

MR01

Particulars of a charge



Companies House

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Please see 'How to pay

☒ **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
instrument. Use form M



A10
19/06/2017
COMPANIES HOUSE
#87

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

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

1 Company details

Company number 0 8 1 4 4 5 9 2 ✓
Company name in full K K S. (Stainless Steel) Co Limited ✓

For official use
→ **Filing in this form**
Please complete in typescript or in
bold black capitals.
All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date d 0 5 m 0 6 y 2 0 y 1 7 ✓

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 U S. BANK NATIONAL ASSOCIATION (as "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

THERE IS A FIXED CHARGE IN PLACE OVER MATERIAL REAL ESTATE AND FUTURE MATERIAL REAL ESTATE WILL BE SUBJECT TO FIXED SECURITY. ADDITIONALLY, THE COMPANY IS REQUIRED TO REGISTER THE INTEREST OF THE COLLATERAL AGENT IN ANY FUTURE INTELLECTUAL PROPERTY RIGHTS WHICH ARE MATERIAL TO THE CONDUCT OF THE COMPANY'S BUSINESS

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 Winston + Strawn London LLP X

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

MRO1

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 Daniela Cohen

Company name Winston & Strawn London LLP

Address CityPoint, One Ropemaker Street

Post town London

Country/Region

Postcode E C 2 Y 9 A W

Country United Kingdom

DX

Telephone +44 20 7011 8700



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: 8144592

Charge code: 0814 4592 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 5th June 2017 and created by K.K.S. (STAINLESS STEEL) CO. LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 19th June 2017.

Given at Companies House, Cardiff on 28th June 2017



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

EXECUTION VERSION

Dated 5 June 2017

I certify that, except as those parts redacted in accordance with s 859G Companies Act 2006, this copy instrument is a true and accurate copy of the original instrument

A.M. Castle Metals UK Limited

E. Harding & Sons Limited

Castle Metals UK Limited

K.K.S. (Stainless Steel) Co. Limited

LOKS Plasma Services Limited

Tiernay Metals Limited

as Obligors

and

U.S. BANK NATIONAL ASSOCIATION

as Collateral Agent

Winston + Strawn London LLP
Daniela Cohen
Associate
Winston & Strawn London LLP
Citypoint
One Ropemaker Street
London
EC2Y 9AW

DEBENTURE CREATING

FIXED AND FLOATING CHARGES

This debenture is subject to the terms of the Intercreditor Agreements

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THIS DEBENTURE is made on 5 June 2017

PARTIES:

- (1) **EACH COMPANY** listed on the execution pages of this Deed as an Obligor (the "Obligors"), and
- (2) **U.S. BANK NATIONAL ASSOCIATION** as security trustee for the Secured Parties on the terms and conditions set out in the Intercreditor Agreements (as defined below) (the "Collateral Agent")

RECITALS:

- (A) On 21 February 2017, the Obligors have acceded to the First Lien Credit Agreement as guarantors and granted the First Lien Debenture in favour of the First Lien Agent
- (B) It is a requirement under the Junior Lien Documents that upon the inclusion of the Obligors as guarantors under the First Lien Credit Agreement and the granting and perfecting of the First Lien Debenture, the Company will cause the inclusion of the Obligors as guarantors under the Junior Lien Documents and the entry into, and granting and perfecting of security interests in the assets of the Obligors in favour of the Collateral Agent for the benefit of the Secured Parties.
- (C) The parties have entered into this Deed acknowledging (i) the relative priority of the security interests of the First Lien Agent and the Collateral Agent in the assets and properties of the Obligors and (ii) the sharing, in accordance with such priorities, of proceeds of such assets and properties upon any enforcement thereof or other disposition thereof, in each case pursuant to the Intercreditor Agreements.

IT IS AGREED as follows

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Terms defined in the Senior Intercreditor Agreement shall, unless otherwise defined in this Deed, have the same meaning when used in this Deed and in addition

"Account Bank" means any financial institution with whom an Account is opened or maintained

"Accounts" means all bank accounts (including, the accounts referred to in Schedule 4), opened or maintained by an Obligor with any financial institution, including all credit balances and the debts represented by those credit balances from time to time on such accounts, accrued but unpaid interest and all Related Rights

"Charged Property" means all Real Property which is a Material Real Estate Asset in which an Obligor has an interest (including any right to acquire or right of use or occupation) from time to time

"Company" means A M Castle & Co., a corporation organised under the laws of the State of Maryland.

"Delegate" means a delegate or sub-delegate appointed pursuant to Clause 20.2 (*Delegation*).

"Derived Assets" means any shares, stock or other assets which accrue or are offered, issued, paid or distributed at any time (by way of bonus, rights issue, redemption, reduction, conversion, exchange, substitution, consolidation, subdivision, preference, warrant, option, purchase, dividend or otherwise) in respect of any Investments

"Dissolution" means any corporate action, legal proceedings or other procedure or step taken in relation to:

- (a) the suspension of payments, a moratorium of any Indebtedness, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise),
- (b) any composition, compromise, assignment or arrangement with any of its creditors,
- (c) the appointment of any liquidator, receiver, administrative receiver, compulsory manager or other similar officer in respect of it or the commencement of legal proceedings to wind up an Obligor without the prior written consent of the Collateral Agent; or
- (d) the enforcement of any security interest over any of its assets,

or any analogous procedure or step taken in any jurisdiction.

"Excluded Assets" has the meaning given to it in the Second Lien Security Agreement in respect of any Excluded Assets of an Obligor, which, for the avoidance of doubt, shall include rights under any contracts, leases or other instruments that contain a valid and enforceable prohibition on assignment of such rights (other than to the extent that any such prohibition would be rendered ineffective pursuant to any applicable law or principles of equity), but only for so long as such prohibition exists and is effective and valid.

"First Lien Credit Agreement" means the \$112 million credit and guaranty agreement dated 8 December 2016 made between the Company and Total Plastics, Inc. (as borrowers), A.M. Castle & Co. (Canada) Inc., HY-Alloy Steels Company, Keystone Service, Inc., and Keystone Tube Company, LLC (as original guarantors), various lenders and and Cantor Fitzgerald Securities (as administrative agent and collateral agent)

"First Lien Debenture" means the debenture dated 21 February 2017 made between the Obligors and Cantor Fitzgerald Securities (as collateral agent) in connection with the First Lien Credit Agreement

"Group" means the Company and its Subsidiaries for the time being

"Indenture" means the indenture dated as of 8 February 2016, by and among the Company, the other grantors party thereto, the Trustee and the Collateral Agent

"Insurance Policy" means any policy of insurance, insurance or indemnity (including those policies referred to in Schedule 5 (*Insurance Policies*) but excluding any third party liability policy) in which an Obligor may from time to time have an interest (to the extent of its interest) together with all Related Rights.

"Insurance Rights" means all amounts payable to an Obligor under or in connection with an Insurance Policy and all rights of any Obligor in connection with those amounts

"Intellectual Property Rights" means:

- (a) the intellectual property rights described in Schedule 6 (*Intellectual Property Rights*); and
- (b) all other rights in know-how, patents, designs, utility models, copyrights, trade marks, service marks, trade and business names or signs, domain names, topographical or similar rights, any data base or know-how or any confidential information anywhere in, and any other associated or similar (in nature or effect) rights anywhere in the world,

in each case whether registered or not, and including all applications for registration of any of them and rights to apply for them in any part of the world and all rights (including by way of licence) in, and other rights to use, any of them, and in each case, together with all Related Rights

"Intercreditor Agreements" means the Junior Intercreditor Agreement and the Senior Intercreditor Agreement.

