



Registration of a Charge

Company name: **PHAIDON INTERNATIONAL (UK) LTD**

Company number: **05134675**



X7CE1SBD

Received for Electronic Filing: **15/08/2018**

Details of Charge

Date of creation: **14/08/2018**

Charge code: **0513 4675 0011**

Persons entitled: **WELLS FARGO CAPITAL FINANCE (UK) LIMITED**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by: **MORGAN, LEWIS & BOCKIUS UK LLP**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5134675

Charge code: 0513 4675 0011

The Registrar of Companies for England and Wales hereby certifies that a charge dated 14th August 2018 and created by PHAIDON INTERNATIONAL (UK) LTD was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 15th August 2018 .

Given at Companies House, Cardiff on 17th August 2018

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

SECURITY AND PLEDGE AGREEMENT

This Agreement is entered into subject to the terms of the Intercreditor Agreement dated on or around the date of this Agreement.

THIS SECURITY AND PLEDGE AGREEMENT (this "Agreement") is entered into as of August 14th, 2018 among PHAIDON INTERNATIONAL (U.S.), INC., a New York corporation (the "Borrower"), the other parties identified as "Obligors" on the signature pages hereto and such other parties that may become Obligors hereunder after the date hereof (together with the Borrower, individually an "Obligor", and collectively the "Obligors") and WELLS FARGO CAPITAL FINANCE (UK) LIMITED, in its capacity as security trustee (in such capacity, the "Security Trustee") for the holders of the Secured Obligations (defined below).

RECITALS

WHEREAS, pursuant to that certain Facility Agreement, dated as of the date hereof (as amended, modified, supplemented, increased, extended, restated, renewed, refinanced or replaced from time to time, the "Facility Agreement") among the Borrower, the Guarantors identified therein, the Lenders identified therein and the Security Trustee, the Lenders have agreed to make Loans and may, following the date hereof, agree to issue L/Cs, in each case upon the terms and subject to the conditions set forth therein; and

WHEREAS, this Agreement is required by the terms of the Facility Agreement and the Lenders are entering into the Facility Agreement and making Loans thereunder in reliance on the terms of this Agreement.

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions.

(a) Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Facility Agreement or the Pinebridge Credit Agreement (defined below), and the following terms shall have the meanings set forth in Article 9 of the UCC (defined below): Accession, Account, Account Debtor, Adverse Claim, As-Extracted Collateral, Chattel Paper, Commercial Tort Claim, Consumer Goods, Deposit Account, Document, Electronic Chattel Paper, Equipment, Farm Products, Financial Asset, Fixtures, General Intangible, Goods, Instrument, Inventory, Investment Company Security, Investment Property, Letter-of-Credit Right, Manufactured Home, Money, Proceeds, Securities Account, Securities Intermediary, Security Entitlement, Security, Software, Supporting Obligation and Tangible Chattel Paper.

(b) In addition, the following terms shall have the meanings set forth below:

"Collateral" has the meaning provided in Section 2 hereof.

"Collection Account" means a Deposit Account of an Obligor which is used exclusively for deposits of collections and proceeds of Collateral and not as a disbursement or operating account upon which checks or other drafts may be drawn.

"Control Agreement" means a control agreement in form and substance reasonably satisfactory to the Security Trustee.

"Controlled Account" has the meaning specified therefor in Section 4(i) hereof.

"Controlled Account Agreements" means those certain cash management agreements, in form and substance reasonably satisfactory to the Security Trustee, each of which is executed and delivered by the Borrower, the Security Trustee, and one of the Controlled Account Banks.

"Controlled Account Bank" has the meaning specified therefor in Section 4(i) hereof.

"Copyright License" means any agreement, whether written or oral, providing for the grant by or to an Obligor of any right under any Copyright.

"Copyrights" means (a) all registered United States copyrights in all Works, now existing or hereafter created or acquired, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Copyright Office, and (b) all renewals thereof.

"Excluded Swap Obligation" means, with respect to any Obligor, any Swap Obligation if, and to the extent that, all or a portion of the guaranty of such Obligor of, or the grant by such Obligor of a security interest to secure, such Swap Obligation (or any guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Obligor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the guaranty of such Obligor or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guaranty or security interest is or becomes illegal.

"Patent License" means any agreement, whether written or oral, providing for the grant by or to an Obligor of any right to manufacture, use or sell any invention covered by a Patent.

"Patents" means (a) all letters patent of the United States or any other country and all reissues and extensions thereof, and (b) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof.

"Permitted Liens" means Permitted Security Interests and/or Permitted US Security Interests (each as defined in the Facility Agreement).

"Person" means any natural person, corporation, limited liability company, trust, joint venture association, company, partnership, Governmental Authority or other entity.

"Pinebridge Credit Agreement" means that certain credit agreement dated as of April 3, 2018 between, among others, Plato US Bidco LLC as borrower, Pinebridge Private Credit Agent LLC as agent, sole lead arranger and sole bookrunner and the lenders identified therein in the form as at the date of this Agreement.

"Secured Obligations" has the meaning set out in the Facility Agreement, provided that, anything to the contrary contained therein, the Secured Obligations shall exclude any Excluded Swap Obligations.

"Swap Obligation" means, with respect to any Obligor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"Trademark License" means any agreement, written or oral, providing for the grant by or to an Obligor of any right to use any Trademark.

"Trademarks" means (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and the goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof or any other country or any political subdivision thereof, or otherwise and (b) all renewals thereof.

"UCC" means the Uniform Commercial Code as in effect from time to time in the state of New York except as such term may be used in connection with the perfection of the Collateral and then the applicable jurisdiction with respect to such affected Collateral shall apply.

"Work" means any work that is subject to copyright protection pursuant to Title 17 of the United States Code.

2. Grant of Security Interest in the Collateral. To secure the prompt payment and performance in full when due, whether by lapse of time, acceleration, mandatory prepayment or otherwise, of the Secured Obligations, each Obligor hereby grants to the Security Trustee, for the benefit of the holders of the Secured Obligations, a continuing security interest in any and all right, title and interest of such Obligor in and to all of the following, whether now owned or existing or owned, acquired, or arising hereafter (collectively, the "Collateral"): (a) all Accounts; (b) all Chattel Paper; (c) those certain Commercial Tort Claims set forth on Schedule 2(c) hereto; (d) all Copyrights; (e) all Copyright Licenses; (f) all Deposit Accounts; (g) all Documents; (h) all Equipment; (i) all Fixtures; (j) all General Intangibles; (k) all Instruments; (l) all Inventory; (m) all Investment Property; (n) all Letter-of-Credit Rights; (o) all Money; (p) all Patents; (q) all Patent Licenses; (r) all Software; (s) all Supporting Obligations; (t) all Trademarks; (u) all Trademark Licenses; (v) all Securities Accounts; and (w) all Accessions and all Proceeds of any and all of the foregoing.

