants with the Collateral Agent to pay and discharge, or procure the payment or discharge of, each of the Secured Obligations at the time and in the manner provided in the relevant Instrument for their payment or discharge by the relevant Foreign Loan Party and/or Foreign Subsidiary.

2.2 Interest

If the Chargors fail to pay or procure the payment of any amount payable by them under Clause 2.1 on its due date, interest shall accrue on a daily basis on the overdue amount from the due date up to the date of actual payment (both before and after judgment), at the rate and on the terms from time to time applicable under the relevant Instrument (or, in the absence of an applicable rate and applicable terms, to be calculated and paid under the terms of the Credit Agreement at the rate referred to in Section 2.14(c) (*Interest*) of the Credit Agreement) and shall be payable on demand.

2.3 Further advances

This Deed is made to secure any further advances or other facilities made available by any of the Secured Parties under the Loan Documents; but it does not create any obligation on any of the Secured Parties to make any further advances or other facilities available.

3. SECURITY

3.1 General Provisions regarding Liens

- (a) Each of the charges created under this Deed:
 - (i) is granted to the Collateral Agent as trustee for the Secured Parties;
 - (ii) secures the payment and discharge of the Secured Obligations; and
 - (iii) is made with full title guarantee.
- (b) None of the charges created pursuant to Clauses 3.2, 3.3, 3.4, 3.6, 3.7 and 3.8 of this Deed shall create any Lien in respect of any Excluded Property.
- (c) This Deed is subject to the ABL Intercreditor Agreement.
- (d) Each assignment under this Security Agreement is subject to a proviso for re-assignment on redemption in accordance with Clause 23 (*Release of Security*).
- (e) Each Chargor undertakes that to the extent that any right, title, interest or benefit in or in respect of any asset described in Clauses 3.2 (*Land*) to 3.9

(*Floating Charge*) inclusive cannot be or is not effectively charged or assigned (as applicable) for whatever reason, it shall:

- (i) promptly notify the Collateral Agent of the same and the reasons therefor; and
- (ii) hold the benefit of the same on trust for the Collateral Agent as security for the payment, discharge and performance when due of the Secured Obligations.

3.2 Land

- (a) Subject to Clause 3.1(b), each Chargor charges by way of first legal mortgage, all estates or interests owned by it at the date of this Deed in the Material Real Properties situated in England and Wales.
- (b) In this Deed, unless a contrary indication appears any reference to any land includes all buildings, plant, machinery and other Fixtures from time to time on that land.
- (c) Each Chargor assigns absolutely all of its rights in any Occupational Lease, including rights to rental income and other payments, and any guarantee or other right relating to such an Occupational Lease.

3.3 Bank Accounts

Subject to Clause 3.1(b), each Chargor charges by way of first fixed charge all of its rights in any credit balances on the Collection Accounts and the indebtedness represented by them.

3.4 Accounts

- (a) Subject to Clause 3.1(b), each Chargor charges by way of first fixed charge all of its rights in respect of its Accounts (but only if and to the extent the rights in question have not been effectively assigned pursuant to Clause 3.7(a)(i)(*Assignment*)).
- (b) In this Deed, unless a contrary indication appears, any reference to an Account includes the benefit of any Lien, guarantee or other right in relation to that Account.

3.5 Equity Interests

- (a) Subject to Clause 3.1(b), each Chargor charges by way of first fixed charge all of its rights in its Equity Interests (excluding Excluded Securities) in respect of entities incorporated or organised in England and Wales.
- (b) In this Deed, unless a contrary indication appears any reference to Equity Interests includes:
 - (i) any associated dividends and interest and any other payments and distributions;

- (ii) any right, money or assets accruing or offered at any time in respect of such Equity Interest by way of redemption, exchange, bonus or otherwise; and
- (iii) any right against any nominee or other trustee, fiduciary, custodian or clearing system with respect to such Equity Interest.

3.6 Insurances

Subject to Clause 3.1(b), each Chargor assigns absolutely all of its rights in its Insurances governed by the laws of England and Wales.

3.7 Assignment

- (a) Subject to Clauses 3.1(b) and 3.1(d), each Chargor assigns absolutely all of its rights in:
 - (i) any Account;
 - (ii) any document from time to time designated as an Assigned Document, by the relevant Chargor and the Collateral Agent.
- (b) For the avoidance of doubt, each Chargor will remain at all times liable in respect of all of its obligations under each Assigned Document and no Secured Party will be under any obligation or liability under or in respect of those Assigned Documents.

3.8 Miscellaneous fixed charges

Subject to Clause 3.1(b), each Chargor charges by way of first fixed charge, in each case to the extent not otherwise validly and effectively charged or assigned in Clause 3.2 to Clause 3.7:

- (a) all of its rights in any Equipment situated in England and Wales;
- (b) any goodwill and uncalled capital from time to time and all of its rights to future calls in respect of capital;
- (c) all of its rights in its Intellectual Property;
- (d) all licences, consents and other Authorisations held in connection with the use of any Collateral and all of its rights in connection with them; and
- (e) all of its rights in any security interests, guarantees, indemnities, covenants for title, agreements, reports and other documents including those relating to all or any part of the Collateral.

3.9 Floating charge

- (a) Each Chargor charges by way of first floating charge the whole of its undertaking and assets (including Inventory and Excluded Property).

- (b) Schedule B1, Paragraph 14 IA shall apply to the floating charge created by each Chargor in this Deed.

4. CRYSTALLISATION OF FLOATING CHARGE

4.1 Crystallisation by notice

The Collateral Agent may at any time by notice in writing to a Chargor convert the floating charge created by that Chargor in Clause 3.9 (*Floating charge*) into a fixed charge with immediate effect as regards any Collateral specified in the notice if:

- (a) a Declared Default has occurred;
- (b) the Collateral Agent reasonably considers that any Collateral may be in danger of being seized or sold pursuant to any form of legal process or otherwise in jeopardy; or
- (c) the Collateral Agent reasonably considers that it is desirable to protect the priority of this Security.

4.2 Automatic crystallisation

The floating charge created by a Chargor in Clause 3.9 (*Floating charge*) shall automatically (without notice to that Chargor) be converted into a fixed charge with immediate effect as regards all assets of the relevant Chargor subject to the floating charge if:

- (a) that Chargor breaches Clause 7 (*Negative Pledge and Disposals*) or attempts to do so;
- (b) any person levies or attempts to levy any distress, execution, sequestration or other process against any Collateral of the relevant Chargor; or
- (c) the Collateral Agent receives notice of a proposal or intention to wind up, or appoint an administrator of, that Chargor or if that Chargor is wound up or has an administrator appointed.

Nothing in this Clause 3.9(a) shall affect the crystallisation of the floating charge created by any Chargor under applicable law and regulation or shall permit the floating charge created by a Chargor to be crystallised solely as a result of the obtaining of, or of anything done with a view to obtaining, a moratorium under s1A IA.

5. PERFECTION OF SECURITY AND FURTHER ASSURANCE

5.1 Notice of Assignment

Each Chargor shall:

- (a) in respect of its Accounts constituting Collateral at the request of the Collateral Agent in its sole discretion, following a Default which is continuing:

- (i) immediately deliver (with a copy to the Administrative Agent) a Notice of Assignment, duly completed, to: the relevant Account Debtor (if such Account Debtor has not previously received such notice);
 - (ii) use its reasonable endeavours to procure that each addressee of a Notice of Assignment acknowledges that Notice of Assignment in the form attached to that Notice of Assignment (or in such other form as the Collateral Agent may reasonably approve); and
 - (iii) (and without prejudice to the generality of Clause 3.9(a) (*Crystallisation of floating charge*)), take such other steps as are necessary to perfect the assignment of its Accounts assigned pursuant to Clause 3.7 (*Assignments*) or the charge of its Accounts pursuant to Clause 3.2 (*Fixed Charges*) in any applicable jurisdiction (including, without limitation, the jurisdiction of the law governing the contract generating the Account and the law of the jurisdiction of each Account Debtor);
- (b) on the date of this Deed or, after the date of this Deed, promptly upon any Insurance governed by the laws of England and Wales being entered into or otherwise coming into existence, deliver a Notice of Assignment duly completed to any insurer in respect of such Insurance; and
 - (c) promptly upon request of the Collateral Agent deliver (with a copy to the Collateral Agent) a Notice of Assignment, duly completed, to any other party to an Assigned Document specified by the Collateral Agent.

5.2 Notice of Charge

- (a) With respect to its bank accounts located in England and Wales, and subject to Section 5.12(g) (*Cash Management Systems; Application of Proceeds of Accounts*) of the Credit Agreement, each Chargor shall:
 - (i) on the date of this Deed or, after the date of this Deed, promptly upon the creation or, as applicable, designation, of a new Collection Account or Payment Account deliver (with a copy to the Collateral Agent) a Notice of Charge of Collection Account or a Notice of Charge of Payment Account as applicable, duly completed, to the relevant bank with which such Collection Account or Payment Account is opened or maintained;
 - (ii) with respect to the Payment Accounts, use its reasonable endeavours to procure that each addressee of a Notice of Charge acknowledges that Notice of Charge substantially in the form attached to that Notice of Charge (or in such other form as the Collateral Agent (acting reasonably) may approve); and
 - (iii) with respect to the Collection Accounts, procure that each addressee of a Notice of Charge acknowledges that Notice of Charge substantially

in the form attached to that Notice of Charge (or in such other form as the Collateral Agent (acting reasonably) may approve).

- (b) As an alternative to Clause 5.2(a), the Collateral Agent may, at its request or at the request of any Chargor or the applicable account bank, enter into Account Control Agreements with the banks at which the relevant bank accounts in England and Wales are opened or maintained, such Account Control Agreements to be in form and substance reasonably satisfactory to the Collateral Agent (and, for the avoidance of doubt, if such Account Control Agreement is entered into with respect to a bank account, the relevant Chargor shall not be obliged to comply with Clause 5.2(a) in respect of that bank account).
- (c) Following the occurrence of a Declared Default, promptly upon a request from the Collateral Agent, each Chargor shall deliver (with a copy to the Collateral Agent) a notice of charge (in form and substance satisfactory to the Collateral Agent acting reasonably), duly completed to any depositary owner, warehouse owner or other person who owns or controls a location in England and Wales at which any of a Chargor's Inventory is stored or located.