"Investments" means

- (a) all of the shares described in Schedule 3 (*Shares*);
- (b) any equity securities including shares and stock;
- (c) any debt securities and other forms of instrument giving rise to or acknowledging Indebtedness including bonds, notes, certificates of deposit, depositary receipts, loan stock and debenture stock,
- (d) all interests in collective investment schemes, and

- (e) all warrants, options and other rights to subscribe, purchase, call for delivery or otherwise acquire any investments of a type described in the foregoing paragraphs,

and includes each Obligor's rights in or in respect of and claims relating to Investments of a type specified in (a) to (d) above (and whether or not on a fungible basis), including any rights or claims against any trustee, nominee, depository, intermediary, fiduciary, custodian or clearance or settlement system and all Related Rights

"Junior Intercreditor Agreement" means the amended and restated intercreditor agreement between the Junior Lien Collateral Agents dated as of 19 May 2016.

"LPA 1925" means the Law of Property Act 1925

"Material Adverse Effect" has the meaning given to it in the Second Lien Security Agreement

"Material Contract" means, collectively, any contract or agreement for which breach, non-performance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect, which, for the avoidance of doubt, shall include any Relevant Contract listed in Schedule 7 (*Relevant Contracts*)

"Material Real Estate Asset" means any real property other than real property that constitutes an Excluded Asset.

"Permitted Disposals" means any disposition permitted pursuant to the Indenture.

"Pledge and Security Agreement" means the pledge and security agreement between the Company, the other grantors listed therein and U S Bank National Association dated as of 8 December 2016.

"Real Property" freehold, leasehold or other immoveable property together with any buildings and fixtures (including construction work in progress), fittings and fixed plant, machinery and equipment situated on or forming part of any such property and including all Related Rights

"Receivables" means any debts and monetary claims owing to an Obligor, including any such claims relating to or derived from any Intellectual Property, any Investments, any Relevant Contracts or any Insurance Policy, in each case together with any proceeds of such debts and monetary claims and all Related Rights

"Receiver" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Security Assets

"Related Rights" means, in relation to any asset.

- (a) the proceeds of sale or other disposal of any part of that asset;

- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset,
- (c) all other assets and rights at any time receivable or distributable in respect of, or in exchange for, that asset,
- (d) the benefit of all rights in respect of or appurtenant to that asset (including, the benefit of all claims, distributions, covenants for title, warranties, guarantees, indemnities and security interests), and
- (e) any moneys and proceeds paid or payable in respect of that asset,

and (to the extent not included in paragraphs (a) to (e) above), in relation to Investments, includes all Derived Assets and all cash dividends, interest and other sums paid or payable in respect of any Investments

"Relevant Contracts" means the contracts and agreements specified in Schedule 7 (*Relevant Contracts*) and any contract or agreement to which an Obligor is a party from time to time or in which an Obligor otherwise has an interest, together with all Related Rights

"Secured Obligations" means all and each of the Second Lien Debt and the New Convertible Notes Debt

"Secured Parties" means the Second Lien Secured Parties and the New Convertible Notes Secured Parties

"Security" means the security interests constituted or expressed to be constituted in favour of the Collateral Agent by or pursuant to this Deed provided, as of any date of determination, the term "Security" shall not include any asset that is an Excluded Asset as of such date

"Security Assets" means all the assets which from time to time are the subject of the Security

"Security Rights" means all rights of the Collateral Agent or any Receiver or Delegate provided by or pursuant to this Deed or by law in respect of the subject matter of this Deed

"Senior Intercreditor Agreement" means the amended and restated intercreditor agreement between, among others, the Senior Collateral Agent, the Collateral Agent and the Senior Secured Notes Collateral Agent dated as of 8 February 2016

"Subsidiary" means a subsidiary within the meaning of section 1159 of the Companies Act 2006

"Tangible Moveable Property" means any plant, machinery, office equipment, computers, vehicles and other chattels (excluding any for the time being forming part of any Obligor's stock in trade).

- (a) referred to in Schedule 2 (*Tangible Moveable Property*); or
- (b) in which any Obligor may have an interest from time to time,

in each case, together with all Related Rights

"**Triggering Event**" means the declaration or occurrence (as applicable) of an acceleration of the maturity of all or any portion of the Junior Lien Debt pursuant to Section 6 (*Defaults and Remedies*) of the Indenture or Section 6 (*Defaults and Remedies*) of the New Convertible Notes Indenture.

"**Trustee**" means U S. Bank National Association, in its capacity as indenture trustee under the Indenture.

1.2 Construction of Particular Terms

Unless a contrary intention appears in this Deed, references to the Senior Intercreditor Agreement shall be construed as references to this Deed and

- (a) "**assets**" includes properties, revenues and rights of every kind, present, future and contingent and whether tangible or intangible,
- (b) "**authorisation**" or "**consent**" shall be construed as including any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration,
- (c) a "**company**" includes any company, corporation or other body corporate, wherever and however incorporated or established,
- (d) "**this Deed**" or any other agreement or instrument is a reference to this Deed or other agreement or instrument as it may have been amended, supplemented, replaced or novated from time to time and includes a reference to any document which amends, supplements, replaces, novates or is entered into, made or given pursuant to or in accordance with any of the terms of this Deed or, as the case may be, the relevant deed, agreement or instrument;
- (e) "**law**" includes any present or future common or customary law, principles of equity and any constitution, decree, judgment, decision, legislation, statute, order, ordinance, regulation, bye-law or other legislative measure in any jurisdiction or any present or future official directive, regulation, guideline, request, rule, code of practice, treaty or requirement (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the general practice of a Person to whom the directive, regulation, guideline, request, rule, code of practice, treaty or requirement is intended to apply) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

- (f) **"qualified Person"** means a Person who, under the Insolvency Act 1986, is qualified to act as a receiver of the property of any company with respect to which he is appointed or an administrative receiver of any such company,
- (g) **"rights"** includes all rights, title, benefits, powers, privileges, interests, claims, authorities, discretions, remedies, liberties, easements, quasi easements and appurtenances (in each case, of every kind, present, future and contingent), and
- (h) **"security"** includes any mortgage, charge, pledge, lien, security assignment, hypothecation or trust arrangement for the purpose of providing security and any other encumbrance or security interest of any kind having the effect of securing any obligation of any Person (including the deposit of moneys or property with a Person with the intention of affording such Person a right of lien, set-off, combination or counter-claim) and any other agreement or any other type of arrangement having a similar effect (including any "flawed-asset" or "hold back" arrangement) and **"security interest"** shall be construed accordingly.

1.3 Interpretation of this Deed

- (a) Unless a contrary indication appears, a reference to any party or Person shall be construed as including its and any subsequent successors in title, permitted transferees and permitted assigns, in each case in accordance with their respective interests
- (b) Unless a contrary indication appears, a reference to a time of day shall be construed as referring to London time.
- (c) The terms "include", "includes" and "including" shall be construed without limitation.
- (d) References in this Deed to any Clause or Schedule shall be to a clause or schedule contained in this Deed
- (e) Clause and Schedule headings are for ease of reference only and shall be ignored in construing this Deed
- (f) Unless a contrary indication appears, references to any provision of any law are to be construed as referring to that provision as it may have been, or may from time to time be, amended or re enacted, and as referring to all bye laws, instruments, orders, decrees, ordinances and regulations for the time being made under or deriving validity from that provision
- (g) The terms of the other Junior Lien Documents and any side letters or agreements between the Parties in relation to any Junior Lien Document are incorporated in this Deed to the extent required for any contract for the disposition of an interest in land (as defined in section 2(6) of the Law of Property (Miscellaneous Provisions) Act 1989)

contained in this Deed to be a valid agreement in accordance with section 2(1) of that Act.