Notwithstanding anything to the contrary contained herein, the security interests granted under this Agreement shall not extend to any Excluded Property or Equity Interests.

The Obligors and the Security Trustee, on behalf of the holders of the Secured Obligations, hereby acknowledge and agree that the security interest created hereby in the Collateral (i) constitutes continuing collateral security for all of the Secured Obligations, whether now existing or hereafter arising and (ii) is not to be construed as an assignment of any Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks or Trademark Licenses.

3. Representations and Warranties. Each Obligor hereby represents and warrants to the Security Trustee, for the benefit of the holders of the Secured Obligations, that:

(a) Ownership. Each Obligor is the legal and beneficial owner of its interest in the Collateral and has the right to create a security interest in the Collateral in favor of the Security Trustee, in accordance with the terms and provisions of this Agreement.

(b) Security Interest/Priority. This Agreement creates a valid security interest in favor of the Security Trustee, for the benefit of the holders of the Secured Obligations, in the Collateral of such Obligor, to the extent such security interest may be created under the UCC, and, when properly perfected by filing a financing statement under the UCC, shall constitute a valid and perfected, security interest (subject to Permitted Liens and the Intercreditor Agreement), security interest in such Collateral, to the extent such security interest can be perfected by filing under the UCC, free and clear of all Liens except for Permitted Liens. The taking of possession in the United States by the Security Trustee of Instruments constituting Collateral will perfect and establish the Security Trustee's security interest in such Instruments, subject to Permitted Liens and the Intercreditor Agreement. With respect to any Collateral consisting of a Deposit Account, Securities Entitlement or held in a Securities Account, upon execution and delivery by the applicable Obligor, the applicable depository bank or Securities Intermediary and the Security Trustee of an agreement granting control to the Security Trustee over such Collateral, the Security Trustee shall have a valid and perfected, first priority (subject to Permitted Liens) security interest in such Collateral.

(c) Types of Collateral. None of the Collateral consists of, or is the Proceeds of, As-Extracted Collateral, Consumer Goods, Farm Products, Manufactured Homes or standing timber.

(d) Equipment and Inventory. With respect to any material portion of Equipment and/or Inventory of an Obligor, each such Obligor has exclusive possession and control of such Equipment and Inventory of such Obligor except for (i) Equipment leased by such Obligor as a lessee or (ii) Equipment or Inventory in transit with common carriers. No Inventory of an Obligor is held by a Person other than an Obligor pursuant to consignment, sale or return, sale on approval or similar arrangement.

(e) No Other Instruments, Etc. As of the date of this Agreement, no Obligor owns any Instruments, Documents, or Tangible Chattel Paper required to be pledged and delivered to the Security Trustee pursuant to Section 4(a)(i) of this Agreement other than as set forth on Schedule 3(c) hereto.

(f) Contracts; Agreements; Licenses. The Obligors have no Material Contracts which are non-assignable by their terms, or as a matter of law, or which prevent the granting of a security interest therein.

(g) Consents; Etc. Except for (A) the filing or recording of UCC financing statements, (B) the filing of appropriate notices with the United States Patent and Trademark Office and the United States Copyright Office, (C) obtaining control to perfect the Liens created by this Agreement (to the extent required under Section 4(a) hereof), and (D) consents, authorizations, filings or other actions which have been obtained or made, no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or Governmental Authority and no consent of any other Person (including, without limitation, any stockholder, member or creditor of such Obligor), is required for (x) the grant by such Obligor of the security interest in the Collateral granted hereby or for the execution, delivery or performance of this Agreement by such Obligor, (y) the perfection of such security interest (to the extent such security interest can be perfected by filing under the UCC, the granting of control (to the extent required under Section 4(a) hereof) or by filing an appropriate notice with the United States Patent and Trademark Office or the United States Copyright Office) or (z) the exercise by the Security Trustee or the holders of the Secured Obligations of the rights and remedies provided for in this Agreement.

(h) Commercial Tort Claims. As of the Closing Date, no Obligor has any Commercial Tort Claims seeking damages in excess of \$250,000 other than as set forth on Schedule 2(c) hereto.

(i) Copyrights, Patents and Trademarks.

(i) Each Copyright, Patent and Trademark of such Obligor is subsisting, unexpired, and has not been abandoned and is, to each Obligor's knowledge, valid and enforceable.

(ii) To the best of each Obligor's knowledge, no holding, decision or judgment has been rendered by any Governmental Authority that would limit, cancel or question the validity of any Copyright, Patent or Trademark of any Obligor.

(iii) No action or proceeding is pending seeking to limit, cancel or question the validity of any Copyright, Patent or Trademark of any Obligor, or that, if adversely determined, could reasonably be expected to have a Material Adverse Effect on the value of any Copyright, Patent or Trademark of any Obligor.

(iv) All applications pertaining to the Copyrights, Patents and Trademarks of each Obligor have been duly and properly filed in all material respects, and all registrations or letters pertaining to such Copyrights, Patents and Trademarks have been duly and properly filed and issued in all material respects.

(v) No Obligor has made any assignment or agreement in conflict with the security interest in the Copyrights, Patents or Trademarks of any Obligor hereunder other than as permitted by the Facility Agreement.

(j) Deposit Accounts/Securities Accounts. As of the Closing Date:

(i) Set forth on Schedule 3(i)(i) hereto is a list identifying each Deposit Account of each Obligor (including, in each case, the institution where such account is maintained, the account number and the purpose of such account).

(ii) Set forth on Schedule 3(j)(ii) hereto is a list identifying each Securities Account of each Obligor (including, in each case, the institution where such account is maintained, the account number and the purpose of such account).

4. Covenants. Each Obligor covenants that until such time as the Secured Obligations have been paid in full and the Commitments have expired or been terminated, such Obligor shall:

(a) Instruments/Chattel Paper/Control.

(i) If any amount in excess of \$100,000 payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument or Tangible Chattel Paper, or if any property constituting Collateral shall be stored or shipped subject to a Document, ensure that such Instrument, Tangible Chattel Paper or Document is either in the possession or control of such Obligor or its agents at all times or, if requested by the Security Trustee to perfect its security interest in such Collateral, is delivered to the Security Trustee duly endorsed in a manner satisfactory to the Security Trustee. Such Obligor shall ensure that any Collateral consisting of Tangible Chattel Paper relating to an amount payable in excess of \$100,000 is marked with a legend acceptable to the Security Trustee indicating the Security Trustee's security interest in such Tangible Chattel Paper.