5.3 Further assurance

Each Chargor shall at the reasonable request of the Collateral Agent or any Receiver (as applicable) and at its own expense promptly execute (in such form as the Collateral Agent or any Receiver may reasonably require) any Instruments or other documents and otherwise do any acts and things which the Collateral Agent may reasonably require (which shall include the granting to the Collateral Agent, under a separate security document, of a perfected fixed charge over any Collection Accounts opened by a Chargor in England or Wales in respect of which an Account Control Agreement is entered into in accordance with Section 5.12(c) (*Cash Management Systems; Application of Proceeds of Accounts*) of the Credit Agreement (and it is agreed and acknowledged by the parties that such requirement shall be deemed to be reasonable)) to preserve, perfect or protect the security created (or intended to be created) by this Deed or the priority of it or after the occurrence of an Declared Default to facilitate the realisation or enforcement of it or to exercise any of the rights of the Collateral Agent, any other Secured Party or any Receiver in relation to the same.

SECTION 3
ASSET REPRESENTATIONS, COVENANTS AND WARRANTIES

6. REPRESENTATIONS

Each Chargor represents and warrants to the Collateral Agent, on the date of this Deed and on the occasion of each Borrowing under the Credit Agreement that:

- (a) save for Permitted Liens, it is the sole legal and beneficial owner of the assets over which it purports to grant security;
- (b) it has good and valid rights in, or the power to secure or transfer, the Collateral and title to the Collateral with respect to which it has purported to grant a Lien under this Deed, free and clear of all Liens except for Permitted Liens, and has full power and authority to grant to the Collateral Agent this Security;
- (c) with respect to all of its Inventory in England and Wales:
 - (i) it is located at one of the relevant Chargor's locations set out on Schedule 7 (*Location of Inventory*) or at locations permitted after the date hereof pursuant to Clause 14.4 (*Location*), other than Inventory in transit;
 - (ii) the relevant Chargor has good and merchantable title to all of such Inventory, and such Inventory is not subject to any Lien except for Permitted Liens; and
 - (iii) the completion of manufacture, sale or other disposition of such Inventory by the Collateral Agent following the occurrence of a Declared Default shall not require the consent of any person and shall not constitute a breach or default under any contract or agreement to which the relevant Chargor is a party or to which such property is subject.

7. NEGATIVE PLEDGE AND DISPOSALS

7.1 Negative pledge

Each Chargor undertakes that it will not, at any time prior to the Discharge Date, create incur, assume or permit to exist any Lien on any property or assets (including shares or other securities of any person, including any Subsidiary) at the time owned by it, or on any income or revenues or rights in respect of any thereof, except for Permitted Liens.

7.2 No disposals

Each Chargor undertakes that it will not, at any time prior to the Discharge Date, sell, transfer, lease or otherwise, dispose of (in one transaction or in a series of transactions) all or any part of its assets except as Section 6.05 (*Mergers, Consolidations, Sales of Assets and Acquisitions*) of the Credit Agreement does not prohibit.

8. OTHER COVENANTS OF GENERAL APPLICATION

8.1 Information and access

Each Chargor shall comply in all respects with the obligations set out in Section 5.07 (*Maintaining Records; Access to Properties and Inspections*) of the Credit Agreement as if such obligations were set out in full in this Deed.

8.2 Management of Collateral

Each Chargor shall manage its Collateral in a proper and efficient manner and in particular shall keep its Collateral in good and substantial repair and working order.

8.3 Maintenance of insurance

Each Chargor shall, at all times until the Discharge Date comply with the obligations set out in Section 5.02 (*Insurance*) of the Credit Agreement as if such obligations were set out in full in this Deed.

8.4 Covenants for title

The obligations of each Chargor under this Deed shall be in addition to the covenants for title deemed to be included in this Deed by virtue of Part 1 Law of Property (Miscellaneous Provisions) Act 1994.

9. LAND

9.1 Registration at Land Registry

(a) The Chargors shall:

(i) do all things requested by the Collateral Agent to facilitate the registration of this Security against any Land Registry title comprised in the Material Real Properties from time to time. In particular, each Chargor shall:

(A) apply to the Chief Land Registrar for a restriction to be entered on each such title in the following terms: "No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the Security Deed dated [●] 2019 in favour of JPMorgan Chase Bank, N.A. referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its secretary or conveyancer"; and

(B) if the Collateral Agent so requests, certify that the security over the Material Real Properties created by this Deed does not contravene any of the provisions of its constitutional documents.

- (b) No Chargor shall permit any other person to be registered at the Land Registry as proprietor of any of the Material Real Properties (or of any interest in any of the Material Real Properties).
- (c) No Chargor shall create or permit to arise or subsist in or over any of the Material Real Properties any interest which falls within any of the paragraphs of Schedule 3 Land Registration Act 2002 or any interest preserved by the transitional provisions of Schedule 12 Land Registration Act 2002.

9.2 Deposit of Material Real Property title documents

- (a) Each relevant Chargor shall effect or procure the deposit with (or to the order of) the Collateral Agent of all title deeds and documents (including all local land charges, land charges, Land Registry search certificates and planning and other statutory consents) relating to the Material Real Properties.
- (b) On completion of the registration of this Deed against any Land Registry title comprised in the Material Real Properties, the relevant Chargor shall supply the Collateral Agent with a copy of the title information document for that title.

9.3 Future acquisitions

If a Chargor acquires any rights in any Material Real Property, it shall at its own cost promptly on request by the Collateral Agent execute and deliver to the Collateral Agent a Lien in favour of the Collateral Agent over those rights in any form which the Collateral Agent may reasonably require.

10. EQUITY INTERESTS

10.1 Delivery of documents and information

- (a) HHL shall, on the date of this Deed and from time to time, deliver to the Collateral Agent (or its nominee) in respect of each of the Specified Investments:
 - (i) any share certificate or other document of title to or representing it;
 - (ii) an instrument of transfer or assignment of it in a form specified by the Collateral Agent, duly executed by each person in whose name it is registered or held (with the name of the transferee or assignee, the consideration and the date left blank); and
 - (iii) any other documents (including duly executed waivers of pre-emption and other rights) which the Collateral Agent may request to enable it (or its nominee) to:
 - (A) obtain legal title to (or otherwise be registered as the owner of) the relevant Specified Investment; or
 - (B) be in a position to exercise any rights under this Deed in respect of it.

- (b) HHL shall send:
 - (i) a copy of any notice or other document received by it; and
 - (ii) any information that the Collateral Agent may reasonably request,
relating to any of the Specified Investments promptly to the Collateral Agent.

10.2 Income on Specified Investments

- (a) All dividends, interest and other income received by HHL in relation to the Specified Investments prior to this Security becoming enforceable may be retained by HHL and any such income received by the Collateral Agent (or its nominee) will be paid to HHL (as applicable) to be applied in accordance with this Clause 10.2(a).
- (b) All income received or payable to HHL or received by the Collateral Agent or its nominee) in relation to the Specified Investments after this Security has become enforceable shall be paid to (or, as applicable, retained by) the Collateral Agent and until that payment is made shall be held on trust for the Collateral Agent.

10.3 Voting and other rights

- (a) Subject to Clause 10.2 and the remainder of this Clause 10.3:
 - (i) HHL may exercise all voting and other rights attached to any Specified Investment; and
 - (ii) if any of those rights are exercisable by the Collateral Agent or its nominee, HHL may direct in writing how they are to be exercised.
- (b) HHL shall not exercise, or direct the exercise of, any rights attached to any Specified Investment in any manner which is prejudicial to the realisation of the Collateral.
- (c) HHL shall not permit or agree to any variation of the rights attached to any Specified Investment which would be materially adverse to the interests of the Secured Parties without the prior written consent of the Collateral Agent.
- (d) Except pursuant to this Deed, HHL shall not make any nomination, or permit to continue in effect any nomination it may have made, to permit another person to enjoy or exercise any of its rights in relation to any Specified Investment.
- (e) If at any time following the occurrence of a Declared Default the Collateral Agent gives notice to HHL that this Clause 10.3(e) applies, then from the date of that notice and to the extent specified in it:
 - (i) the Collateral Agent (or its nominee may at the Collateral Agent's discretion (and in the name of the HHL or otherwise) exercise, or

refrain from exercising, any voting or other rights attached to the any Specified Investment; and

- (ii) HHL shall not exercise any of those rights.

10.4 New acquisitions and issues

If HHL acquires any Equity Interests in the Company (whether by issue, transfer or otherwise) (other than any Excluded Securities and other than Equity Interests that are automatically covered by the provisions in this Deed), then HHL shall promptly notify the Collateral Agent and comply with Clause 10.1(a).

10.5 Issue of shares

HHL shall ensure that no shares or other securities in or of the Company will be issued or allotted and no agreement, option or arrangement to make or call for such issue or allotment will be made or granted without the Collateral Agent's prior written consent except to the extent issued to HHL or the counterparty is HHL.

10.6 Other negative covenants

HHL shall ensure that the Company shall not, unless the prior written consent of the Collateral Agent has been obtained or in a manner which would not be materially adverse to the interests of the Secured Parties:

- (a) in any way modify the rights attached to any of its Equity Interests or convert them into uncertificated form;
- (b) increase, consolidate, sub-divide or reduce its share capital;
- (c) alter its memorandum or articles of association;
- (d) purchase its own shares or reduce its share capital; or
- (e) take any step to place itself in liquidation or pass any resolution to wind itself up.