1.4 Third Party Rights

- (a) Save as otherwise provided in this Deed, a Person who is not a party to this Deed 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) Notwithstanding any term of this Deed, the consent of any Person who is not a party is not required to rescind or vary this Deed at any time
- (c) Any Receiver or Delegate may, subject to this Clause 1.4 and the Contracts (Rights of Third Parties) Act 1999, rely on any Clause of this Deed which expressly confers rights on it

2. PAYMENT OF SECURED OBLIGATIONS

2.1 Covenant to Pay

Each Obligor shall pay and discharge the Secured Obligations in accordance with the Junior Lien Documents or, as the case may be, this Deed.

2.2 Interest on Demands

If any Obligor fails to pay any sum payable by it pursuant to this Deed on its due date, interest shall accrue on the overdue amount from the due date until the date of actual payment (both before and after judgment) calculated on a daily basis at the rate determined in accordance with Section 2.12 (*Defaulted Interest*) and Section 4.01 (*Payment of Notes*) of the Indenture and Section 11.02 (*Defaulted Interest*) of the New Convertible Notes Indenture

3. FIXED CHARGES, ASSIGNMENTS AND FLOATING CHARGE

3.1 Fixed Charges

Subject to the First Lien Debenture, as continuing security for the full and punctual payment, performance and discharge of the Secured Obligations, with full title guarantee and free of any security interest, each Obligor charges all its right, title and interest from time to time in and to each of the following assets in favour of the Collateral Agent for itself and for the rateable benefit of the Secured Parties (but excluding, however, any asset that is an Excluded Asset).

- (a) all Charged Property, by way of first fixed charge,
- (b) the Tangible Moveable Property (which is not mortgaged or charged by paragraph (a)) by way of first fixed charge;

- (c) the Investments by way of first fixed charge,
- (d) the Accounts by way of first fixed charge;
- (e) the Insurance Rights by way of first fixed charge;
- (f) the Relevant Contracts, by way of first fixed charge;
- (g) the Receivables (other than any claims which are otherwise subject to a fixed charge or assignment (at law or in equity) pursuant to this Deed) by way of first fixed charge,
- (h) the Intellectual Property Rights by way of first fixed charge;
- (i) all goodwill and rights in relation to the uncalled capital of each Obligor by way of first fixed charge, and
- (j) other assets subject to fixed security

3.2 Assignments

Subject to the First Lien Debenture, as continuing security for the full and punctual payment, performance and discharge of the Secured Obligations, with full title guarantee and free of any security interest, each Obligor assigns absolutely all its right, title and interest from time to time in and to each of the Material Contracts in favour of the Collateral Agent for itself and for the rateable benefit of the Secured Parties

3.3 Floating Charge

- (a) Subject to the First Lien Debenture, as continuing security for the full and punctual payment, performance and discharge of the Secured Obligations, with full title guarantee and free of any security interest, each Obligor charges by way of first floating charge all its present and future assets, property, business, undertaking and uncalled capital together with all Related Rights, which are not at any time effectively charged by virtue of Clause 3.1 (*Fixed Charges*) or effectively assigned by virtue of Clause 3.2 (*Assignments*), in favour of the Collateral Agent for itself and for the rateable benefit of the Secured Parties
- (b) Subject to the First Lien Debenture, this floating charge shall be without prejudice to and shall rank behind all fixed Security but shall rank in priority to any other security interest created by an Obligor after the date of this Deed
- (c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by this Deed

3.4 Certain Limited Exclusions

Notwithstanding anything herein to the contrary, in no event shall the

- (a) Security granted under Clause 3 hereof apply to Excluded Assets, or
- (b) the Obligors be required to grant or perfect Security under this Deed to the extent the Collateral Agent has determined in its sole discretion that the cost or other consequence of obtaining such Security or perfection thereof are excessive in relation to the value afforded thereby

4. CRYSTALLISATION OF FLOATING CHARGE

4.1 Crystallisation by Notice

The Collateral Agent may at any time by notice in writing to the Obligors convert the floating charge created by Clause 3.3 (*Floating Charge*) with immediate effect into a fixed charge as regards any property or assets specified in the notice (which, in the case of paragraph (b) below and for the avoidance of doubt, shall be limited to the Security Assets which the Collateral Agent (as directed by the Trustee or the requisite Holders in accordance with the Indenture) reasonably considers are in danger of being seized or sold pursuant to any form of legal process or otherwise in jeopardy) if

- (a) a Triggering Event has occurred, or
- (b) the Collateral Agent (as directed by the Trustee or the requisite Holders in accordance with the Indenture) reasonably considers that any of the Security Assets 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 (as directed by the Trustee or the requisite Holders in accordance with the Indenture) reasonably considers that it is desirable in order to protect the priority of the Security

4.2 Automatic Crystallisation

Notwithstanding Clause 4.1 (*Crystallisation by Notice*) and without prejudice to any law which may have a similar effect, the floating charge will automatically and immediately be converted into a fixed charge (i) in the cases of paragraphs (a) and (c) below, as regards all the Security Assets subject to the floating charge and (ii) in the case of paragraph (b) below, as regards the relevant Security Assets, if:

- (a) any Obligor creates or attempts to create or permits to subsist any security interest (other than as permitted under the Junior Lien Documents) affecting any of the Security Assets without the prior consent of the Collateral Agent; or

- (b) any Person levies or attempts to levy any distress, attachment, execution or other process against any of the Security Assets; or
- (c) an administrator is appointed in respect of an Obligor or a Dissolution occurs in relation to an Obligor.

5. GENERAL UNDERTAKINGS

5.1 Negative Pledge

No Obligor shall, without the prior consent in writing of the Collateral Agent, create or permit to subsist any security interest over all or any part of the Security Assets other than the First Lien Debenture or as permitted under the Junior Lien Documents

5.2 No Disposal

No Obligor shall, without the prior consent in writing of the Collateral Agent, enter into a single transaction or series of transactions (whether related or not) and whether voluntary or involuntary to sell, transfer, assign, lease, licence or otherwise dispose of any interest in a Security Asset other than Permitted Disposals

5.3 Preservation of Security Assets

Except (i) for restrictions and limitations imposed by the Junior Lien Documents and (ii) as permitted by any Junior Lien Document

- (a) No Obligor shall take or permit any action which is reasonably likely to materially diminish the value or otherwise depreciate, impair or prejudice any Security Asset or the Security Rights to a material extent
- (b) Each Obligor shall keep or cause to be kept all of the material Security Assets in good repair, working order and condition (save as to ordinary wear and tear).
- (c) Each Obligor shall punctually pay, as they become due, all debts and liabilities which by law would have priority over all or any part of the Secured Obligations, except to the extent the validity thereof is being contested in good faith
- (d) Each Obligor shall not fix or permit the affixing of any of the Security Assets to any real property which is not itself a Security Asset.

5.4 Information and Access

- (a) Each Obligor shall from time to time on request of the Collateral Agent (as directed by the Trustee or the requisite Holders in accordance with the Indenture), provide the Collateral Agent with such information as the Collateral Agent may reasonably require

about the relevant Obligor's business and affairs, the Security Assets and its compliance with the terms of this Deed.