(ii) Execute and deliver all agreements, assignments, instruments or other documents as reasonably requested by the Security Trustee for the purpose of obtaining and maintaining control within the meaning of the UCC with respect to any Collateral consisting of (i) Deposit Accounts or Securities Accounts (in each case, in accordance with Section 4(h) or 4(i)) (as applicable), (ii) Investment Property, (iii) Letter-of-Credit Rights and (iv) Electronic Chattel Paper.

(b) Filing of Financing Statements, Notices, etc. Execute and deliver to the Security Trustee such agreements, assignments or instruments (including affidavits, notices, reaffirmations and amendments and restatements of existing documents) and do all such other things as the Security Trustee may reasonably deem necessary or appropriate (i) to assure to the Security Trustee its security interests hereunder, including (A) such instruments as the Security Trustee may from time to time reasonably request in order to perfect and maintain the security interests granted hereunder in accordance with the UCC, (B) with regard to Copyrights registered with the United States Copyright Office and all applications for Copyrights filed with the United States Copyright Office, a Notice of Grant of Security Interest in Copyrights in the form of Exhibit 4(b)(iii), (C) with regard to Patents issued with the United States Patent and Trademark Office and all applications for Patents filed with the United States Patent and Trademark Office, a Notice of Grant of Security Interest in Patents for filing with the United States Patent and Trademark Office in the form of Exhibit 4(b)(i) hereto and (D) with regard to Trademarks registered with the United States Patent and Trademark Office and all applications for Trademarks filed with the United States Patent and Trademark Office, a Notice of Grant of Security Interest in Trademarks for filing with the United States Patent and Trademark Office in the form of Exhibit 4(b)(ii) hereto, (ii) to consummate the transactions contemplated hereby and (iii) to otherwise protect and assure the Security Trustee of its rights and interests hereunder. Furthermore, each Obligor also hereby irrevocably makes, constitutes and appoints the Security Trustee, its nominee or any other person whom the Security Trustee may designate, as such Obligor's attorney in fact with full power and for the limited purpose to sign in the name of such Obligor any financing statements, or amendments and supplements to financing statements, renewal financing statements, notices or any similar documents which in the Security Trustee's reasonable discretion would be necessary or appropriate in order to perfect and maintain perfection of the security interests granted hereunder, such power, being coupled with an interest, being and remaining irrevocable until such time as the Secured Obligations arising under the Finance Documents have been paid in full and the Commitments have expired or been terminated. Each Obligor hereby agrees that a carbon, photographic or other reproduction of this Agreement or any such financing statement is sufficient for filing as a financing statement by the Security Trustee without notice thereof to such Obligor wherever the Security Trustee may in its sole discretion desire to file the same.

(c) Change in Corporate Structure or Location. Not, without providing 10 days' prior written notice to the Security Trustee, change its registered legal name, change its state of organization, be party to a merger or consolidation or change its organizational existence.

(d) Collateral Held by Warehouseman, Bailee, etc. If any Collateral with an aggregate value of \$100,000 or more is at any time in the possession or control of a warehouseman, bailee or any agent or processor of such Obligor and the Security Trustee so requests (i) notify such Person in writing of the Security Trustee's security interest therein, (ii) instruct such Person to hold all such Collateral for the Security Trustee's account and subject to the Security Trustee's instructions and (iii) use reasonable best efforts to obtain a written acknowledgment from such Person that it is holding such Collateral for the benefit of the Security Trustee.

(e) Commercial Tort Claims. (i) Promptly forward to the Security Trustee an updated Schedule 2(c) listing any and all Commercial Tort Claims by or in favor of such Obligor seeking damages in excess of \$250,000 and (ii) execute and deliver such statements, documents and notices and do and cause to be done all such things as may reasonably be required by the Security Trustee, or required by Law to create, preserve, perfect and maintain the Security Trustee's security interest in any Commercial Tort Claims initiated by or in favor of any Obligor seeking damages in excess of \$250,000.

(f) Nature of Collateral. At all times maintain the Collateral as personal property and not affix any of the Collateral to any real property in a manner which would change its nature from personal property to real property or a Fixture to real property, unless the Security Trustee shall have a perfected Lien on such Fixture or real property.

(g) Intellectual Property.

(i) Not do any act or omit to do any act whereby any material Copyright may become invalidated and (A) not do any act, or omit to do any act, whereby any material Copyright may become injected into the public domain; (B) notify the Security Trustee immediately if it knows that any material Copyright may become injected into the public domain or of any materially adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any court or tribunal in the United States or any other country) regarding an Obligor's ownership of any such Copyright or its validity; (C) take all necessary steps as it shall deem appropriate under the circumstances, to maintain and pursue each application (and to obtain the relevant registration) of each material Copyright owned by an Obligor and to maintain each registration of each material Copyright owned by an Obligor including, without limitation, filing of applications for renewal where necessary; and (D) promptly notify the Security Trustee of any material infringement of any material Copyright of an Obligor of which it becomes aware and take such actions as it shall reasonably deem appropriate under the circumstances to protect such Copyright, including, where appropriate, the bringing of suit for infringement, seeking injunctive relief and seeking to recover any and all damages for such infringement.

(ii) Not make any assignment or agreement in conflict with the security interest in the Copyrights of each Obligor hereunder (except as permitted by the Facility Agreement).

(iii) (A) Continue to use each material Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for non-use; (B) maintain as in the past the quality of products and services offered under such Trademark; (C) employ such Trademark with the appropriate notice of registration, if applicable; (D) not adopt or use any mark that is confusingly similar or a colorable imitation of such Trademark unless the Security Trustee, for the ratable benefit of the holders of the Secured Obligations, shall obtain a perfected security interest in such mark pursuant to this Agreement; and (E) not (and not permit any licensee or sublicensee thereof to) do any act or omit to do any act whereby any such Trademark may become invalidated.

(iv) Not do any act, or omit to do any act, whereby any material Patent may become abandoned or dedicated.

(v) Notify the Security Trustee and the holders of the Secured Obligations immediately if it knows that any application or registration relating to any material Patent or Trademark may become abandoned or dedicated, or of any materially adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office or any court or tribunal in any country) regarding such Obligor ownership of any Patent or Trademark or its right to register the same or to keep and maintain the same.

(vi) Take all reasonable and necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office, or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of each material Patent and Trademark, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability.

(vii) Promptly notify the Security Trustee and the holders of the Secured Obligations after it learns that any material Patent or Trademark included in the Collateral is infringed, misappropriated or diluted by a third party and promptly sue for infringement, misappropriation or dilution, to seek injunctive relief where appropriate and to recover any and all damages for such infringement, misappropriation or dilution, or to take such other actions as it shall reasonably deem appropriate under the circumstances to protect such Patent or Trademark.

(viii) Not make any assignment or agreement in conflict with the security interest in the Patents or Trademarks of each Obligor hereunder (except as permitted by the Facility Agreement).