10.7 Waivers of pre-emption rights

HHL shall ensure that all shareholders of the Company from time to time enter into waivers of, or make any necessary amendments to (in each case in a form and on terms satisfactory to the Collateral Agent), all pre-emption rights and restrictions in the Articles of Association of the Company from time to time or otherwise which may in any respect vary, restrict or affect the exercise of any rights which may arise in connection with the enforcement of this security or the transfer of the shares in the Company to the Collateral Agent or such other person as the Collateral Agent may so direct

11. ACCOUNTS AND RELATED MATTERS

11.1 No dealings with Accounts

No Chargor shall be restricted from dealing with, amending, waiving or terminating its Accounts in the ordinary course of its business before a Declared Default.

12. BANK ACCOUNTS

12.1 Details of bank accounts

Prior to the enforcement of this security, each Chargor may make withdrawals from and continue to operate its bank accounts that are not Collection Accounts, in each case to the extent that it is permitted to do so under the terms of the Credit Agreement.

12.2 Signing rights on bank accounts

Each Chargor shall ensure that the Collateral Agent shall have sole signing rights on the Collection Accounts located in England or Wales in accordance with the terms of Clause 12.2 and the relevant Notice of Charge of Collection Account or Account Control Agreement (as applicable).

12.3 Collection Accounts and Payment Accounts

- (a) Each Collection Account located in England and Wales shall be governed by a mandate and/or other agreement in form and substance reasonably satisfactory to the Collateral Agent, in each case conferring control over such Collection Account on the Collateral Agent.
- (b) Each Chargor agrees that, prior to the occurrence of any of the circumstances set out in Clause 12.3(c), the only way in which monies may be withdrawn (or swept) from any Collection Account located in England or Wales is at the discretion of, and through the express authorisation or instruction by, the Collateral Agent and no Chargor shall be entitled to withdraw the whole or part of any amount standing to the credit of any Collection Account. The Collateral Agent will, at its own discretion, authorise or instruct such withdrawals (way of a sweep) by written instruction to the relevant account bank.
- (c) Following the occurrence of an Availability Trigger Event and whilst the same is continuing the Collateral Agent may apply the monies standing to the credit of any Collection Account or Payment Account in or towards repayment of the Secured Obligations in accordance with the terms of the Credit Agreement.
- (d) The Collateral Agent may delegate its powers of withdrawal under this Clause 12.3 to any Administrator, Receiver and/or manager.

12.4 Notice to account banks

Unless an Availability Trigger Event or a Declared Default has occurred, the Collateral Agent may not deliver to an account bank any notices or instructions

relating to a Payment Account nor exercise or purport to exercise any rights in relation thereto.

13. PLANT, MACHINERY AND OTHER CHATTELS

Each Chargor shall:

- (a) maintain all of its Equipment in good and serviceable condition in compliance with all relevant manufacturer and other instructions and recommendations as to servicing and maintenance; and
- (b) if so requested by the Collateral Agent, attach to a visible part of each item of Equipment owned by it in a permanent manner in a conspicuous position a clear, distinctive and legible label, comprising the following notice: "This piece of Equipment is subject to a first fixed charge in favour of JPMorgan Chase Bank, N.A. as security trustee for itself and others (the "**Collateral Agent**") and may not be removed or sold without the prior written consent of the Collateral Agent".

14. INVENTORY

14.1 Dealing with Inventory

Prior to the enforcement of this security, each Chargor may deal with, and dispose of any interest in, its Inventory, in each case to the extent that it is permitted to do so under the terms of the Credit Agreement.

14.2 Documents of Title

Each Chargor shall, if required by the Collateral Agent at any time following the occurrence of a Declared Default, deliver (or procure that there are delivered) to the Collateral Agent (or a nominee specified by the Collateral Agent acting on its behalf) all Warrants and other documents of title relating to or representing its Inventory together with any Instrument, other document or thing which the Collateral Agent may reasonably specify to perfect or improve the security over the relevant Chargor's Inventory.

14.3 Inventory count

Each Chargor will conduct a physical count of its Inventory (other than Inventory in the physical possession of a third party as to which the relevant Chargor has delivered to the Collateral Agent such evidence of the nature, extent and condition thereof as the Collateral Agent shall reasonably request and find reasonably satisfactory) at least once in each financial year, and if an Availability Trigger Event has occurred during such financial year then the Collateral Agent may require any Chargor to conduct a physical count of such Inventory no more than twice in that financial year. Each Chargor will promptly deliver to the Collateral Agent the results of each physical verification which the relevant Chargor has made, or has caused any other person to make on its behalf, of its Inventory.

14.4 **Location**

Each Chargor may only maintain Inventory constituting Collateral, other than Inventory in transit, at the locations set out in Schedule 7 (*Location of Inventory*) unless the Collateral Agent shall have received at least five Business Days' prior written notice of a change to a location or locations and the Collateral Agent shall have acknowledged in writing that either (a) such change will not adversely affect the validity, perfection or priority of the Collateral Agent's Lien in the Inventory or (b) any reasonable action requested by the Collateral Agent in connection therewith has been completed or taken.

SECTION 4 ENFORCEMENT OF SECURITY

15. ENFORCEMENT – GENERAL PROVISIONS

15.1 Enforcement

On or at any time after the occurrence of a Declared Default, this Security shall become immediately enforceable and the Collateral Agent may enforce all or any of its rights under this Deed as it thinks fit. In particular, it may without further notice exercise in relation to the Collateral:

- (i) the power of sale and all other powers conferred on mortgagees by the LPA or otherwise by law or on an administrative receiver by the IA, in each case as extended or otherwise amended by this Deed;
- (ii) to the extent that Clause 16 (*Right of appropriation*) applies, the power to appropriate the Collateral in or towards the payment and discharge of the Secured Obligations in accordance with Clause 16.2 (*Exercise of right of appropriation*); and
- (iii) (without first appointing a Receiver) any or all of the rights which are conferred by this Deed (whether expressly or by implication) on a Receiver.

15.2 LPA provisions

- (a) The Secured Obligations shall be deemed for the purposes of all powers implied by statute to have become due and payable within the meaning of s101 LPA immediately on the execution of this Deed.
- (b) The Collateral Agent and any Receiver is entitled to all of the privileges, immunities and other rights conferred on mortgagees and receivers respectively under the LPA.
- (c) s93(1) LPA (restriction on the consolidation of mortgages), s103 LPA (restricting the power of sale), ss105, 107(2), 109(6) and 109(8) LPA (application of proceeds of sale) and s109(1) LPA (restricting the power to appoint a receiver) shall not apply to this Security.

15.3 Protection of third parties

- (a) No purchaser, mortgagee or other person dealing with a Security Enforcement Party shall be bound to enquire whether its right to exercise any of its rights has arisen or become exercisable or whether any Secured Obligations remain outstanding, or be concerned as to the application of any money paid, raised or borrowed or as to the propriety or regularity of any sale by or other dealing with that Security Enforcement Party.
- (b) All of the protection to purchasers contained in ss104 and 107(1) LPA and s42(3) IA shall apply to any person purchasing from or dealing with a Security Enforcement Party as if the Secured Obligations had become due and the

statutory powers of sale and of appointing a Receiver in relation to the Collateral had arisen on the date of this Deed.

15.4 Delegation

- (a) The Collateral Agent and (to the extent his or her appointment so permits) a Receiver (the "**Appointor**") may delegate to any person or persons all or any of the rights which are exercisable by it under this Deed. A delegation under this Clause may be made in any manner (including by power of attorney) and on any terms (including power to sub-delegate) which the Appointor may think fit.
- (b) A delegation under Clause 15.4(a) shall not preclude the subsequent exercise of the relevant rights by the Appointor itself nor preclude the Appointor from making a subsequent delegation of them to another person or from revoking that delegation.
- (c) Neither the Collateral Agent nor any Receiver shall be liable or responsible to any Chargor for any loss or damage arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

15.5 No liability

- (a) No Security Enforcement Party shall:
 - (i) owe any duty to any Chargor to exercise any of its rights under this Deed; or
 - (ii) be liable or responsible to any Chargor for any Losses arising out of any exercise, purported exercise or non-exercise of any of its rights under this Deed.
- (b) No Security Enforcement Party shall be liable as a mortgagee in possession or otherwise liable to account in relation to all or any part of the Collateral for any loss on realisation or for any other action, default or omission for which it, he or she might otherwise be liable as a mortgagee in possession.

15.6 Grant of Intellectual Property licence

For the purpose of enabling the Collateral Agent to exercise the rights and remedies under this Clause 15 at any time that the Collateral Agent is lawfully entitled to exercise such rights and remedies, each Chargor hereby:

- (a) grants to the Collateral Agent, for the benefit of the Collateral Agent and the Secured Parties, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the relevant Chargor) to use, license or sublicense any intellectual property rights now owned or hereafter acquired by the relevant Chargor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof; and

- (b) irrevocably agrees that the Collateral Agent may sell any of the relevant Chargor's Inventory directly to any person including, without limitation, persons who have previously purchased the relevant Chargor's Inventory from that Chargor and in connection with any such sale or other enforcement of the Collateral Agent's rights under this Deed, may sell Inventory which bears any trademark owned by or licensed to the relevant Chargor and any Inventory that is covered by any copyright owned by or licensed to the relevant Chargor and the Collateral Agent may finish any work in process and affix any trademark owned by or licensed to the relevant Chargor and sell such Inventory as provided in this Deed.

16. RIGHT OF APPROPRIATION

16.1 Application of right of appropriation

This Clause 16 applies to the extent the Collateral constitute "financial collateral" and this Deed constitutes a "financial collateral arrangement" (within the meaning of the Financial Collateral Arrangements (No. 2) Regulations 2003).

16.2 Exercise of right of appropriation

If and to the extent that this Clause 16 applies, the Collateral Agent may appropriate the Collateral in or towards discharge of the Secured Obligations in such order as the Collateral Agent may (subject to any specific provisions of any Loan Documents in this regard) determine. If the Collateral Agent exercises its right of appropriation then it shall for these purposes value:

- (a) any relevant Collection Account or other bank account and the amount standing to the credit of that account, together with any accrued interest not credited to the account, at the time of the appropriation; and
- (b) any other relevant Collateral by reference to an independent valuation or other procedure determined by the Collateral Agent, acting reasonably, at the time of the appropriation.