- (b) The Collateral Agent (as directed by the Trustee or the requisite Holders in accordance with the Indenture) shall have rights of inspection and identification with respect to the books, records, audits, correspondence and all other documents relating to the Security Assets as permitted under Section 4(a) of the Second Lien Security Agreement
- (c) Each Obligor shall, upon such Obligor or any officer of such Obligor obtaining knowledge thereof, promptly notify the Collateral Agent in writing of any event that may have a Material Adverse Effect on the value of any material portion of the Security Assets, the ability of any Obligor or the Collateral Agent to dispose of any material portion of the Security Assets, the rights and remedies of the Collateral Agent in relation thereto, including, without limitation, the levy of any legal process against any material portion of the Security Assets

6. REAL PROPERTY

6.1 Future Real Property

- (a) Each Obligor shall promptly notify the Collateral Agent of any contract, conveyance, transfer or other disposition for the acquisition by an Obligor (or its nominee(s)) of any Real Property which is a Material Real Estate Asset
- (b) Each Obligor shall, in respect of any estate or interest in Real Property which is a Material Real Estate Asset acquired by it after the date of this Deed, and to the extent the Collateral Agent has determined (as directed by the Trustee or the requisite Holders in accordance with the Indenture) that the cost or other consequence of obtaining such Security or perfection thereof are not excessive in relation to the value afforded thereby.
 - (i) execute and deliver, or procure that there is executed, and delivered to the Collateral Agent, one of the following.
 - (A) if such estate or interest relates to Real Property in England or Wales, a legal mortgage in the form required by the Collateral Agent (as directed by the Trustee or the requisite Holders in accordance with the Indenture) which will be supplemental to and on the terms and conditions of this Deed;
 - (B) if such estate or interest relates to Real Property outside England and Wales, an instrument appropriate to create a similar security interest in that jurisdiction containing such terms and conditions as the Collateral Agent (as directed by

the Trustee or the requisite Holders in accordance with the Indenture) may reasonably require,

in each case to secure the payment and discharge of the Secured Obligations (and pending execution of any such security documents the relevant Obligor shall hold all its estate and interest in the relevant Real Property upon trust for the Collateral Agent, as security for the Secured Obligations) and subject to any legal mortgage or a similar security interest (as applicable) over such Real Property held by the First Lien Agent,

(ii) if title to such estate or interest is (either before or after its acquisition) registered or required to be registered under the Land Registration Act 2002:

(A) notify the Collateral Agent of the title number as soon as it is available, and

(B) apply to H M Land Registry for each of the following to be entered on the register of the title to such estate or interest registered under the Land Registration Act 2002

(A) a restriction in the following terms

"No disposition of the registered estate (other than a charge) by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date] in favour of [chargee] referred to in the charges register [(or their conveyancer or specify appropriate details)] ",

(B) a notice of the floating charge created by this Deed,

(C) a notice of any Junior Lien Lenders' obligation under the Junior Lien Documents to make further advances to the Obligors (which obligation shall be deemed to be incorporated into this Deed as if set out in this Deed), and

(D) in relation to any leasehold property, if so required by the Collateral Agent, notify the landlord as soon as reasonably practicable of such leasehold property, and use commercially reasonable efforts to obtain, written confirmation (in a form reasonably satisfactory to the

Collateral Agent (as directed by the Trustee or the requisite Holders in accordance with the Indenture)), from each landlord that it consents to the security created or evidenced by this Deed.

6.2 Undertakings: Real Property

(a) Each Obligor shall.

- (i) keep or cause to be kept all of the Real Property at any time forming part of the Security Assets in good repair, working order and condition (save as to ordinary wear and tear),
- (ii) not, without the prior written consent of the Collateral Agent, at any time sever or remove any of the fixtures forming part of the Real Property or any of the plant or machinery (other than stock in trade or work in progress) on or in the Real Property (except for the purpose of any necessary repairs or replacement), and
- (iii) comply with and observe and perform the following in relation to or affecting the Real Property:
 - (A) the requirements of all applicable planning and environmental laws;
 - (B) any conditions attaching to any planning permissions; and
 - (C) any notices or other orders made by any planning, environmental or other public body,

unless the failure to so comply with environmental laws could not be reasonably expected (as determined in good faith by the Obligors) to have individually or in the aggregate, a Material Adverse Effect

(b) Each Obligor shall, in relation to any lease, agreement for lease or other right to occupy to which all or any part of the Security Assets is at any time subject:

- (i) pay the rents due from time to time (if the lessee) and observe and perform in all material respects the covenants, conditions and obligations imposed (if the lessor) on the lessor or, (if the lessee) on the lessee; and
- (ii) not do any act or thing whereby any lease or other document which gives any right to occupy any part of the Security Assets becomes or may become subject to determination or any right of re-entry or forfeiture prior to the expiration of its term

6.3 Default: Real Property

If any Obligor fails to comply with any of the undertakings contained in Clause 6.2 (*Undertakings Real Property*) within 10 Business Days of being notified in writing of that failure (with a copy of that notice being sent to the Company) and being requested to comply, the Collateral Agent shall be entitled but not obligated (with such agents, contractors and others as it sees fit), and in all cases subject to the Senior Intercreditor Agreement, to do such things as may, in the reasonable opinion of the Collateral Agent, be required to remedy such failure and all moneys spent by the Collateral Agent in doing so shall be reimbursed by the Obligor on demand with interest from the date of payment by the Collateral Agent until reimbursement at a rate specified and calculated in accordance with Clause 2.2 (*Interest on Demands*).

7. TANGIBLE MOVEABLE PROPERTY

Each Obligor shall

- (a) place and maintain on each item of Tangible Moveable Property referred to in Schedule 2 (*Tangible Moveable Property*) which is subject to a fixed charge under this Deed, in a conspicuous place, an identification plaque containing the following notice in the following terms (which shall not be concealed, altered or removed):

"NOTICE OF CHARGE

This machine and all additions and ancillary equipment are subject to a fixed charge in favour of U S Bank National Association ", and

- (b) (if any Tangible Moveable Property with a value in excess of \$250,000 individually or \$500,000 in the aggregate (or, in each case, the equivalent amount in another currency) is located on leasehold premises) notify the lessor as soon as reasonably practicable of the Collateral Agent's security interest and use commercially reasonable efforts to obtain an acknowledgment from the lessor that it waives absolutely all rights it may have now or at any time in the future over any of that Tangible Moveable Property

8. INVESTMENTS

8.1 Perfection: Investments

Each Obligor shall, on the date of this Deed in relation to the Investments deliver to the Collateral Agent or to such agent or custodian as it may specify, all certificates, documents of title and other documentary evidence of ownership and transfers duly executed by the relevant Obligor or its nominee with the name of the transferee left blank or, if the Collateral Agent so requires, in favour of the Collateral Agent (or the Collateral Agent's nominee)

8.2 Future Investments

In relation to Investments acquired after the date of this Deed (including comprised in any Derived Assets), the relevant Obligor shall promptly notify the Collateral Agent and comply with each of the obligations set out in Clause 8.1 (*Perfection Investments*) within 10 Business Days of the date of acquisition of such Investments.

8.3 Undertakings: Investments

(a) Prior to the occurrence of a Triggering Event each Obligor may:

- (i) retain and apply for its own use all amounts representing dividends, interest and other moneys in respect of any Investments and, if any are paid or payable to the Collateral Agent or any of its nominees, the Collateral Agent will hold all those dividends, interest and other monies received by it for the Obligor and will pay them to the Obligor promptly on request, and
- (ii) exercise all voting and other rights and powers in relation to the Investments or, if any of the same are exercisable by the Collateral Agent of any of its nominees, to direct in writing the exercise of those voting and other rights and powers, provided that the exercise of such rights.