Notwithstanding the foregoing, the Obligors may, in their reasonable business judgment, fail to maintain, pursue, preserve or protect any Copyright, Patent or Trademark which is not material to their businesses.

(h) Control Agreements

(i) Each Obligor shall obtain an authenticated Control Agreement (which may include a Controlled Account Agreement), from each bank maintaining a Deposit Account held by a US Obligor or otherwise held at a depository bank in the United States, (other than (i) any Deposit Account holding exclusively funds held on behalf of third parties (other than another Obligor) or (ii) any Deposit Account with respect to which the Security Trustee and the Borrower agree in writing that the costs or other consequences of obtaining a Control Agreement are excessive in light of the benefits to be obtained by the Secured Parties therefrom), within 30 days (or such longer period agreed to by the Security Trustee) of opening such Deposit Account, or, in the case of an Acquisition, the date of consummation of such Acquisition;

(ii) Each Obligor shall obtain an authenticated Control Agreement, from each securities intermediary, or commodities intermediary issuing or holding any financial assets or commodities to or for any Obligor, or maintaining a Securities Account for such Obligor, within 30 days (or such longer period agreed to by the Security Trustee) of opening such Securities Account, or, in the case of an Acquisition, the date of consummation of such Acquisition; and

(iii) Each Obligor shall obtain an authenticated Control Agreement with respect to all of such Obligor's investment property, within 30 days (or such longer period agreed to by the Security Trustee) of acquisition of such investment property.

(i) Controlled Accounts:

(i) The Borrower shall (A) establish and maintain cash management services of a type and on terms reasonably satisfactory to the Security Trustee at Wells Fargo or one of its Affiliates or one or more of the other banks set forth on Schedule 4(i) (each a "Controlled Account Bank"), and shall take reasonable steps to ensure that all of its Account Debtors forward payment of the amounts owed by them directly to a Collection Account at such Controlled Account Bank (each, a "Controlled Account") (by wire transfer to the applicable Controlled Account Bank or to a lockbox maintained by the applicable Controlled Account Bank for deposit into such Collection Account), and (B) deposit or cause to be deposited promptly, and in any event no later than the first Business Day after the date of receipt thereof, all of its Collections (including those sent directly by its Account Debtors to the Borrower) and proceeds of Collateral into a Controlled Account;

(ii) The Borrower shall establish and maintain Controlled Account Agreements with the Security Trustee and the applicable Controlled Account Bank, in form and substance reasonably acceptable to the Security Trustee. Each such Controlled Account Agreement shall provide, among other things, that (A) the Controlled Account Bank will comply with any instructions originated by the Security Trustee directing the disposition of the funds in each applicable Controlled Account without further consent by the Borrower; (B) the Controlled Account Bank waives, subordinates, or agrees not to exercise any rights of setoff or recoupment or any other claim against each applicable Controlled Account other than for payment of its service fees and other charges directly related to the administration of such Controlled Account and for returned checks or other items of payment, and (C) upon the instruction of the Security Trustee (an "Activation Instruction"), the Controlled Account Bank will forward by daily sweep all amounts in each applicable Controlled Account to an account specified by the Security Trustee. The Security Trustee agrees not to issue an Activation Instruction with respect to the Controlled Accounts unless an Event of Default has occurred and is continuing at the time such Activation Instruction is issued. The Security Trustee agrees to use commercially reasonable efforts to rescind an Activation Instruction (the "Rescission") if: (1) the Event of Default upon which such Activation Instruction was issued has been waived in writing in accordance with the terms of the Facility Agreement, and (2) no additional Event of Default has occurred and is continuing prior to the date of the Rescission or is reasonably expected to occur on or immediately after the date of the Rescission; and

(iii) So long as no Default or Event of Default has occurred and is continuing or would result therefrom, the Borrower may amend Schedule 4(i) to add or replace a Controlled Account Bank or Controlled Account and shall upon such addition or replacement provide to the Security Trustee an amended Schedule 4(i); provided, that (A) such prospective Controlled Account Bank shall be reasonably satisfactory to the Security Trustee, and (B) the Borrower and such prospective Controlled Account Bank shall execute and deliver to the Security Trustee a Controlled Account Agreement. The Borrower shall close any of its Controlled Accounts (and establish replacement Controlled Account accounts in accordance with the foregoing sentence) as promptly as practicable and in any event within 45 days after notice from the Security Trustee that the operating performance, funds transfer, or availability procedures or performance of the Controlled Account Bank

with respect to Controlled Account Accounts or the Security Trustee's liability under any Controlled Account Agreement with such Controlled Account Bank is no longer acceptable in the Security Trustee's reasonable judgment.

5. Authorization to File Financing Statements. Each Obligor hereby authorizes the Security Trustee to prepare and file such financing statements (including continuation statements) or amendments thereof or supplements thereto or other instruments as the Security Trustee may from time to time deem necessary or appropriate in order to perfect and maintain the security interests granted hereunder in accordance with the UCC (including authorization to describe the Collateral as "all personal property", "all assets" or words of similar meaning).

6. Advances. On failure of any Obligor to perform any of the covenants and agreements contained herein, the Security Trustee may, at its sole option and in its sole discretion, perform the same and in so doing may expend such sums as the Security Trustee may reasonably deem advisable in the performance thereof, including, without limitation, the payment of any insurance premiums, the payment of any taxes, a payment to obtain a release of a Lien or potential Lien, expenditures made in defending against any adverse claim and all other expenditures which the Security Trustee may make for the protection of the security hereof or which may be compelled to make by operation of Law. All such sums and amounts so expended shall be repayable by the Obligors on a joint and several basis promptly upon timely notice thereof and demand therefor, shall constitute additional Secured Obligations and, shall bear interest from the date said amounts are expended at the applicable interest rate then in effect under the Facility Agreement. No such performance of any covenant or agreement by the Security Trustee on behalf of any Obligor, and no such advance or expenditure therefor, shall relieve the Obligors of any Default or Event of Default. The Security Trustee may make any payment hereby authorized in accordance with any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax lien, title or claim except to the extent such payment is being contested in good faith by an Obligor in appropriate proceedings and against which adequate reserves are being maintained in accordance with GAAP.