17. RECEIVERS

17.1 Appointment of Receiver

- (a) Subject to the remainder of this Clause 17.1, the Collateral Agent may appoint one or (at the same or different times) more persons as a receiver of all or any part of the Collateral if:
 - (i) this Security has become enforceable; or
 - (ii) the relevant Chargor so requests in writing at any time.
- (b) No appointment may be made pursuant to Clause 17.1:
 - (i) solely as a result of the obtaining of, or with a view to obtaining, a moratorium under s1A IA; or

- (ii) of an administrative receiver if that appointment would contravene s72A IA.

17.2 Remuneration

The Collateral Agent may fix the remuneration of any Receiver from time to time, without being limited by the maximum rate specified in s109(6) LPA.

17.3 Removal and replacement

The Collateral Agent may:

- (a) subject to obtaining a court order if required by law, remove any Receiver by written notice; and
- (b) replace (by appointment pursuant to Clause 17.1) any Receiver whose appointment has terminated.

17.4 Agent of the relevant Chargor

Any Receiver appointed under this Deed whether acting solely or jointly shall be deemed to be the agent of the relevant Chargor and to be in the same position as a receiver appointed under the LPA and the relevant Chargor shall be solely responsible for his or her acts, omissions, defaults, losses and misconduct and for his or her remuneration and the Collateral Agent shall not be in any way liable or responsible either to the relevant Chargor or to any other person for any Receiver.

17.5 Joint appointment

If at any time two or more persons have been appointed as Receivers of the same Collateral, each one of those Receivers shall be entitled to exercise individually all of the rights conferred on Receivers under this Deed to the exclusion of the other or others in relation to any of the Collateral in respect of which he or she has been appointed unless the Collateral Agent shall state otherwise in the document appointing him or her.

18. POWERS OF SECURITY ENFORCEMENT PARTIES

- (a) A Receiver has:
 - (i) all of the rights set out below in this Clause 18;
 - (ii) all of the rights granted by the LPA to any receiver or mortgagor or mortgagee in possession; and
 - (iii) whether or not it is an administrative receiver, all of the rights granted by the IA to any administrative receiver,in each case as such rights are varied and extended by this Deed.
- (b) The Collateral Agent has after this Security has become enforceable the rights referred to in Clause 18(a), whether or not it has appointed a Receiver.

- (c) A Delegate has the rights referred to in Clause 18(a) to the extent provided in its, his or her appointment.
- (d) Any reference in this Clause 18 to any Collateral includes, in the case of a Receiver or Delegate, only that Collateral over or in respect of which it, he or she has been appointed.
- (e) A Security Enforcement Party may exercise its, his or her rights under this Clause 18 in such manner and on such terms as it, he or she thinks fit.

18.2 Collection, leasing and disposal of Collateral

- (a) The right to enter into, take possession of, give up possession of, get in and collect any Collateral.
- (b) The right to sell or otherwise dispose of any Collateral on any terms and for any consideration as the Security Enforcement Party may think fit. This consideration may include cash, debentures, obligations, shares or other security and may be payable in a lump sum or instalments.
- (c) The right to sever any plant, machinery or other Fixtures from the premises to which they are attached and the right to dispose of them separately in accordance with Clause 18.2(b)
- (d) The right, in connection with or to facilitate any disposal, to release or discharge, whether or not for any consideration, any Accounts comprised in the Security Assets.
- (e) The right to give a valid receipt for any money and execute any discharge, assurance or other document which may be proper or desirable to realise any Collateral.

18.3 Upkeep of Security Assets

- (a) The right to repair, decorate, furnish, maintain, alter, improve, replace, renew or add to the Collateral.
- (b) The right to develop any Collateral and for that purpose to apply for any Authorisations, enter into any documents and carry out any works.
- (c) The right to insure any Collateral.

18.4 Carrying on business

- (a) The right to carry on any business of any Chargor.
- (b) The right to appoint or dismiss officers, employees, agents, contractors, advisors and others.
- (c) The right to purchase, lease or otherwise acquire any assets.

- (d) The right to borrow or otherwise raise money either unsecured or on the security of the Collateral (whether ranking in priority to, pari passu with or behind this Security).
- (e) The right to lend money or advance credit to any customer of a Chargor.

18.5 Contracts and proceedings

- (a) The right to perform, repudiate, terminate, amend or enter into any contract or other document relating to any Collateral.
- (b) The right to bring, prosecute, defend, enforce and discontinue any action, suit, arbitration or other proceedings relating to any Collateral.
- (c) The right to pursue, settle, arrange, compromise or submit to arbitration any claim, account, dispute or demand relating to, or to make any VAT election in respect of, any Collateral.

18.6 Other rights

- (a) The right to do any other act or thing which the Security Enforcement Party may consider:
 - (i) desirable or necessary to protect, preserve, improve or realise any Collateral; or
 - (ii) incidental or conducive to any rights conferred on the Security Enforcement Party under or by virtue of this Deed or by law.
- (b) The right to exercise and do in relation to any Collateral all the rights and things which the Security Enforcement Party would be capable of exercising or doing if it, he or she were the absolute beneficial owner of that Collateral.
- (c) The right to use the name of any Chargor to exercise any of the rights referred to in this Clause 18.

19. APPOINTMENT OF ADMINISTRATOR

19.1 Appointment of Administrator

- (a) The Collateral Agent may without notice appoint any one or more persons to be an administrator of any Chargor pursuant to Schedule B1, Paragraph 14 IA at any time after this Security has become enforceable.
- (b) Clause 19.1(a) shall not apply to any Chargor if Schedule B1, Paragraph 14 IA does not permit an administrator of that Chargor to be appointed.
- (c) Any appointment under Clause 19.1(a) shall be in writing signed by a duly authorised officer of the Collateral Agent.

19.2 Replacement of an Administrator

The Collateral Agent may apply to the court for the termination of the appointment of any Administrator and/or the appointment of a replacement for any Administrator whose appointment ends for any reason.

20. APPLICATION OF PROCEEDS

20.1 Order of priority

Any monies received by the Collateral Agent or any Receiver under this Deed or under the rights conferred by this Deed shall, after enforcement of this security and payment of any claims having priority to this Security, be applied in the following order to the extent permitted by applicable law, but without prejudice to the right of the Collateral Agent to recover any shortfall from the Chargors:

- (a) where applicable, in payment of all Losses of and incidental to the appointment of the Receiver and the exercise of all or any of his or her powers;
- (b) where applicable, in payment of the Receiver's remuneration at such rate as may be agreed with the Collateral Agent;
- (c) in accordance with Section 2.19(b) (*Payments Generally; Pro Rata Treatment; Sharing of Set-offs*) of the Credit Agreement; and
- (d) if no Chargor is under any further actual or contingent liability under the Credit Agreement, in payment of the surplus (if any) to the person or persons entitled to it.

The application of monies received by an Administrator will be governed by the IA.

SECTION 5
GENERAL SECURITY PROVISIONS

21. GENERAL SECURITY PROVISIONS

21.1 Continuing security

This Security is a continuing security and regardless of any intermediate payment or discharge in whole or in part to any Secured Party, shall be binding unless and until it is released and discharged in accordance with the terms of the Credit Agreement or otherwise in writing by the Collateral Agent.

21.2 Additional security

This Deed is in addition to and is not in any way prejudiced by any other guarantee or Lien now or subsequently held by or on behalf of the Collateral Agent or any other Secured Party.

21.3 Waiver of defences

The obligations of each Chargor under this Deed will not be discharged, impaired or otherwise affected by any act, omission, matter or thing which, but for this Clause 21.3, would reduce, release or prejudice any of its obligations under this Deed, including (whether or not known to it or the Collateral Agent):

- (a) any time, waiver, consent or other indulgence granted to, or composition with, any Loan Party or any other person other than any time, waiver, consent or other indulgence granted to a Chargor in relation to an obligation or obligations set out in this Deed, in which case the relevant Chargor shall be entitled to rely on such time, waiver or other indulgence for the purpose of the discharge of the relevant obligation or obligations under this Deed;
- (b) the release of any Loan Party or any other person under the terms of any composition or arrangement with any creditor;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Lien over the assets of, any Chargor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any Instrument or any failure to take, or failure to realise the full value of, any Lien **provided that** where the Collateral Agent makes a variation, compromise or release of any rights of a Chargor contained in this Deed then the relevant Chargor shall be entitled to rely on such variation, compromise or release for the purposes of the discharge of the relevant obligation or obligations under this Deed;
- (d) any supplement, extension, restatement, other amendment or novation or replacement of any Loan Document or any other security or other document, however fundamental that amendment, novation and replacement may be and whether or not more onerous, including any change in the purpose of, any

extension of or any increase in any facility or the addition of any new facility under any Loan Document or other Lien or other document;

- (e) any incapacity or lack of power, authority or legal personality of or Insolvency or change in the members or status of any Chargor or any other person;
- (f) any disclaimer, unenforceability, illegality, invalidity or ineffectiveness of any of the Secured Obligations or any other obligation of any person under any Loan Document or any other Instrument or Lien; or
- (g) the Insolvency of any person.

21.4 Non-competition

Until the Discharge Date, no Chargor shall exercise any rights it may have by reason of a claim being made against it under this Deed or its performing any of its obligations under it:

- (a) to claim any indemnity or contribution from any person;
- (b) to take (by way of subrogation or otherwise) the benefit of any right of any Secured Party;
- (c) to bring legal or other proceedings for an order requiring any Foreign Loan Party to make any payment, or perform any obligation, in respect of any Secured Obligation;
- (d) to claim or prove as a creditor of any person in competition with any Secured Party; or
- (e) to receive, claim or have the benefit of any payment, distribution or Lien from or on account of any Foreign Loan Party or exercise any right of set-off against any Foreign Loan Party.

Each Chargor shall hold any payment or other benefit received by it contrary to this Clause 21.4 on trust for the Collateral Agent and promptly pay or transfer the same to the Collateral Agent for application in accordance with Clause 20.1 (*Order of priority*).