(A) is not in breach of any terms of any Junior Lien Documents and this Deed,

(B) does not adversely affect the validity or enforceability of the Collateral Agent's Security under this Deed.

(b) Each Obligor shall:

- (i) promptly pay any amounts which may be due or become due in respect of the Investments,
- (ii) ensure that the Investments are not subject to any option to purchase or similar right and that the constitutional documents of the companies whose Investments are subject to the Security do not and could not restrict or inhibit any transfer of those Investments on creation or enforcement of the Security;
- (iii) promptly forward a copy to the Collateral Agent and comply (within the specified timeframe) with any 'warning notice' or 'restrictions notice' (in each case as defined in Schedule 1B of the Companies Act 2006) served on it pursuant to Part 21A of the Companies Act 2006 in respect of the Investments,

- (iv) forward copies of all material notices, documents and other communications received by it or its nominee in connection with the Investments to the Collateral Agent promptly upon receipt, and
- (v) notify any subsequent chargee or Person acquiring any interest whatsoever in the Investments of the existence of the Security.

8.4 Role of Collateral Agent or nominee

Each Obligor shall at all times remain liable to observe and perform all of the other conditions and obligations relating to the Investments. The Collateral Agent shall not be required to perform or fulfil any such conditions or obligations other than as set out in Clause 8.3 (*Undertakings Investments*) above.

8.5 Default: Investments

If the relevant Obligor defaults on any payment which may be due or become due in respect of the Investments, the Collateral Agent may, following reasonable prior notice to that Obligor, make such payment on behalf of the relevant Obligor, and the relevant Obligor shall reimburse the Collateral Agent within five Business Days of written demand together with interest from the date of payment by the Collateral Agent until reimbursement at the rate specified in and calculated in accordance with Clause 2.2 (*Interest on Demands*).

9. ACCOUNTS

9.1 Perfection: Accounts

- (a) Each Obligor shall promptly deliver (or procure the delivery of) the following.
 - (i) to the extent not already set out in Schedule 4 (*Accounts*), on the date of this Deed (and, if any change occurs thereafter, as soon as possible following such change), details (including Account Bank name, address and sort code and Account name, number and currency) of each Account (other than any Excluded Asset) to the Collateral Agent; and
 - (ii) within 30 days of the date of this Deed or upon the opening of any Account after the date of this Deed within 30 days therefrom or otherwise as required by the Collateral Agent (as directed by the Trustee or the requisite Holders in accordance with the Indenture), notices of charge in respect of each Account (other than any Excluded Asset), duly executed and substantially in the form set out in Schedule 8 (*Notices*) to each Account Bank with which such an Account is opened or maintained.

- (b) Each Obligor shall use its reasonable endeavours to procure as soon as practicable and in any event within 30 days of the date of the notice that each notice referred to in (a) above is acknowledged by the recipient substantially in the form set out in Schedule 8 (*Notices*) or otherwise in a form satisfactory to the Collateral Agent
- (c) The entry into this Deed by the Obligors and the Collateral Agent shall constitute notice to and acknowledgement (in the form set out in Schedule 8 (*Notices*)) by the Collateral Agent of the security created over any Account opened or maintained with the Collateral Agent

9.2 Undertakings: Accounts and Receivables

- (a) Except as otherwise permitted in the Junior Lien Documents, each Obligor shall not at any time deal or factor or discount any of the Receivables (or enter into any agreement to do so) without the written consent of the Collateral Agent,
- (b) Each Obligor shall collect the Receivables and in connection with such collections, such Obligor shall take such action as such Obligor or the Collateral Agent may reasonably deem necessary or advisable, in all cases subject to the Senior Intercreditor Agreement.
- (c) Each Obligor shall pay the proceeds of those Receivables into an Account and the proceeds of the Receivables shall be held upon trust by the Company for the Collateral Agent on behalf of the Secured Parties prior to such payment into an Account. Notwithstanding the foregoing, at any time after the occurrence of a Triggering Event, the Collateral Agent may direct the account debtors under any Receivables to make payment of all amounts due or to become due to such Obligor thereunder directly to the Collateral Agent.
- (d) Prior to the occurrence of a Triggering Event, each Obligor may make withdrawals from any of the Accounts
- (e) No Obligor shall permit or agree to any variation of the rights attaching to any Account or close any Account unless permitted to do so under the terms of the Junior Lien Documents without prior notice to the Collateral Agent and unless a successor or replacement account has been established with prior notice to the Collateral Agent

10. INSURANCE POLICIES

10.1 Perfection: Insurance Policies

- (a) Each Obligor shall if requested by the Collateral Agent, deliver to the Collateral Agent on the date of this Deed or on any date thereafter (and, if any change occurs thereafter, on the date of such change), details (including type, name of insured and insurer, duration, interest of insured, specified cover and limits, deductibles and key conditions) of each Insurance Policy.

- (b) Each Obligor shall, within 30 days following the execution of this Deed deliver to the Collateral Agent (or procure the delivery of) notice, duly executed and substantially in the form set out in Schedule 8 (*Notices*), to such counterparties listed on Schedule 8.
- (c) Each Obligor shall use its reasonable endeavours to procure that each notice referred to in paragraph (b)(ii) above is acknowledged by the recipient within 30 days following the delivery of that notice substantially in the form set out in Schedule 8 (*Notices*) or otherwise in a form satisfactory to the Collateral Agent

10.2 Undertakings: Insurance Policies

- (a) Each Obligor shall, subject to the provisions of any lease of its real property and compliance with the terms of such lease
 - (i) keep the Security Assets of an insurable nature insured under such insurance policies as are normally maintained by prudent companies of similar size and engaged in similar businesses to that of the Obligor,
 - (ii) cause each Insurance Policy to contain an endorsement naming the Collateral Agent as co-insured and (in case of each property insurance policy) first loss payee in respect of all claims (other than in respect of any claim under any public liability and third party liability insurances), in each case unless the Collateral Agent has determined (as directed by the Trustee or the requisite Holders in accordance with the Indenture) that the cost or other consequence of obtaining such endorsement are excessive in relation to the value afforded thereby,
 - (iii) promptly pay all premiums and other moneys payable under all its Insurance Policies and promptly upon request, produce to the Collateral Agent a copy of each policy and evidence (reasonably acceptable to the Collateral Agent) of the payment of such sums (or where, in the case of leasehold property, insurance is effected by the landlord, such evidence of the payment of premiums as the Obligor is entitled to obtain from the landlord under the terms of the relevant lease),
 - (iv) subject to Clause 19.3 (*Security enforceable – Insurance Policies and Contractual Rights*), diligently pursue its material rights under each of the Insurance Policies and in connection with such exercise, such Obligor shall take such action as is necessary or advisable (acting reasonably),
 - (v) ensure that it does not do, omit to do or permit to be done or omitted to be done, anything which might render any of its Insurance Policies void, voidable or unenforceable, and

- (vi) if reasonably required by the Collateral Agent (but subject to the provisions of any lease of the Security Assets), deposit all Insurance Policies relating to the Security Assets with the Collateral Agent