7. Remedies.

(a) General Remedies. Upon the occurrence of an Event of Default and during continuation thereof, the Security Trustee shall have, in addition to the rights and remedies provided herein, in the Finance Documents, in any other documents relating to the Secured Obligations, or by Law (including, but not limited to, levy of attachment, garnishment and the rights and remedies set forth in the UCC of the jurisdiction applicable to the affected Collateral), the rights and remedies of a secured party under the UCC (regardless of whether the UCC is the law of the jurisdiction where the rights and remedies are asserted and regardless of whether the UCC applies to the affected Collateral), and further, the Security Trustee may, with or without judicial process or the aid and assistance of others, (i) enter on any premises on which any of the Collateral may be located and, without resistance or interference by the Obligors, take possession of the Collateral, (ii) dispose of any Collateral on any such premises, (iii) require the Obligors to assemble and make available to the Security Trustee at the expense of the Obligors any Collateral at any place and time designated by the Security Trustee which is reasonably convenient to both parties, (iv) remove any Collateral from any such premises for the purpose of effecting sale or other disposition thereof, and/or (v) without demand and without advertisement, notice, hearing or process of law, all of which each of the Obligors hereby waives to the fullest extent permitted by Law, at any place and time or times, sell and deliver any or all Collateral held by or for it at public or private sale, at any exchange or broker's board or elsewhere, by one or more contracts, in one or more parcels, for Money, upon credit or otherwise, at such prices and upon such terms as the Security Trustee deems

advisable, in its sole discretion (subject to any and all mandatory legal requirements). Each Obligor acknowledges that any such private sale may be at prices and on terms less favorable to the seller than the prices and other terms which might have been obtained at a public sale and, notwithstanding the foregoing, agrees that such private sale shall be deemed to have been made in a commercially reasonable manner. Neither the Security Trustee's compliance with applicable Law nor its disclaimer of warranties relating to the Collateral shall be considered to adversely affect the commercial reasonableness of any sale. To the extent the rights of notice cannot be legally waived hereunder, each Obligor agrees that any requirement of reasonable notice shall be met if such notice, specifying the place of any public sale or the time after which any private sale is to be made, is personally served on or mailed, postage prepaid, to the Borrower in accordance with the notice provisions of Clause 35 (*Notices*) of the Facility Agreement at least 10 days before the time of sale or other event giving rise to the requirement of such notice. The Security Trustee may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. The Security Trustee shall not be obligated to make any sale or other disposition of the Collateral regardless of notice having been given. To the extent permitted by applicable Law, any holder of Secured Obligations may be a purchaser at any such sale. To the extent permitted by applicable Law, each of the Obligors hereby waives all of its rights of redemption with respect to any such sale. Subject to the provisions of applicable Law, the Security Trustee may postpone or cause the postponement of the sale of all or any portion of the Collateral by announcement at the time and place of such sale, and such sale may, without further notice, to the extent permitted by Law, be made at the time and place to which the sale was postponed, or the Security Trustee may further postpone such sale by announcement made at such time and place.

(b) Remedies Relating to Accounts. During the continuation of an Event of Default, the Security Trustee may, in addition to other rights and remedies provided for herein, in the other Finance Documents, or otherwise available to it under applicable law and without the requirement of notice to or upon any Obligor or any other Person (which notice is hereby expressly waived to the maximum extent permitted by the UCC or any other applicable law), (i) with respect to any Obligor's Deposit Accounts in which the Security Trustee's Liens are perfected by control under Section 9-104 of the UCC, instruct the bank maintaining such Deposit Account for the applicable Obligor to pay the balance of such Deposit Account to or for the benefit of the Security Trustee, and (ii) with respect to any Obligor's Securities Accounts in which the Security Trustee's Liens are perfected by control under Section 9-106 of the UCC, instruct the securities intermediary maintaining such Securities Account for the applicable Obligor to (A) transfer any cash in such Securities Account to or for the benefit of the Security Trustee, or (B) liquidate any financial assets in such Securities Account that are customarily sold on a recognized market and transfer the cash proceeds thereof to or for the benefit of the Security Trustee.

(c) Deposit Accounts. Upon the occurrence of an Event of Default and during continuation thereof, the Security Trustee may prevent withdrawals or other dispositions of funds in Deposit Accounts maintained with the Security Trustee.

(d) Access. In addition to the rights and remedies hereunder, upon the occurrence of an Event of Default and during the continuance thereof, the Security Trustee shall have the right to enter and remain upon the various premises of the Obligors without cost or charge to the Security Trustee, and use the same, together with materials, supplies, books and records of the Obligors for the purpose of collecting and liquidating the Collateral, or for preparing for sale and conducting the sale of the Collateral, whether by foreclosure, auction or otherwise. In addition, the Security Trustee may remove Collateral, or any part thereof, from such premises and/or any records with respect thereto, in order to effectively collect or liquidate such Collateral.

(e) Nonexclusive Nature of Remedies. Failure by the Security Trustee or the holders of the Secured Obligations to exercise any right, remedy or option under this Agreement, any other Finance Document, any other document relating to the Secured Obligations, or as provided by Law, or any delay by the Security Trustee or the holders of the Secured Obligations in exercising the same, shall not operate as a waiver of any such right, remedy or option. No waiver hereunder shall be effective unless it is in writing, signed by the party against whom such waiver is sought to be enforced and then only to the extent specifically stated, which in the case of the Security Trustee or the holders of the Secured Obligations shall only be granted as provided herein. To the extent permitted by Law, neither the Security Trustee, the holders of the Secured Obligations, nor any party acting as attorney for the Security Trustee or the holders of the Secured Obligations, shall be liable hereunder for any acts or omissions or for any error of judgment or mistake of fact or law other than their gross negligence or willful misconduct hereunder. The rights and remedies of the Security Trustee and the holders of the Secured Obligations under this Agreement shall be cumulative and not exclusive of any other right or remedy which the Security Trustee or the holders of the Secured Obligations may have.

(f) Retention of Collateral. In addition to the rights and remedies hereunder, the Security Trustee may, in compliance with Sections 9-620 and 9-621 of the UCC or otherwise complying with the requirements of applicable Law of the relevant jurisdiction, accept or retain the Collateral in satisfaction of the Secured Obligations. Unless and until the Security Trustee shall have provided such notices, however, the Security Trustee shall not be deemed to have retained any Collateral in satisfaction of any Secured Obligations for any reason.

(g) Deficiency. In the event that the proceeds of any sale, collection or realization are insufficient to pay all amounts to which the Security Trustee or the holders of the Secured Obligations are legally entitled, the Obligors shall be jointly and severally liable for the deficiency, together with interest thereon at the default rate determined in accordance with Clause 12.3 (*Default Interest*) of the Facility Agreement, together with the costs of collection and the fees, charges and disbursements of counsel, in each case, to the extent required pursuant to Clause 18 (*Costs and Expenses*) of the Facility Agreement. Any surplus remaining after the full payment and satisfaction of the Secured Obligations shall be returned to the Obligors or to whomsoever a court of competent jurisdiction shall determine to be entitled thereto.