21.5 Immediate recourse

Each Chargor waives any right it may have of first requiring any Secured Party to proceed against or enforce any Lien or other rights or claim payment from any other person before claiming from it under this Deed. This waiver applies irrespective of any applicable law and regulation or any provision of any Loan Document to the contrary.

21.6 Discretion in enforcement

Until the Discharge Date, the Collateral Agent or any Receiver may:

- (a) refrain from applying or enforcing any other monies, Liens or other rights held or received by it in respect of the Secured Obligations or apply and enforce them in such manner and order as it sees fit (whether against the Secured Obligations or otherwise) and no Chargor shall be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any monies received from any Chargor or on account of the Secured Obligations.

21.7 Subsequent Liens

At any time following:

- (a) the Collateral Agent or any other Secured Party's receipt of notice (either actual or constructive) of any subsequent Lien affecting the Collateral (other than Permitted Lien);
- (b) the Insolvency of any Chargor; or
- (c) any disposal of all or any of the Collateral in breach of Clause 7.2 (*No disposals*),

any Secured Party may open a new account or accounts in the name of the relevant Chargor (whether or not it permits any existing account to continue). If a Secured Party does not open such a new account, it shall nevertheless be treated as if it had done so at the time when the notice was received or was deemed to have been received or, as the case may be, the Insolvency commenced or the assignment or transfer occurred and from that time all payments made by the relevant Chargor to the Secured Party or received by the Secured Party for the account of the relevant Chargor shall be credited or treated as having been credited to the new account (or deemed new account) and shall not operate to reduce the amount secured by this Deed at the time when the Secured Party received or was deemed to have received that notice or, as the case may be, the Insolvency commenced or the assignment or transfer occurred.

22. POWER OF ATTORNEY

22.1 Appointment

Each Chargor irrevocably and by way of security appoints each Security Enforcement Party jointly and also severally to be its attorney (with full powers of substitution and delegation) and in its name or otherwise and on its behalf and as its act and deed and only following the occurrence of a Declared Default to execute, deliver and perfect all Instruments and other documents and do any other acts and things which may be required or which the attorney may consider desirable:

- (a) to carry out any obligation imposed on that Chargor by this Deed and which has not been carried out by that Chargor;
- (b) to carry into effect any disposal or other dealing by any Security Enforcement Party;

- (c) to convey or transfer any right in land or any other asset;
- (d) to get in the Collateral; and
- (e) generally to enable the Collateral Agent and any Receiver to exercise the respective rights conferred on them by this Deed or by applicable law and regulation,

and each Chargor undertakes to ratify and confirm all acts and things done by an attorney in the exercise or purported exercise of its powers and all monies spent by an attorney shall be deemed to be expenses incurred by the Collateral Agent under this Deed.

22.2 Irrevocable power

Each Chargor acknowledges that each power of attorney granted by Clause 22.1 is granted irrevocably and for value as part of this Security to secure a proprietary interest of, and the performance of obligations owed to, the donee within the meaning of s4 Powers of Attorney Act 1971.

23. RELEASE OF SECURITY

23.1 Definitions relating to release of this Security

- (a) In this Deed **"Discharge Date"** means the date on which the Secured Obligations are paid or discharged in accordance with terms of the Credit Agreement.
- (b) For this purpose, a Secured Obligation will not be considered to have been irrevocably paid or discharged if the Collateral Agent, acting reasonably, considers that any payment made in respect of it is capable of being avoided.
- (c) In this Clause 23:
 - (i) **"avoided"** means avoided, restored or adjusted in whole or part under any law relating to insolvency (and **"avoidance"** shall be construed accordingly); and
 - (ii) **"settlement"** means a release, settlement, discharge, re-assignment or arrangement.

23.2 Release of Security

- (a) If any Chargor so requests on or following the Discharge Date, the Collateral Agent shall, as soon as reasonably practicable after receipt of such request, release and discharge this Security and re-assign the assets assigned to the Collateral Agent under this Deed to the relevant Chargor (or as it shall direct) at all times without recourse, representation or warranty and subject to the provisions of the Credit Agreement and the rights of any person having prior rights over those assets.

- (b) Any release or discharge of this Security or re-assignment shall not release or discharge the relevant Chargor from any liability to the Collateral Agent or any other Secured Party for the Secured Obligations or any other monies which exists independently of this Deed
- (c) Any settlement made by the Collateral Agent on the faith of any assurance, security or payment shall be conditional on that assurance, security or payment not being avoided, reduced, clawed back or ordered to be repaid under any law relating to Insolvency.
- (d) If any avoidance occurs as referred to in Clause 23.2(b) (including by reason of a concession or compromise referred to in Clause 23.2(e)), then the settlement given by the Collateral Agent shall have no effect and shall not prejudice the right of the Collateral Agent to enforce this Security in respect of the Secured Obligations. As between the Chargors and the Collateral Agent, this Security shall (notwithstanding the settlement) be deemed to have remained at all times in effect and held by the Collateral Agent as security for the Secured Obligations.
- (e) Any Secured Party may concede or compromise any claim that an assurance, security or payment is liable to avoidance.

24. PRIOR LIENS

24.1 Redemption

The Collateral Agent may at any time:

- (a) redeem, or procure the transfer to itself of, any prior Lien over any Collateral; or
- (b) settle and pass the accounts of the holder of any prior Lien. Any accounts so settled and passed shall be conclusive and binding on the relevant Chargor.

24.2 Costs of redemption

All principal monies, interest, costs, expenses and other amounts incurred in and incidental to any redemption or transfer under Clause 24.1 shall be paid by the Chargors to the Collateral Agent on demand, in each case together with interest calculated in the manner referred to in Section 2.14 (*Interest*) of the Credit Agreement.

25. COLLATERAL AGENT PROVISIONS

25.1 Appointment of the Collateral Agent

- (a) The Collateral Agent declares that it holds the Security Trust Property on trust for the Secured Parties on the terms contained in Article VII (*The Agents*) of the Credit Agreement and the terms contained in this Deed.

- (b) By entering into or acceding to the Credit Agreement or any other Loan Document, each of the other Secured Parties authorises the Collateral Agent to:
 - (i) perform the duties, obligations and responsibilities given to it under or in connection with the U.K. Security Documents
 - (ii) exercise the powers, authorities, discretions and other rights specifically given to the Collateral Agent under or in connection with the Loan Documents together with any other incidental powers, authorities, discretions and other rights pursuant to Article VIII (*The Agents*) of the Credit Agreement.

25.2 Role of the Collateral Agent

- (a) The Collateral Agent shall hold the benefit of the U.K. Security Documents on trust for the Secured Parties.
- (b) The Collateral Agent's duties under the U.K. Security Documents are solely mechanical and administrative in nature.
- (c) The Collateral Agent shall promptly forward to the Administrative Agent a copy of any document received by the Collateral Agent from any Loan Party under any Loan Document.
- (d) Except where a Loan Document specifically provides otherwise, the Collateral Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Loan Party or Secured Party.
- (e) If the Collateral Agent receives notice from a party referring to this Deed, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Secured Parties.
- (f) The Collateral Agent does not have any duties except those expressly set out in the Loan Documents. In particular, the Collateral Agent shall not be subject to the duty of care imposed on trustees by the Trustee Act 2000.

25.3 Business with a Loan Party

The Collateral Agent may accept deposits from, lend money to, invest in and generally engage in any kind of banking or other business with any Loan Party and any Affiliate of any Loan Party.

25.4 Discretions of the Collateral Agent

- (a) The Collateral Agent may assume that any right vested in any Secured Party has not been exercised.
- (b) The Collateral Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, tax advisers surveyors or other professional advisers or experts.

- (c) Notwithstanding that the Collateral Agent and one or more of the other Secured Parties may from time to time be the same entity, that entity has entered into the Loan Documents in those separate capacities. However, where the Loan Documents provide for the Collateral Agent and the other Secured Parties to provide instructions to or otherwise communicate with one or more of the others of them, then for so long as they are the same entity it will not be necessary for there to be any formal instructions or other communication, notwithstanding that the Loan Documents provide in certain cases for the same to be in writing.
- (d) Except as otherwise expressly provided in this Deed, the Collateral Agent shall be and is hereby authorised to assume without enquiry, in the absence of actual notice to the contrary, that each of the Chargors and the other parties to any of the Loan Documents (other than the Collateral Agent) is duly performing and observing all the covenants and provisions contained in or arising pursuant to this Deed or any other Loan Document respectively relating to it and on its part to be performed and observed.

25.5 Responsibility for documentation

No Security Enforcement Party is responsible or liable for any determination as to whether any information provided or to be provided to any Secured Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

25.6 No duty to monitor

The Collateral Agent shall not be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any person of its obligations under any Loan Document; or
- (c) whether any other event specified in any Loan Document has occurred.

25.7 Additional Collateral Agent

The Collateral Agent may at any time appoint (and subsequently remove) any person to act as a separate collateral agent or as a co-trustee jointly with it (any such person, an "**Additional Collateral Agent**");

- (a) if it is necessary in performing its duties and if the Collateral Agent considers that appointment to be in the interest of the Secured Parties; or
- (b) for the purposes of complying with or confirming to any legal requirements, restrictions or conditions which the Collateral Agent deems to be relevant; or
- (c) for the purposes of obtaining or enforcing any judgment or decree in any jurisdiction,

and the Collateral Agent will give notice to the other Parties of any such appointment.

25.8 Confidentiality

- (a) In acting as Collateral Agent for the Secured Parties, the Collateral Agent shall be regarded as acting through its syndication or agency division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Collateral Agent, it may be treated as confidential to that division or department and the Collateral Agent shall not be deemed to have notice of it.
- (c) Notwithstanding any other provision of any Loan Document to the contrary, the Collateral Agent is not obliged to disclose to any other person:
 - (i) any confidential information; or
 - (ii) any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty.

25.9 Relationship with the Lenders

The Collateral Agent may treat each Lender as a Lender, entitled to payments under this Deed and acting through its Facility Office unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Deed.