10.3 Default: Insurance Policies

If any Obligor fails to comply with any of the undertakings contained in Clause 10.2 (*Undertakings Insurance Policies*) within 10 Business Days of being notified in writing of that failure (with a copy of that notice being sent to the Company) and being requested to comply, the Collateral Agent may (as directed by the Trustee or the requisite Holders in accordance with the Indenture) vary, amend, effect or renew any Insurance Policy on such terms, in such name(s) and in such amount(s) as it reasonably considers appropriate, and all moneys expended by the Collateral Agent in doing so shall be reimbursed by the relevant Obligors to the Collateral Agent on demand together with interest from the date of payment by the Collateral Agent until reimbursement at the rate specified in and calculated in accordance with Clause 2.2 (*Interest on Demands*)

11. RELEVANT CONTRACTS

11.1 Perfection: Material Contracts

- (a) Each Obligor shall deliver to the Collateral Agent on the date of this Deed (and, if any change occurs thereafter, on the date of such change), details of each Material Contract (including, for the avoidance of doubt, any Relevant Contract listed in Schedule 7 (*Relevant Contracts*)), including date and counterparties
- (b) Each Obligor shall within 30 days of the date of this Deed, in respect of any Relevant Contracts listed in Schedule 7 (*Relevant Contracts*) and any additional Material Contracts, or otherwise as requested by the Collateral Agent, deliver to the Collateral Agent (or procure the delivery of) duly executed notices, substantially in the form set out in Schedule 8 (*Notices*) or otherwise as required by the Collateral Agent to each relevant counterparty, in respect of each Material Contract.
- (c) Each Obligor shall use its reasonable endeavours to procure that each notice is acknowledged by the relevant recipient within 30 days following the delivery of that notice substantially in the form set out in Schedule 8 (*Notices*) or otherwise in a form satisfactory to the Collateral Agent

11.2 Undertakings: Relevant Contracts

- (a) No Obligor may, unless permitted by the Junior Lien Documents or otherwise, without the prior written consent of the Collateral Agent (as directed by the Trustee or the requisite Holders in accordance with the Indenture)
 - (i) (A) novate, transfer, or assign any Relevant Contract (save as provided pursuant to this Deed), (B) amend, supplement, vary or waive

any provision of any Relevant Contract in any manner, or (C) exercise any right to rescind, cancel or terminate any Relevant Contract (or agree to do so) (other than where a Relevant Contract expires in accordance with its terms and not by reason of default) in any manner, which could reasonably be expected to have a Material Adverse Effect on the value of such Relevant Contract as a Security Asset; and

- (ii) other than in the ordinary course of business as generally conducted by it on and prior to the date hereof, release any counterparty from its obligations under a Relevant Contract

- (b) Each Obligor shall, subject to Clause 17.3 (*Security enforceable – Insurance Policies and Contractual Rights*) duly perform in all material respects its obligations and diligently pursue its material rights under each of the Relevant Contracts where the failure to perform such obligations or to pursue such rights could reasonably be expected to have a Material Adverse Effect, provided that the exercise of such rights is not inconsistent with the terms of the Junior Lien Documents and this Deed.
- (c) Each Obligor will provide the Collateral Agent as soon as practicable upon receipt, copies of all material notices which it may from time to time receive from any counterparty to any Material Contract

12. INTELLECTUAL PROPERTY

12.1 Perfection: Intellectual Property

- (a) Each Obligor shall deliver to the Collateral Agent on the date of this Deed (and, if any change occurs thereafter, promptly following the date of such change), details of all Intellectual Property Rights that are material to the business of such Obligor.
- (b) Each Obligor shall, if requested by the Collateral Agent, execute all such documents and do all acts as are necessary or that the Collateral Agent may reasonably require to record the interest of the Collateral Agent in any registers relating to any registered Intellectual Property Rights which are material to the conduct of the Obligor's business

12.2 Undertakings: Intellectual Property

Each Obligor shall take all such steps and do all such acts as may be necessary to preserve and maintain the subsistence and the validity of any of its Intellectual Property which is material to its business or the business of the Group and shall not use or permit the use of any such Intellectual Property in any way which could reasonably be expected to have a Material Adverse Effect on or affect the value of such Intellectual Property or any part thereof

13. FURTHER ASSURANCE

13.1 General

Each Obligor shall (at its own cost), promptly take all such action as are necessary or that the Collateral Agent may reasonably deem necessary or desirable to

- (a) ensure that the Security is and remains valid, legally binding and enforceable,
- (b) perfect, preserve or protect the Security and its priority,
- (c) confer on the Collateral Agent security interests over any of its property and assets located in any jurisdiction outside England and Wales equivalent or similar to the Security, and/or
- (d) facilitate the exercise of any and all of the Security Rights and the realisation of the Security Assets if and when the Security is or becomes enforceable upon the occurrence of a Triggering Event,

including the execution of all such mortgages, charges, assignments and other documents, the giving of all such notices, orders, instructions and directions and the making of all such registrations and filings as are necessary or that the Collateral Agent or any Receiver or Delegate may consider necessary from time to time, provided that the Obligors shall not be required to grant or perfect Security if the Collateral Agent determines in its sole discretion that the cost or other consequence of obtaining such Security or perfection thereof are excessive in relation to the value afforded thereby

13.2 Consents

Each Obligor shall use its commercially reasonable efforts to obtain as soon as possible (in a form satisfactory to the Collateral Agent) any consents necessary to enable each asset of that Obligor to be the subject of the security interest expressed to be created in respect of that asset pursuant to Clause 3 (*Fixed Charges, Assignments and Floating Charge*). Immediately upon obtaining any such consent, the relevant asset shall become subject to such security interest and the relevant Obligor shall promptly deliver a copy of each consent to the Collateral Agent, provided that the Obligors shall not be required to grant or perfect Security if the Collateral Agent determines in its sole discretion that the cost or other consequence of obtaining such Security or perfection thereof are excessive in relation to the value afforded thereby.

13.3 Implied Covenants for Title

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

14. POWER OF ATTORNEY

14.1 Appointment

Each Obligor appoints as its attorney, irrevocably (within the meaning of section 4 of the Powers of Attorney Act 1971) and by way of security for the performance of its obligations under this Deed, the Collateral Agent and any Person nominated in writing by the Collateral Agent, severally (with full powers of substitution and delegation), on its behalf and in its name or otherwise and as its act and deed, at such time and in such manner as the attorney may think fit

- (a) to take any action which it is obliged to take under this Deed but has not taken, and
- (b) to take any action required to enable the Collateral Agent to exercise all or any of the Security Rights,

and the taking of action by the attorney or attorneys shall (as between the attorney and any third party) be conclusive evidence to any third party of its right to take such action provided that the power of attorney hereunder may only be exercised:

- (a) after the occurrence of a Triggering Event, or
- (b) if the Obligor has failed to comply with a further assurance or perfection obligation within 15 Business Days of being notified in writing of that failure (with a copy of that notice being sent to the Company) and being requested to comply

14.2 Ratification

Each Obligor undertakes to ratify and confirm everything that any attorney does or purports to do in the exercise or purported exercise of the power of attorney in Clause 14.1 (*Appointment*).

15. EFFECTIVENESS OF SECURITY

15.1 Continuing Security

- (a) The Security shall remain in full force and effect as continuing security for the Secured Obligations unless and until discharged by the Collateral Agent in accordance with Clause 16 (*Release of Security*)
- (b) No part of the Security will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations

15.2 Additional Security

The Security and the Security Rights shall be cumulative, in addition to and independent of every other security which the Collateral Agent or any Secured Party may at any time hold for

the Secured Obligations or any other rights provided by law. No prior security held by the Collateral Agent (whether in its capacity as Collateral Agent or otherwise) or any of the other Secured Parties over the whole or any part of the Security Assets shall merge into the Security.