8. Rights of the Security Trustee.

(a) Power of Attorney. In addition to other powers of attorney contained herein, each Obligor hereby designates and appoints the Security Trustee, on behalf of the holders of the Secured Obligations, and each of its designees or agents, as attorney-in-fact of such Obligor, irrevocably and with power of substitution, with authority to take any or all of the following actions upon the occurrence and during the continuance of an Event of Default:

- (i) to demand, collect, settle, compromise, adjust, give discharges and releases, all as the Security Trustee may reasonably determine;
- (ii) to commence and prosecute any actions at any court for the purposes of collecting any Collateral and enforcing any other right in respect thereof;
- (iii) to defend, settle or compromise any action brought and, in connection therewith, give such discharge or release as the Security Trustee may deem reasonably appropriate;

(iv) receive, open and dispose of mail addressed to an Obligor and endorse checks, notes, drafts, acceptances, money orders, bills of lading, warehouse receipts or other instruments or documents evidencing payment, shipment or storage of the goods giving rise to the Collateral of such Obligor on behalf of and in the name of such Obligor, or securing, or relating to such Collateral;

(v) sell, assign, transfer, make any agreement in respect of, or otherwise deal with or exercise rights in respect of, any Collateral or the goods or services which have given rise thereto, as fully and completely as though the Security Trustee were the absolute owner thereof for all purposes;

(vi) adjust and settle claims under any insurance policy relating thereto;

(vii) execute and deliver all assignments, conveyances, statements, financing statements, renewal financing statements, security agreements, affidavits, notices and other agreements, instruments and documents that the Security Trustee may determine necessary in order to perfect and maintain the security interests and liens granted in this Agreement and in order to fully consummate all of the transactions contemplated therein;

(viii) institute any foreclosure proceedings that the Security Trustee may deem appropriate;

(ix) to sign and endorse any drafts, assignments, proxies, verifications, notices and other documents relating to the Collateral;

(x) to pay or discharge taxes, liens, security interests or other encumbrances levied or placed on or threatened against the Collateral;

(xi) to direct any parties liable for any payment in connection with any of the Collateral to make payment of any and all monies due and to become due thereunder directly to the Security Trustee or as the Security Trustee shall direct;

(xii) to receive payment of and receipt for any and all monies, claims, and other amounts due and to become due at any time in respect of or arising out of any Collateral; and

(xiii) do and perform all such other acts and things as the Security Trustee may reasonably deem to be necessary, proper or convenient in connection with the Collateral.

This power of attorney is a power coupled with an interest and shall be irrevocable until such time as the Secured Obligations arising under the Finance Documents have been paid in full and the Commitments have expired or been terminated. The Security Trustee shall be under no duty to exercise or withhold the exercise of any of the rights, powers, privileges and options expressly or implicitly granted to the Security Trustee in this Agreement, and shall not be liable for any failure to do so or any delay in doing so. The Security Trustee shall not be liable for any act or omission or for any error of judgment or any mistake of fact or law in its individual capacity or its capacity as attorney-in-fact except acts or omissions resulting from its gross negligence or willful misconduct. This power of attorney is conferred on the Security Trustee solely to protect, preserve and realize upon its security interest in the Collateral.

(b) Assignment by the Security Trustee. The Security Trustee may from time to time assign the Secured Obligations to a successor Security Trustee appointed in accordance with the Facility Agreement, and such successor shall be entitled to all of the rights and remedies of the Security Trustee under this Agreement in relation thereto.

(c) The Security Trustee's Duty of Care. Other than the exercise of reasonable care to assure the safe custody of the Collateral while being held by the Security Trustee hereunder, the Security Trustee shall have no duty or liability to preserve rights pertaining thereto, it being understood and agreed that the Obligors shall be responsible for preservation of all rights in the Collateral, and the Security Trustee shall be relieved of all responsibility for the Collateral upon surrendering it or tendering the surrender of it to the Obligors. The Security Trustee shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which the Security Trustee accords its own property, which shall be no less than the treatment employed by a reasonable and prudent agent in the industry, it being understood that the Security Trustee shall not have responsibility for taking any necessary steps to preserve rights against any parties with respect to any of the Collateral. In the event of a public or private sale of Collateral pursuant to Section 7 hereof, the Security Trustee shall have no responsibility for (i) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Collateral, whether or not the Security Trustee has or is deemed to have knowledge of such matters, or (ii) taking any steps to clean, repair or otherwise prepare the Collateral for sale.

(d) Liability with Respect to Accounts. Anything herein to the contrary notwithstanding, each of the Obligors shall remain liable under each of the Accounts to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to each such Account. Neither the Security Trustee nor any holder of Secured Obligations shall have any obligation or liability under any Account (or any agreement giving rise thereto) by reason of or arising out of this Agreement or the receipt by the Security Trustee or any holder of Secured Obligations of any payment relating to such Account pursuant hereto, nor shall the Security Trustee or any holder of Secured Obligations be obligated in any manner to perform any of the obligations of an Obligor under or pursuant to any Account (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any agreement giving rise thereto), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(e) Collection of Accounts and Chattel Paper. At any time upon the occurrence and during the continuance of an Event of Default, the Security Trustee or the Security Trustee's designee may (a) make direct verification from Account Debtors with respect to any or all Accounts that are part of the Collateral, (b) notify Account Debtors of any Obligor that the Accounts or Chattel Paper of such Obligor have been assigned to the Security Trustee, for the benefit of the Secured Parties, or that the Security Trustee has a security interest therein, or (c) collect the Accounts or Chattel Paper of any Obligor directly, and any collection costs and expenses shall constitute part of such Obligor's Secured Obligations under the Finance Documents.

(f) Releases of Collateral. If any Collateral shall be sold, transferred or otherwise disposed of by any Obligor in a transaction permitted by the Facility Agreement, then the Security Trustee, at the request and sole expense of such Obligor, shall promptly execute and deliver to such Obligor all releases and other documents, and take such other action, reasonably necessary for the release of the Liens created hereby or by any other Collateral Document on such Collateral.

9. Each Obligor Remains Liable. Anything herein to the contrary notwithstanding, each Obligor shall remain liable under all other contracts, agreements and instruments included in, giving rise to, creating, establishing, evidencing or relating to the Collateral to the extent set forth therein to perform all of its duties and obligations to the same extent as if this Agreement had not been executed. The exercise by the Security Trustee of any of its rights hereunder shall not release any Obligor from any of its duties or obligations under such contracts, agreements or instruments, and, except for compliance with the terms of any license to IP Rights included within the Collateral, neither the Security Trustee nor any Lender shall have any obligation or liability under any such contract, agreement or instrument by reason of this Agreement, nor shall the Security Trustee nor any Lender be obligated to perform any of the obligations or duties of any Obligor thereunder or to take any action to collect or enforce any claim for payment or other right or privilege assigned to the Security Trustee hereunder.