25.10 No obligation to remain in possession

If the Collateral Agent, any Receiver or any delegate takes possession of all or any of the Collateral, it may from time to time in its absolute discretion relinquish such possession.

25.11 Security Documents

- (a) The Collateral Agent shall accept without investigation, requisition or objection whatever title any person may have to the assets which are subject to the Security Documents and shall not:
 - (i) be bound or concerned to examine or enquire into the title of any person; or
 - (ii) be liable for any defect or failure in the title of any person, whether that defect or failure was known to the Collateral Agent or might have been discovered upon examination or enquiry and whether it is capable of remedy or not.
- (b) Each of the other Secured Parties authorises the Collateral Agent to hold each mortgage or charge created pursuant to any Loan Document in its sole name as collateral agent for the Secured Parties.

25.12 Reliance and engagement letters

The Collateral Agent may obtain and rely on any certificate or report from any Chargor's auditor and may enter into any reliance letter or engagement letter relating to that certificate or report on such terms as it may consider appropriate (including restrictions on the auditor's liability and the extent to which that certificate or report may be relied on or disclosed).

25.13 No responsibility to perfect Transaction Security

The Collateral Agent shall not be liable for any failure to:

- (a) require the deposit with it of any deed or document certifying, representing or constituting the title of any Loan Party to any Transaction Security Assets;
- (b) obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any Loan Document or the Transaction Security Assets;
- (c) register, file or record or otherwise protect any of the Transaction Security (or the priority of any of the Transaction Security) under any law or regulation or to give notice to any person of the execution of any Loan Document or of the Transaction Security Assets;
- (d) take, or to require any Loan Party to take, any step to perfect its title to any Transaction Assets Security or to render the Transaction Security effective or to secure the creation of any ancillary Lien under any law or regulation; or
- (e) require any further assurance in relation to any U.K. Security Document.

25.14 Insurance by Collateral Agent

- (a) The Collateral Agent shall not be obliged:
 - (i) to insure any Transaction Security Assets;
 - (ii) to require any other person to maintain any insurance; or
 - (iii) to verify any obligation to arrange or maintain insurance contained in any Loan Document,

and the Collateral Agent shall not be liable for any Losses to any person as a result of the lack of, or inadequacy of, any such insurance.

- (b) Where the Collateral Agent is named on any insurance policy as an insured party, it shall not be liable for any Losses to any person as a result of its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless the Required Lenders requests it to do so in writing and the Collateral Agent fails to do so within fourteen days after receipt of that request.

25.15 Collateral Agent's obligation to account

The Collateral Agent shall not in any circumstances (either by reason of taking possession of the Collateral or for any other reason and whether as mortgagee in possession or on any other basis):

- (a) be liable to account to any Chargor or any other person for anything except the Collateral Agent's own actual receipts which have not been distributed or paid to that Chargor or the persons entitled or at the time of payment believed by the Collateral Agent to be entitled to them; or
- (b) be liable to any Chargor or any other person for any principal, interest or Losses from or connected with any realisation by the Collateral Agent of the Collateral or from any act, default, omission or misconduct of the Collateral Agent, its officers, employees or agents in relation to the Collateral or from any exercise or non-exercise by the Collateral Agent of any right exercisable by it under this Deed unless they shall be caused by the Collateral Agent's own gross negligence or wilful misconduct.

25.16 Receiver's and delegate's obligation to account

All the provisions of 25.15 shall apply in respect of the liability of any Receiver or delegate in all respects as though every reference in 25.15 to the Collateral Agent were instead a reference to the Receiver or, as the case may be, delegate.

SECTION 6 ADMINISTRATION

26. CREDIT AGREEMENT PROVISIONS

Sections 1.06 (*Change of Currency*), 9.01 (*Notices; Communications*), 9.05 (*Expenses; Indemnity*), 9.06 (*Right of set-off*), and 9.16 (*Confidentiality*) of the Credit Agreement shall apply to this Deed as if they were set out in full again here, with references to the Collateral Agent or the Lenders including the Collateral Agent and with any other changes which are necessary to fit this context.

27. INDEMNITY

27.1 General indemnity

The Chargors shall on demand indemnify and keep indemnified the Collateral Agent and every Receiver, attorney, manager, agent or other person appointed by the Collateral Agent under this Deed and their respective employees in respect of all Losses incurred or suffered by any of them in or directly or indirectly as a result of the exercise of any of the rights vested in them under this Deed and against all Losses suffered or incurred by any of them in respect of any matter or thing done or omitted relating to the Collateral, together with interest calculated in the manner referred to in Section 2.14(c) (*Interest*) of the Credit Agreement from the earlier of the date of demand and the date of payment by that person up to the date of receipt by that person (both before and after judgement). The Collateral Agent and Receiver may retain and pay all those sums out of any monies received by it or him or her under this Deed.

27.2 Indemnity for breach

The Chargors shall on demand indemnify and keep indemnified the Collateral Agent in respect of all Losses occasioned by any breach of any of its covenants or other obligations under this Deed or otherwise relating to all or any part of the Collateral together with interest calculated in the manner referred to in Section 2.14(c) (*Interest*) of the Credit Agreement from the earlier of the date of demand by the Collateral Agent and the date of payment up to the date of receipt by the Collateral Agent (both before and after judgement).

28. TRANSFERS

28.1 Collateral Agent

The Collateral Agent may assign any or all of its rights and transfer any or all of its obligations under this Deed to a successor appointed pursuant to Section 8.09 (*Successor Administrative Agent*) of the Credit Agreement.

28.2 Chargors

No Chargor may assign any of its rights or transfer any of its rights or obligations under this Deed.

28.3 Disclosure of information

The Collateral Agent may disclose any information about any Chargor in accordance with and subject to Section 9.16 (*Confidentiality*) of the Credit Agreement.

29. COMMUNICATIONS

29.1 Communications in writing

Any communication to be made or provided under or in connection with this Deed (including any notices, waivers, consents or other documents) shall be made or provided in English and in writing and, unless otherwise stated, may be delivered by fax, post or personal delivery.

29.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication to be made or delivered under or in connection with this Deed is:

- (a) in the case of the Collateral Agent and the UK Borrower, that identified with its name in Schedule 9.01 of the Credit Agreement; or
- (b) in the case of the Chargors other than the UK Borrower, with its execution of this Deed at the end of the Schedules.

30. CALCULATIONS AND CERTIFICATES

30.1 Accounts

In any litigation or other proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Collateral Agent or any other Secured Party are prima facie evidence of the matters to which they relate.

30.2 Certificates or determinations

Any certificate or determination of the Collateral Agent as to any matter provided for in this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

31. PARTIAL INVALIDITY

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of that provision under the law of any other jurisdiction will in any way be affected or impaired.

32. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Collateral Agent or any Secured Party, any remedy or other right under this Deed shall operate as a

waiver of that remedy or right, nor shall any single or partial exercise of any remedy or other right prevent any further or other exercise or the exercise of any other right. The remedies and other rights provided in this Deed are cumulative and not exclusive of any remedies and other rights provided by law.

33. AMENDMENTS AND WAIVERS

Any term of this Deed may be amended or waived only with the written consent of the Collateral Agent and the Chargors and any such amendment or waiver will be binding on all Parties.

34. COUNTERPARTS

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures (and if applicable, seals) on the counterparts were on a single copy of this Deed.

35. CONDUCT OF BUSINESS

No provision of this Deed will:

- (a) interfere with the right of any Secured Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Secured Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Secured Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of taxes.

SECTION 7
GOVERNING LAW AND ENFORCEMENT

36. GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

37. ENFORCEMENT

37.1 Jurisdiction of English courts

- (a) 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**").
- (b) 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.
- (c) This Clause 37.1 is for the benefit of the Collateral Agent only. As a result, the Collateral Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Collateral Agent may take concurrent proceedings in any number of jurisdictions.

EXECUTION:

The parties have shown their acceptance of the terms of this Deed by executing it, in the case of each Chargor as a deed, at the end of the Schedules.

**SCHEDULE 1
THE CHARGORS**

Name	Jurisdiction of Incorporation	Company Number	Registered Office
Hexion UK Holding Limited	England and Wales	11607567	c/o Hexion Sully Moors Road Penarth South Glamorgan United Kingdom CF64 5YU
Hexion UK Limited	England and Wales	00867053	Sully Moors Road Penarth South Glamorgan CF64 5YU

**SCHEDULE 2
PROPERTIES**

**Part 1
Registered land**

Freehold (including commonhold) or leasehold property (if any) in England and Wales of which the Additional Chargor is registered as the proprietor at Land Registry

None at the date of this Deed.

**Part 2
Unregistered land**

(Freehold or leasehold property (if any) in England and Wales title to which is not registered at Land Registry of which the Additional Chargor is the owner)

None at the date of this Deed.

**SCHEDULE 3
SPECIFIED ASSETS**

Part 1

Collection Accounts

Name of account holder	Name and address of entity at which account is held	Account details
Hexion UK Limited	Bank of America, N.A. (London branch) 2 King Edward Street London EC1A 1HQ UK	Account no.: [REDACTED] Sort code: 16-50-50 Swift code: BOFAGB22 IBAN: [REDACTED] Currency: EUR
Hexion UK Limited	Bank of America, N.A. (London branch) 2 King Edward Street London EC1A 1HQ UK	Account no.: [REDACTED] Sort code: 16-50-50 Swift code: BOFAGB22 IBAN: [REDACTED] Currency: USD
Hexion UK Limited	Bank of America, N.A. (London branch) 2 King Edward Street London EC1A 1HQ UK	Account no.: [REDACTED] Sort code: 16-50-50 Swift code: BOFAGB22 IBAN: [REDACTED] Currency: GBP

Part 2

Payment Accounts

Name of account holder	Name and address of entity at which account is held	Account details
Hexion UK Limited	Bank of America, N.A. (London branch) 2 King Edward Street London EC1A 1HQ UK	Acc. no.: [REDACTED] Sort code: 16-50-50 Swift code: BOFAGB22 IBAN: [REDACTED] Currency: EUR

Hexion UK Limited	Bank of America, N.A. (London branch) 2 King Edward Street London EC1A 1HQ UK	Acc. no.: [REDACTED] Sort code: 16-50-50 Swift code: BOFAGB22 IBAN: [REDACTED] Currency: USD
Hexion UK Limited	Bank of America, N.A. (London branch) 2 King Edward Street London EC1A 1HQ UK	Acc. No.: [REDACTED] Sort code: 16-50-50 Swift code: BOFAGB22 IBAN: [REDACTED] Currency: GBP

Part 3

Specified Intellectual Property

None at the date of this Deed

Part 4

Specified Investments

Chargor	Company	Number and description of shares	Percentage of issued capital
Hexion UK Holding Limited	Hexion UK Limited	1955 Ordinary Shares	100%

SCHEDULE 4

Part 1

Notice of Security over of Accounts

[On relevant Chargor's notepaper]

To: *[Name and address of other party]*

[Date]

Dear Sirs

[Name and date of Account]

We refer to an agreement dated [●] between us and you (as amended or novated from time to time, the "**Agreement**").