15.3 No Prejudice

Without prejudice to any other provision of this Deed, none of the Security, its priority, the Security Rights nor the liability of any Obligor or any other Person for the Secured Obligations shall be prejudiced, reduced, released or otherwise adversely affected by any act, omission, fact or any other thing which but for this Clause 15.3 would or may do so, including

- (a) any time, waiver or consent granted, or any other indulgence or concession granted to an Obligor or any other Person;
- (b) the release of an Obligor or any other Person under the terms of any composition or arrangement with any creditor,
- (c) the taking, holding, variation, compromise, exchange, renewal, realisation or release by any Person of any rights under or in connection with any security, guarantee, indemnity or any other document including any arrangement or compromise entered into by the Collateral Agent or any other Secured Party with an Obligor or any other Person,
- (d) the refusal or failure to take up, hold, perfect or enforce by any Person any rights under or in connection with any security, guarantee, indemnity or other document (including, any failure to comply with any formality or other requirement or any failure to realise the full value of any security);
- (e) the existence of any claim, set-off or other right which any Obligor may have at any time against the Collateral Agent or any other Secured Party or any other Person;
- (f) the making or absence of any demand for payment or discharge of any Secured Obligations,
- (g) any amalgamation, merger or reconstruction that may be effected by the Collateral Agent with any other Person, including any reconstruction by the Collateral Agent involving the formation of a new company and the transfer of all or any of its assets to that company, or any sale or transfer of the whole or any part of the undertaking and assets of the Collateral Agent to any other Person;
- (h) any incapacity, lack of power, authority or legal personality of or Dissolution or change in the members or status of the an Obligor or any other Person,
- (i) any variation, amendment, waiver, release, novation, supplement, extension or restatement or replacement of any Junior Lien Documents, or any other security,

guarantee, indemnity or other document, in each case however fundamental and of whatsoever nature,

- (j) any change in the identity of the Collateral Agent or any variation of the terms of the trust upon which the Collateral Agent holds the security, or
- (k) any unenforceability, illegality or invalidity of any obligation of any Person under any Junior Lien Document or any other security, guarantee, indemnity or other document.

15.4 Details of Security Assets

The fact that no or incomplete details of any Security Asset are inserted in the Schedules to this Deed shall not affect the validity or enforceability of the Security.

15.5 Immediate recourse

Each Obligor waives any right it may have of first requiring any Credit Party (or the Collateral Agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any Person before claiming from an Obligor under this Deed. The waiver applies irrespective of any law or any provision of this Deed to the contrary.

15.6 Deferral of Rights

- (a) Until such time as the Security has been released in accordance with Clause 16 (*Release of Security*), no Obligor will exercise any rights which it may have by reason of performance by it of its obligations under this Deed
 - (i) to claim, rank, prove or vote as a creditor of any other party to any of the Junior Lien Documents, or
 - (ii) to receive, claim or have the benefit of any payment, guarantee, indemnity, contribution or security from or on account of any such party (in whole or in part or whether by way of subrogation or otherwise), and/or
 - (iii) of set-off, combination or counter-claim or in relation to any "flawed-asset" or "hold back" arrangement as against any such party.
- (b) Each Obligor shall hold on trust for, and immediately pay or transfer to, the Collateral Agent an amount equal to any payment or benefit received by it contrary to paragraphs (a)(i) or (ii) above.
- (c) If any Obligor exercises any right of set-off, combination or counter-claim or any rights in relation to any "flawed asset" or "hold back arrangement" contrary to (a)(iii) above, it will immediately pay or transfer to the Collateral Agent an amount equal to the amount set-off, combined or counterclaimed.

- (d) The Collateral Agent shall apply all amounts received pursuant to (b) and (c) above in accordance with Clause 21 (*Application of Moneys*).

15.7 New Account

At any time after.

- (a) the Collateral Agent or any Secured Party (acting in their capacity as collateral agent or otherwise) receives or is deemed to have received notice of any subsequent security interest affecting all or any part of the Security Assets or any assignment or transfer of the Security Assets which is prohibited by the terms of this Deed or the Junior Lien Documents; or
- (b) the commencement of the Dissolution of any Obligor,

all payments by or on behalf of an Obligor to the Collateral Agent or any Secured Party (whether in their capacity as collateral agent or otherwise) shall be treated as having been credited to a new account of the relevant Obligor and not, upon the occurrence of any of the circumstances specified in paragraphs (a) or (b) above, as having been applied in reduction of the Secured Obligations.

15.8 Further Advances

The parties agree, subject to the terms of the Junior Lien Documents, that each Junior Lien Lender is under an obligation to make further advances to each Obligor and that obligation will be deemed to be incorporated into this Deed as if set out in this Deed

15.9 Insolvency Act 2000

Notwithstanding the other provisions of this Deed, the obtaining of a moratorium, or anything done with a view to obtaining a moratorium, in relation to a voluntary arrangement under the Insolvency Act 1986 for an Obligor, will not, by itself

- (a) cause any floating charge granted by that Obligor under this Deed to crystallise, nor
- (b) cause restrictions in this Deed or the Junior Lien Documents which would not otherwise apply to be imposed on the disposal of property by that Obligor; nor
- (c) be a ground for the appointment of a Receiver of that Obligor

15.10 First Lien Debenture

For the avoidance of doubt, the satisfaction of an obligation by any Obligor under the First Lien Debenture will be deemed satisfaction of any equivalent obligation under this Deed and the grant of any waiver or consent by the First Lien Agent under the First Lien Debenture will be deemed grant of any equivalent waiver or consent under this Deed

16. RELEASE OF SECURITY

16.1 Release of Security Assets

If.

- (a) all Secured Obligations have been unconditionally and irrevocably paid or discharged in full and none of the Secured Parties has any further liability or obligation under any Junior Lien Documents; or
- (b) an Obligor is entitled pursuant to any provision of the Junior Lien Documents to have any Security Asset released from the Security,

or the Collateral Agent is satisfied that:

- (a) security or a guarantee for the Secured Obligations, in either case, acceptable to the Collateral Agent, has been provided in substitution for this Deed,

then, subject to Clause 16.2 (*Reinstatement*), the Collateral Agent shall, at the request and cost of an Obligor, take all necessary action (in the opinion of the Obligor) to release the Security Assets (or, in the case of (c) above, the relevant Security Assets), from the Security, and the Collateral Agent shall document such Security release by executing a deed of release in substantially the form of Schedule 9 (*Template Deed of Release*)

16.2 Reinstatement

If the Collateral Agent reasonably considers that any payment to, or security or guarantee provided to the Collateral Agent or any Credit Party is capable of being avoided, reduced or invalidated by virtue of applicable law the liability of the Obligors under this Deed and the Security shall continue as if such amounts had not been paid or as if any such security or guarantee had not been provided.

17. ENFORCEMENT

17.1 Timing of Enforcement

Subject to the terms of the Intercreditor Agreements, the Security shall be enforceable immediately upon and at any time after the occurrence of a Triggering Event.

17.2 Enforcement Rights

Upon or after the Security becoming enforceable the Collateral Agent may, without notice to any Obligor or prior authorisation from any court enforce all or any part of that Security and exercise all or any of the powers, authorities and discretions conferred by the Junior Lien Documents including this Deed or otherwise by law on mortgagees, chargees and Receivers (whether or not it has appointed a Receiver).