10. Application of Proceeds. Upon the acceleration pursuant to Clause 24.14 (*Acceleration*) of the Facility Agreement, any payments in respect of the Secured Obligations and any proceeds of the Collateral, when received by the Security Trustee or any holder of the Secured Obligations in Money, will be applied in reduction of the Secured Obligations in accordance with Clause 10.3 (*Revision of Order of Application*) of the Facility Agreement.

11. Continuing Agreement.

(a) This Agreement shall remain in full force and effect until such time as the Secured Obligations arising under the Finance Documents have been paid in full and the Commitments have expired or been terminated, at which time this Agreement shall be automatically terminated and the Security Trustee shall, upon the request and at the expense of the Obligors, forthwith release all of its liens and security interests hereunder and shall execute and deliver all UCC termination statements and/or other documents reasonably requested by the Obligors evidencing such termination and return to the Obligors all Collateral in its possession.

(b) This Agreement shall continue to be effective or be automatically reinstated, as the case may be, if at any time payment, in whole or in part, of any of the Secured Obligations is rescinded or must otherwise be restored or returned by the Security Trustee or any holder of the Secured Obligations as a preference, fraudulent conveyance or otherwise under any Debtor Relief Law, all as though such payment had not been made; provided that in the event payment of all or any part of the Secured Obligations is rescinded or must be restored or returned, all reasonable costs and expenses (including without limitation any reasonable legal fees and disbursements) incurred by the Security Trustee or any holder of the Secured Obligations in defending and enforcing such reinstatement shall be deemed to be included as a part of the Secured Obligations, subject to the limitations set forth in Clause 18 (*Costs and Expenses*) of the Facility Agreement.

12. Amendments; Waivers; Modifications, etc. This Agreement and the provisions hereof may not be amended, waived, modified, changed, discharged or terminated except as set forth in Clause 22 (*Amendments and Waivers*) of the Facility Agreement; provided that any update or revision to Schedule 2(c) hereof delivered by any Obligor shall not constitute an amendment for purposes of this Section 12 or Clause 22 (*Amendments and Waivers*) of the Facility Agreement.

13. Successors in Interest. This Agreement shall be binding upon each Obligor, its successors and assigns and shall inure, together with the rights and remedies of the Security Trustee and the holders of the Secured Obligations hereunder, to the benefit of the Security Trustee and the holders of the Secured Obligations and their successors and permitted assigns.

14. Notices. All notices required or permitted to be given under this Agreement shall be in conformance with Clause 35 (*Notices*) of the Facility Agreement.

15. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Delivery of executed counterparts of this Agreement by facsimile or other electronic means shall be effective as an original.

16. Headings. The headings of the sections hereof are provided for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

17. Governing Law; Submission to Jurisdiction; Venue; WAIVER OF JURY TRIAL.

(a) THE VALIDITY OF THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO, AND ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(b) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE CITY AND COUNTY OF NEW YORK, STATE OF NEW YORK; PROVIDED, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT SECURITY TRUSTEE'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE THE SECURITY TRUSTEE ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH OBLIGOR AND THE SECURITY TRUSTEE WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 17(b).

(c) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OBLIGOR AND THE SECURITY TRUSTEE HEREBY WAIVE THEIR RESPECTIVE RIGHTS, IF ANY, TO A JURY TRIAL OF ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS (EACH A "CLAIM"). EACH OBLIGOR AND THE SECURITY TRUSTEE REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(d) EACH OBLIGOR HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE CITY AND COUNTY OF NEW YORK AND THE STATE OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH OF THE PARTIES

HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AGAINST ANY OBLIGOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(e) NO CLAIM MAY BE MADE BY ANY OBLIGOR AGAINST THE SECURITY TRUSTEE, ANY L/C ISSUER, ANY SECURED PARTY OR ANY AFFILIATE, DIRECTOR, OFFICER, EMPLOYEE, COUNSEL, REPRESENTATIVE, AGENT, OR ATTORNEY-IN-FACT OF ANY OF THEM FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION HERewith, AND EACH OBLIGOR HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.

18. Severability. If any provision of this Agreement is determined to be illegal, invalid or unenforceable, such provision shall be fully severable and the remaining provisions shall remain in full force and effect and shall be construed without giving effect to the illegal, invalid or unenforceable provisions.

19. Entirety. This Agreement, the other Finance Documents and the other documents relating to the Secured Obligations represent the entire agreement of the parties hereto and thereto, and supersede all prior agreements and understandings, oral or written, and any contemporaneous oral agreements and understandings, if any, including any commitment letters or correspondence relating to the Finance Documents, any other documents relating to the Secured Obligations, or the transactions contemplated herein and therein.

20. Other Security. To the extent that any of the Secured Obligations are now or hereafter secured by property other than the Collateral (including, without limitation, real property and securities owned by an Obligor), or by a guarantee, endorsement or property of any other Person, then the Security Trustee shall have the right to proceed against such other property, guarantee or endorsement upon the occurrence of any Event of Default, and the Security Trustee shall have the right, in its sole discretion, to determine which rights, security, liens, security interests or remedies the Security Trustee shall at any time pursue, relinquish, subordinate, modify or take with respect thereto, without in any way modifying or affecting any of them or the Secured Obligations or any of the rights of the Security Trustee or the holders of the Secured Obligations under this Agreement, under any other of the Finance Documents or under any other document relating to the Secured Obligations.


21. Joinder. At any time after the date of this Agreement, one or more additional Persons may become party hereto by executing and delivering to the Security Trustee a Joinder Agreement. Immediately upon such execution and delivery of such Joinder Agreement (and without any further action), each such additional Person will become a party to this Agreement as an "Obligor" and have all of the rights and obligations of an Obligor hereunder and this Agreement and the schedules hereto shall be deemed amended by such Joinder Agreement.

22. Rights of Majority Lenders. All rights of the Security Trustee hereunder, if not exercised by the Security Trustee, may be exercised by the Majority Lenders.[remainder of page intentionally left blank]

Each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

OBLIGORS:


PHAIDON INTERNATIONAL (US) HOLDINGS, INC.

By: 
Name: J. Simpson
Title: CEO


PHAIDON INTERNATIONAL (U.S.), INC.

By: 
Name: J. Simpson
Title: CEO


PHAIDON GROUP HOLDINGS LIMITED

By: 
Name: J. Simpson
Title: CEO


PHAIDON INTERMEDIARY HOLDINGS LIMITED

By: 
Name: J. Simpson
Title: CEO


PHAIDON INTERNATIONAL HOLDINGS LIMITED

By: 
Name: J. Simpson
Title: CEO


PHAIDON HOLDINGS LIMITED

By: 
Name: J. Simpson
Title: CEO


PHADON INTERNATIONAL (CONTRACTS)
LIMITED

By: 
Name: J. Smith
Title: CAO


PHADON INTERNATIONAL (UK) LIMITED

By: 
Name: J. Smith
Title: CAO

PHADON INTERNATIONAL (OVERSEAS)
LIMITED

By: 
Name: J. Smith
Title: CAO

PHADON UK OVERSEAS LIMITED

By: 
Name: J. Smith
Title: CAO

Accepted and agreed to as of the date first above written.