We give you notice that by a Deed (the "**Deed**") dated [●] 2019 and entered into by us in favour of [●] (as Collateral Agent, as defined in the Deed), we have [assigned][charged] all our rights in the book debts [and other rights to receive payments] arising out of the Agreement.

Please note the following:

- (a) we shall at all times remain solely liable to you for the performance of all of the obligations assumed by us under or in respect of the Agreement;
- (b) we irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary) to pay any monies payable by you to us under the Agreement to [●] or such other account as the Collateral Agent may from time to time notify to you in writing;
- (c) we agree that:
 - (i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Collateral Agent's prior written consent; and
 - (ii) you are authorised to disclose any information in relation to the Agreement to the Collateral Agent at the Collateral Agent's request.

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully

.....

ACKNOWLEDGEMENT

To: Collateral Agent

We acknowledge receipt of a notice dated [●] 20[●] addressed to us by *[Name of [relevant] Chargor]* (the "**Chargor**") regarding an agreement dated [●] 20[●] between us and the Chargor (as amended or novated from time to time, the "**Agreement**").

We confirm that:

- (a) we consent to the [assignment][charge] over all Chargor's rights in the book debts [and other rights to receive payments] arising out of the Agreement;
- (b) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Agreement; and
- (c) we confirm that we shall not exercise any right of combination, consolidation or set-off which we may have in respect of any debt owed to us by the Chargor and we shall send you copies of all statements, orders and notices given by us relating to that debt.

.....
[Name of other party]

By: *[Name of signatory]*

Dated:

Part 2
Notice of assignment of Assigned Documents

[On relevant Chargor's notepaper]

To: *[Name and address of other party]*

[Date]

Dear Sirs

[Name and date of Occupational Lease or other Assigned Document]

We refer to [a lease dated [●] 20[●] between (1) [●] and (2) [●] (the "**Assigned Document**") [an agreement dated [●] 20[●] between us and you (as amended or novated from time to time, the "**Assigned Document**").

We give you notice that by a security deed (the "**Security Deed**") dated [●] 2019 and entered into by us in favour of JPMorgan Chase Bank, N.A. (as Collateral Agent, as defined in the Security Deed), we have assigned to the Collateral Agent all of our rights in, to, under, in respect of or derived from the Assigned Document, including the right to receive any *[For an Occupational Lease only: rental and other]* payments due under the Assigned Document.

Please note the following:

- (a) we shall at all times remain solely liable to you for the performance of all of the obligations assumed by us under or in respect of the Assigned Document;
- (b) we irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary) to pay any monies payable by you to us under the Assigned Document to such bank account as the Collateral Agent may from time to time specify in writing;
- (c) all of the powers, discretions, remedies and other rights which would, but for the Security Deed, be vested in us under and in respect of the Assigned Document are exercisable by the Collateral Agent;
- (d) we have agreed not to waive any rights under, amend, novate, repudiate, *[for an Assigned Document other than an Occupational Lease: rescind or otherwise terminate or permit to be terminated the Assigned Document]**[for an Occupational Lease: rescind, forfeit, determine or agree to the forfeiture, determination or surrender of the Assigned Document]* without the prior written consent of the Collateral Agent;
- (e) we agree that:
 - (i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Collateral Agent's prior written consent; and

- (ii) you are authorised to disclose any information in relation to the Assigned Document to the Collateral Agent at the Collateral Agent's request.

Please acknowledge receipt of this notice, and confirm your agreement to it, by signing the acknowledgement on the enclosed copy letter and returning it to the Collateral Agent, at JP Morgan Chase Bank at N.A. 500 Stanton Christiana Rd., 3/Ops2, Newark, DE 19713 marked for the attention of Jane Dreisbach.

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully

.....
[Name of relevant Chargor]

By: [Name of signatory]

[On copy letter only:]

To: ***Collateral Agent***

We acknowledge receipt of a notice dated [●] 20[●] addressed to us by *[Name of relevant Chargor]* (the "**Chargor**") regarding [a lease dated [●] 20[●] between (1) [●] and (2) [●] (the "**Assigned Document**") [an agreement dated [●] 20[●] between the Chargor and us (as amended or novated from time to time, the "**Assigned Document**")].

We confirm that:

- (a) we consent to the assignment of the Assigned Document and will comply with the terms of that notice;
- (b) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, any rights of the Chargor in, to, under, in respect of or derived from the Assigned Document;
- (c) if the Chargor is in breach of any of its obligations, express or implied, under the Assigned Document or if any event occurs which would permit us to terminate, cancel or surrender the Assigned Document we will:
 - (i) immediately on becoming aware of it, give you written notice of that breach; and
 - (ii) accept as an adequate remedy for that breach, performance by you of those obligations within 30 days of that notice;
- (d) we confirm that neither a waiver of any of the Chargor's rights, in, to, under, in respect of or derived from the Assigned Document nor an amendment, novation, *[for an Occupational Lease only: determination, acceptance of surrender, forfeiture,]* rescission or other termination by the Chargor of the Assigned Document shall be effective without your prior written consent; and
- (e) we confirm that we shall not exercise any right of combination, consolidation or set-off which we may have in respect of any debt owed to us by the Chargor and we shall send you copies of all statements, orders and notices given by us relating to that debt.

.....
[Name of other party]

By: [Name of signatory]

Dated:

Part 3
Notice of assignment of Insurance

[On relevant Chargor's notepaper]

To: *[Name and address of insurer]*

[Date]

Dear Sirs

Policy number [●]

We give you notice that by a Security Deed (the "**Security Deed**") dated [●] 2019 and entered into by us in favour of JPMorgan Chase Bank, N.A. (as Collateral Agent, as defined in the Security Deed), we have assigned all our rights in, to, under, in respect of or derived from the insurance policy, brief details of which are set out below (the "**Policy**"), and all monies which may be payable to or received by us under it.

Please note the following:

- (a) we irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary) to pay all monies payable by you to us under the Policy, including the proceeds of all claims, to such bank account as the Collateral Agent may from time to time specify in writing;
- (b) all of the powers, discretions, remedies and other rights which would, but for the Security Deed, be vested in us under and in respect of the Policy are exercisable by the Collateral Agent; and
- (c) we agree that:
 - (i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Collateral Agent's prior written consent; and
 - (ii) you are authorised to disclose any information in relation to the Policy to the Collateral Agent at the Collateral Agent's request.

Please acknowledge receipt of this notice, and confirm your agreement to it, by signing the acknowledgement on the enclosed copy letter and returning it to the Collateral Agent, at JP Morgan Chase Bank, N.A. at 500 Stanton Christiana Rd., 3/Ops2, Newark, DE 19713 marked for the attention of Jane Dreisbach.

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully

.....
[Name of relevant Chargor]
By: [Name of signatory]

Details of Policy

Name of insured: [●]

Nature of policy: [●]

Policy number: [●]

Expiry date: [●]

[On copy letter only:]

To: ***Collateral Agent***

We acknowledge receipt of a notice dated [●] 20[●] addressed to us by ***[Name of relevant Chargor]*** (the "**Chargor**") regarding the Policy (as defined in that notice).

We confirm that:

- (a) we consent to the assignment of the Policy and will comply with the terms of that notice;
- (b) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, any rights of the Chargor in, to, under, in respect of or derived from the Policy;
- (c) if the Chargor is in breach of any of its obligations, express or implied, under the Policy or if any event occurs which would permit us to terminate, cancel or surrender the Policy we will:
 - (i) immediately on becoming aware of it, give you written notice of that breach; and
 - (ii) accept as an adequate remedy for that breach, performance by you of those obligations within 30 days of that notice;
- (d) we confirm that neither a waiver of any of the Chargor's rights in, to, under, in respect of or derived from the Policy, nor an amendment, novation, rescission or other termination by the Chargor of the Policy, shall be effective without the prior written consent of the Collateral Agent; and
- (e) we confirm that we shall not exercise any right of combination, consolidation or set-off which we may have in respect of any debt owed to us by the Chargor and we shall send you copies of all statements, orders and notices given by us relating to that debt.

.....
[Name of insurer]

By: [Name of signatory]

Dated:

SCHEDULE 5
NOTICE OF CHARGE OF COLLECTION ACCOUNT

[On relevant Chargor's notepaper]

To: *[Name and address of account bank]*

[Date]

Dear Sirs

Collection Account number[s]: [●]

We refer to Collection Account number[s]: [●] (the "**Collection Account[s]**").

We give you notice that by a Deed (the "**Deed**") dated [●] 2019 and entered into by us in favour of JPMorgan Chase Bank, N.A. (as Collateral Agent, as defined in the Deed) we have charged all our rights in any credit balances on the Collection Account[s] (the "**Balances**") and the indebtedness represented by the Collection Account[s].

We irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary):

- (a) that all rights, interests and benefits whatsoever accruing to or arising from the Collection Account[s] or Balances shall be exercisable by and shall belong to the Collateral Agent. For the avoidance of doubt:
 - (i) we are not permitted to withdraw any amount from the Collection Account[s] without the prior written consent of the Collateral Agent;
 - (ii) all instructions related to monies held in the Collection Account[s] must be signed by one authorised signatory of the Collateral Agent set out in the following list:

Name	Position	Contact
Matthew Sparkes	Executive Director – ABL Origination	+44 207 742 9809
Kennedy Capin	Executive Director – ABL Origination	+44 207 742 8003
Eric Chibnik	US Operations manager	+1 312 732 6414
Alvin Lam	Executive Director – ABL Origination	+1 212 270 4699
Tina Ruyter	Executive Director, Special Credits Group	+1 212 270 4676

- (iii) no transfers of monies from the Collection Account[s] can be effected at any time without prior receipt of written instructions from the Collateral Agent in compliance with the terms of this notice;
- (b) to disclose to the Collateral Agent (without any reference to or further authority from us and without any enquiry by you as to the justification for the disclosure), any information relating to the Collection Account[s] which the Collateral Agent may, at any time and from time to time, request;
- (c) at any time and from time to time on receipt by you of any written instruction, including facsimile transmission or email, from the Collateral Agent, to release any amount of the Balances and to act in accordance with that instruction (without any reference to or further authority from us and without any enquiry by you as to the justification for the instruction or the validity of the same);
- (d) to comply with the terms of any written notice, statement or instruction in any way relating or purporting to relate to the Collection Account[s], the Balances or the indebtedness represented by it or them which you may receive at any time and from time to time from the Collateral Agent (without any reference to or further authority from us and without any enquiry by you as to the justification for the notice, statement or instruction or the validity of it);
- (e) that any existing payment instructions affecting the Collection Account[s] are to be terminated and all payments and communications in respect of the Collection Account[s] should be made only to the Collateral Agent; and
- (f) statements shall be supplied to both us and the Collateral Agent.

We agree that:

- (i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Collateral Agent's prior written consent; and
- (ii) you are authorised to disclose any information in relation to the Collection Account[s] to the Collateral Agent at the Collateral Agent's request.

Please note:

- (1) you may from time to time be instructed, by the Collateral Agent (provided at their discretion), to transfer any amounts standing to the credit of the Collection Account[s] to the following account (or such other account as the Collateral Agent may from time to time notify to you in writing):

Name of account: [●]

Number of account: [●]

Bank/Bank address: [●]

Sort code: [●]; and

- (2) you may be instructed by the Collateral Agent to set up an automatic direct debit transfer of any amounts standing to the credit of the Collection Account[s] on a daily basis to such account as the Collateral Agent may notify you in writing, including such an account in the name of the Collateral Agent.

Please acknowledge receipt of this notice, and confirm your agreement to it, by signing the acknowledgement on the enclosed copy letter and returning it to the Collateral Agent, at JP Morgan Chase Bank, N.A. at 500 Stanton Christiana Rd., 3/Ops2, Newark, DE 19713 marked for the attention of Jane Dreisbach.

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully

.....

[Name of Chargor]

By: [Name of signatory]

ACKNOWLEDGEMENT

To: Collateral Agent

We acknowledge receipt of a notice (the "**Notice**") dated [●] 2019 addressed to us by *[Name of Chargor]* (the "**Chargor**") regarding Collection Account number[s]: [●] (the "**Collection Account[s]**").

We confirm that:

- (a) we consent to the charge of the Collection Account[s] and will comply with the terms of the Notice;
- (b) there does not exist in our favour, and we undertake not to create, assert, claim or exercise, any mortgage, fixed or floating charge, assignment or other Lien of any kind or any agreement or arrangement having substantially the same economic or financial effect as any of the above (including any rights of counter-claim, rights of set-off or combination of accounts over or with respect to all or any part of the Collection Account[s] and/or the Balances (as defined in the Notice);
- (c) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Collection Account[s] or the Balances;
- (d) we undertake that, on our becoming aware at any time that any person other than the Collateral Agent has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of the Collection Account[s] or the Balances, we will immediately give written notice of that to the Collateral Agent;
- (e) no fees or periodic charges are payable in respect of the Collection Account[s] and/or Balances; and
- (f) we shall operate the Collection Account[s] in accordance with the terms set out in the Notice.

.....
for and on behalf of
[Name of account bank]
By: *[Name of signatory]*
Dated:

SCHEDULE 6
NOTICE OF CHARGE OF PAYMENT ACCOUNT

[On Chargor's notepaper]

To: *[Name and address of account bank]*

[Date]

Dear Sirs

Payment Account number[s]: [●]

We refer to Payment Account number[s]: [●] (the "**Payment Account[s]**").

We give you notice that by a Deed (the "**Deed**") dated [●] 2019 and entered into by us in favour of [●] (as Collateral Agent, as defined in the Deed) we have charged all our rights in any credit balances on the Payment Account[s] (the "**Balances**") and the indebtedness represented by the Payment Account[s].

We irrevocably and unconditionally instruct and authorise you (despite any previous instructions which we may have given to the contrary):

- (a) to disclose to the Collateral Agent (without any reference to or further authority from us and without any enquiry by you as to the justification for the disclosure), any information relating to the Payment Account[s] which the Collateral Agent may, at any time and from time to time, request;
- (b) at any time and from time to time on receipt by you of any written instruction from the Collateral Agent, to release any amount of the Balances and to act in accordance with that instruction (without any reference to or further authority from us and without any enquiry by you as to the justification for the instruction or the validity of the same);
- (c) to comply with the terms of any written notice, statement or instruction in any way relating or purporting to relate to the Payment Account[s], the Balances or the indebtedness represented by it or them which you may receive at any time and from time to time from the Collateral Agent (without any reference to or further authority from us and without any enquiry by you as to the justification for the notice, statement or instruction or the validity of it);
- (d) statements shall be supplied to both us and the Collateral Agent; and
- (e) following receipt of any instruction, notice or statement from the Collateral Agent pursuant to paragraphs (b) or (c) above, all rights, interests and benefits whatsoever accruing to or arising from the Payment Account[s] or Balances shall be exercisable by and shall belong to the Collateral Agent and shall not be exercisable by us.

We agree that:

- (i) none of the instructions, authorisations and confirmations in this notice can be revoked or varied in any way except with the Collateral Agent's prior written consent; and
- (ii) you are authorised to disclose any information in relation to the Payment Account[s] to the Collateral Agent at the Collateral Agent's request.

Please acknowledge receipt of this notice, and confirm your agreement to it, by signing the acknowledgement on the enclosed copy letter and returning it to the Collateral Agent, at JP Morgan Chase Bank, N.A. at 500 Stanton Christiana Rd., 3/Ops2, Newark, DE 19713 marked for the attention of Jane Dreisbach.

This letter is governed by, and shall be construed in accordance with, English law.

Yours faithfully

.....

[Name of Chargor]

By: *[Name of signatory]*

ACKNOWLEDGEMENT

To: Collateral Agent

We acknowledge receipt of a notice (the "**Notice**") dated [●] 201[●] addressed to us by *[Name of Chargor]* (the "**Chargor**") regarding Payment Account number[s]: [●] (the "**Payment Account[s]**").

We confirm that:

- (a) we consent to the charge of the Payment Account[s] and will comply with the terms of the Notice;
- (b) there does not exist in our favour, and we undertake not to create, assert, claim or exercise, any mortgage, fixed or floating charge, assignment or other Lien of any kind or any agreement or arrangement having substantially the same economic or financial effect as any of the above (including any rights of counter-claim, rights of set-off or combination of accounts) over or with respect to all or any part of the Payment Account[s] and/or the Balances (as defined in the Notice);
- (c) we have not, as at the date of this acknowledgement, received any notice that any third party has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of, the rights of the Chargor under or in respect of the Payment Account[s] or the Balances;
- (d) we undertake that, on our becoming aware at any time that any person other than the Collateral Agent has or will have any right in, or has made or will be making any claim or demand or taking any action in respect of the Payment Account[s] or the Balances, we will immediately give written notice of that to the Collateral Agent;
- (e) no fees or periodic charges are payable in respect of the Payment Account[s] and/or Balances; and
- (f) we shall operate the Payment Account[s] in accordance with the terms set out in the Notice.

.....
for and on behalf of
[Name of account bank]
By: *[Name of signatory]*
Dated:

**SCHEDULE 7
LOCATION OF INVENTORY**


Hexion UK Limited

1. Station Road
Cowie Stirling
FK7 7BQ
Scotland
2. Barry
Sully Moors Road
Sully
Vale of Glamorgan
CF64 5YU
3. Mill Hill
Northwest Industrial Estate
Peterlee, Co. Durham
SR8 2HR
4. Vitesse Rd & Speke Hall Rd
Liverpool MY
L24 9BB
5. Unit 28 Transpennine Trading E
Rochdale LSB
OL11 2QR


EXECUTION of the Deed:

THE CHARGORS


SIGNED as a deed by, *A.W.M. Meertens*,)
Director,)
duly authorised for and on behalf of)
HEXION UK HOLDING LIMITED in)
the presence of:)

Witness's signature: 

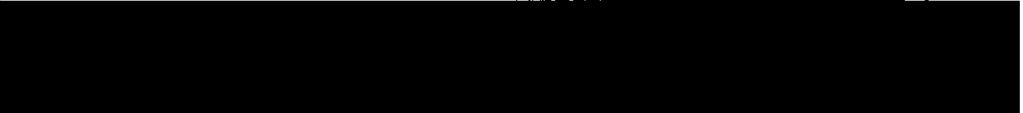
Witness's name
(in capitals): *M. BASTERS*

Witness's address: 

SIGNED as a deed by, *A.W.M. Meertens*,)
Director,)
duly authorised for and on behalf of)
HEXION UK LIMITED)
in the presence of:)

Witness's signature: 

Witness's name
(in capitals): *M. BASTERS*

Witness's address: 

THE COLLATERAL AGENT

SIGNED as a deed by
duly authorised for and on behalf of
JPMORGAN CHASE BANK, N.A.:

,)
)
)



Peter S. Predun
Executive Director