WELLS FARGO CAPITAL FINANCE (UK) LIMITED, as Security Trustee

By: _____
Name: _____
Title: _____

**PHAIDON INTERNATIONAL (CONTRACTS)
LIMITED**

By: _____
Name: _____
Title: _____

PHAIDON INTERNATIONAL (UK) LIMITED

By: _____
Name: _____
Title: _____

**PHAIDON INTERNATIONAL (OVERSEAS)
LIMITED**

By: _____
Name: _____
Title: _____

PHAIDON UK OVERSEAS LIMITED

By: _____
Name: _____
Title: _____

Accepted and agreed to as of the date first above written.

WELLS FARGO CAPITAL FINANCE (UK) LIMITED, as Security Trustee:

By: _____
Name: S J CHAIT
Title: MANAGING DIRECTOR

SCHEDULE 2(c)

COMMERCIAL TORT CLAIMS

None.

SCHEDULE 3(e)

INSTRUMENTS; DOCUMENTS; TANGIBLE CHATTEL PAPER

None.

SCHEDULE 3(f)(i) and 3(f)(ii)

DEPOSIT ACCOUNTS AND SECURITIES ACCOUNTS

Obligor	Institution (Name and Location)	Name of Account	Account #	Account Purpose
Phaidon International US Inc.	HSBC	Phaidon International US Inc.	[REDACTED]	Current Account USD

SCHEDULE 4(j)

CONTROLLED ACCOUNT BANKS

HSBC

EXHIBIT 4(b)(i)

NOTICE

OF

GRANT OF SECURITY INTEREST

IN

PATENTS

United States Patent and Trademark Office

Ladies and Gentlemen:

Please be advised that pursuant to the Security and Pledge Agreement dated as of _____, 2018 (as the same may be amended, modified, extended or restated from time to time, the "Agreement") by and among the Obligors party thereto (each an "Obligor" and collectively, the "Obligors") and Wells Fargo Capital Finance (UK) Limited, as security trustee (the "Security Trustee") for the holders of the Secured Obligations referenced therein, the undersigned Obligor has granted a continuing security interest in and a right to set off against the patents and patent applications shown below to the Security Trustee for the ratable benefit of the holders of the Secured Obligations:

PATENTS

<u>Patent No.</u>	<u>Description of Patent Item</u>	<u>Date of Patent</u>
-------------------	---------------------------------------	-----------------------

See Schedule I attached hereto

PATENT APPLICATIONS

<u>Patent Applications No.</u>	<u>Description of Patent Applied for</u>	<u>Date of Patent Applications</u>
--------------------------------	--	--

See Schedule I attached hereto

The undersigned Obligor and the Security Trustee, on behalf of the holders of the Secured Obligations, hereby acknowledge and agree that the security interest in the foregoing patents and patent applications (i) may only be terminated in accordance with the terms of the Agreement and (ii) is not to be construed as an assignment of any patent or patent application.

Very truly yours,

[Obligor]

By: _____
Name: _____
Title: _____

Acknowledged and Accepted:

WELLS FARGO CAPITAL FINANCE (UK) LIMITED, as Security Trustee

By: _____
Name: _____
Title: _____

EXHIBIT 4(b)(ii)

NOTICE

OF

GRANT OF SECURITY INTEREST

IN

TRADEMARKS

United States Patent and Trademark Office

Ladies and Gentlemen:

Please be advised that pursuant to the Security and Pledge Agreement dated as of _____, 2018 (as the same may be amended, modified, extended or restated from time to time, the "Agreement") by and among the Obligors party thereto (each an "Obligor" and collectively, the "Obligors") and Wells Fargo Capital Finance (UK) Limited, as Security Trustee (the "Security Trustee") for the holders of the Secured Obligations referenced therein, the undersigned Obligor has granted a continuing security interest in and a right to set off against the trademarks and trademark applications shown below to the Security Trustee for the ratable benefit of the holders of the Secured Obligations:

TRADEMARKS

<u>Trademark No.</u>	<u>Description of Trademark Item</u>	<u>Date of Trademark</u>
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See Schedule 1 attached hereto.

TRADEMARK APPLICATIONS

<u>Trademark Applications No.</u>	<u>Description of Trademark Applied for</u>	<u>Date of Trademark Applications</u>
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See Schedule 1 attached hereto.

The undersigned Obligor and the Security Trustee, on behalf of the holders of the Secured Obligations, hereby acknowledge and agree that the security interest in the foregoing trademarks and trademark applications (i) may only be terminated in accordance with the terms of the Agreement and (ii) is not to be construed as an assignment of any trademark or trademark application.

Very truly yours,

[Obligor]

By: _____
Name: _____
Title: _____

Acknowledged and Accepted:

WELLS FARGO CAPITAL FINANCE (UK) LIMITED, as Security Trustee

By: _____
Name: _____
Title: _____

EXHIBIT 4(b)(iii)

NOTICE

OF

GRANT OF SECURITY INTEREST

IN

COPYRIGHTS

United States Copyright Office

Ladies and Gentlemen:

Please be advised that pursuant to the Security and Pledge Agreement dated as of _____, 2018 (as the same may be amended, modified, extended or restated from time to time, the "Agreement") by and among the Obligors party thereto (each an "Obligor" and collectively, the "Obligors") and Wells Fargo Capital Finance (UK) Limited, as security trustee (the "Security Trustee") for the holders of the Secured Obligations referenced therein, the undersigned Obligor has granted a continuing security interest in and a right to set off against the copyrights and copyright applications shown below to the Security Trustee for the ratable benefit of the holders of the Secured Obligations:

COPYRIGHTS

<u>Copyright No.</u>	<u>Description of Copyright Item</u>	<u>Date of Copyright</u>
	See <u>Schedule 1</u> attached hereto	

COPYRIGHT APPLICATIONS

<u>Copyright Applications No.</u>	<u>Description of Copyright Applied for</u>	<u>Date of Copyright Applications</u>
	See <u>Schedule 1</u> attached hereto	

The undersigned Obligor and the Security Trustee, on behalf of the holders of the Secured Obligations, hereby acknowledge and agree that the security interest in the foregoing copyrights and copyright applications (i) may only be terminated in accordance with the terms of the Agreement and (ii) is not to be construed as an assignment of any copyright or copyright application.

Very truly yours,

[Obligor]

By: _____
Name: _____
Title: _____

Acknowledged and Accepted:

WELLS FARGO CAPITAL FINANCE (UK) LIMITED, as Security Trustee

By: _____
Name: _____
Title: _____