17.3 Security enforceable - Insurance Policies and Contractual Rights

Upon or after the Security becoming enforceable

- (a) the Collateral Agent may exercise any of the relevant Obligor's rights under its Insurance Policies and Relevant Contracts; and
- (b) the relevant Obligor shall hold all moneys received under any Insurance Policies or Relevant Contracts on trust for the Collateral Agent pending payment to the Collateral Agent for application in accordance with Clause 21 (*Application of Moneys*). In relation to the proceeds of any Insurance Policy, each Obligor waives any rights to apply such proceeds to the reinstatement, repair or replacement of the relevant asset (unless it is entitled to exercise any such rights under the terms of the Junior Lien Documents)

17.4 Security enforceable –Investments

Upon or after the Security becoming enforceable

- (a) the Collateral Agent may exercise (or refrain from exercising) any voting rights in respect of the Investments,
- (b) the Obligors shall hold all dividends, interest and other moneys arising from the Investments on trust for the Collateral Agent pending payment to the Collateral Agent for application in accordance with Clause 21 (*Application of Moneys*);
- (c) the Obligors shall transfer the Investments into the name of such nominee(s) of the Collateral Agent as it may require; and
- (d) the Obligors shall exercise (or refrain from exercising) any other rights conferred on or exercisable by the legal or beneficial owner of the Investments in such manner and on such terms as the Collateral Agent may think fit

17.5 Security enforceable – Accounts and Receivables

Upon or after the Security becoming enforceable no Obligor shall be entitled to receive, withdraw or otherwise transfer any amount from any Account except as otherwise permitted under the Junior Lien Documents.

17.6 Financial Collateral Regulations

- (a) To the extent that any of the Security Assets, this Deed and the rights and obligations of the parties under this Deed constitute a "security financial collateral arrangement" (as defined in and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003/3226) (the "**Regulations**")), at any time on or after the Security becoming enforceable, the Collateral Agent shall have the benefit of all of the rights of a collateral taker conferred upon it by the Regulations, including the right to

appropriate all or any part of the financial collateral (as defined in the Regulations) in or towards discharge of the Secured Obligations

- (b) The parties agree that the value of the financial collateral (as defined in the Regulations) so appropriated shall be:
- (i) in the case of cash, the amount standing to the credit of each of the Accounts, together with any accrued but unposted interest, at the time the right of appropriation is exercised, and
 - (ii) in the case of any other financial collateral (as defined in the Regulations), the market value of such financial collateral determined (after appropriation) by the Collateral Agent by reference to a public index or by such other process as the Collateral Agent may select, which may be independent valuation (acting in reliance on the determination of a financial advisor for the Collateral Agent and/or the Junior Lien Lenders)

The parties agree that the methods of valuation set out in paragraphs (i) and (ii) above are commercially reasonable methods of valuation for the purposes of the Regulations

17.7 Set-off

The Collateral Agent may upon the occurrence of a Triggering Event set off against any obligation of any Obligor due and payable by it to or for the account of the Collateral Agent under this Deed, any moneys held by the Collateral Agent for the account of any Obligor at any office of the Collateral Agent anywhere and in any currency, whether or not matured. If any such obligation is unliquidated or unascertained, the Collateral Agent may set off in an amount estimated by it in good faith to be amount of that obligation. The Collateral Agent may effect such currency exchanges as are appropriate to implement the set-off and any usual charges and all applicable Taxes in relation to such currency exchanges shall be subject to the indemnity in Clause 25.2 (*Enforcement Costs*).

18. EXTENSION AND VARIATION OF POWERS CONFERRED BY LAW

18.1 Extension of Powers

The powers conferred by section 101 of the LPA as varied and extended by this Deed shall be deemed to arise (and the Secured Obligations shall be deemed due and payable for that purpose) immediately on execution of this Deed. Section 109(1) of the LPA 1925 shall not apply to this Deed

18.2 Restrictions

The restrictions contained in Sections 93 and 103 of the LPA 1925 shall not apply to this Deed or to the exercise by the Collateral Agent or any Receiver or Delegate of its right to consolidate all or any of the Security with any other security in existence at any time or to its power of sale

18.3 Power of Leasing

- (a) The statutory powers of leasing conferred by sections 99 and 100 of the LPA 1925 may be exercised by the Collateral Agent or any Receiver or Delegate at any time on or after the Security becomes enforceable. The Collateral Agent and any Receiver or Delegate may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with any restrictions imposed by Sections 99 and 100 of the LPA 1925.
- (b) For the purposes of sections 99 and 100 of the LPA 1925, the expression "mortgagor" shall include any encumbrancer deriving title under the original mortgagor and section 99(18) of the LPA 1925 and section 100(12) of the LPA 1925 shall not apply

19. APPOINTMENT OF RECEIVERS

19.1 Appointment

At any time

- (a) on or after any of the Security becoming enforceable (whether or not the Collateral Agent shall have taken possession of the Security Assets), or
- (b) at the written request of an Obligor,

the Collateral Agent may, without notice to the relevant Obligor, appoint, one or more qualified Persons to be Receiver or Receivers, in all cases subject to the Senior Intercreditor Agreement. If the Collateral Agent appoints more than one Person as Receiver, the Collateral Agent may give the relevant Persons power to exercise all or any of the powers conferred on Receivers individually as well as jointly and to the exclusion of the other or others of them

19.2 Scope of appointment

Any Receiver may be appointed either Receiver of all the Security Assets or of such part of the Security Assets as may be specified in the appointment. In the latter case, the rights conferred by Clause 19.4 (*Powers of Receivers*) shall take effect as though every reference in that clause to "rights" were a reference to rights in respect of the specified part of the Security Assets.

19.3 Removal

The Collateral Agent may, by deed or by instrument in writing signed by any officer or other *Person authorised for such purpose by it (so far as it is lawfully able and subject to any requirement of the court in the case of an administrative receiver)*, remove any Receiver appointed by it and may, whenever it deems expedient, appoint any one or more other qualified Persons in place of or to act jointly with any other Receiver.

19.4 Powers of Receivers

Any Receiver appointed under this Deed will (subject to any contrary provision specified in his appointment but notwithstanding the Dissolution of any Obligor) have

- (a) all the rights conferred by the LPA 1925 on mortgagors and on mortgagees in possession and on any receiver appointed under the LPA 1925;
- (b) all the rights of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 as in force at the date of this Deed (whether or not in force at the date of exercise) and all rights of an administrative receiver as may be added to Schedule 1 of the Insolvency Act 1986 after the date of this Deed, in either case, whether or not the Receiver is an administrative receiver,
- (c) the right to manage, use and apply all or any of the Security Assets and to exercise (or permit the relevant Obligor or its nominee to exercise) all other rights of an absolute beneficial owner of the Security Assets;
- (d) the right to dispose of or otherwise realise all or any part of the Security Assets in any manner whatsoever (including any fixtures which may be severed and sold separately from the Real Property to which they are affixed),
- (e) the right to redeem or transfer to the Collateral Agent any prior security interest over the Security Assets
- (f) all the rights expressed to be conferred upon the Collateral Agent in this Deed and in the Junior Lien Documents, and
- (g) the right to do all lawful things which in the opinion of the Receiver seem to be incidental or conducive to any of the functions, powers, authorities or discretions conferred on or vested in him, the exercise of the Security Rights or bringing into his hands any assets forming part of, or which when got in would form part of, the Security Assets.

19.5 Agent

Any Receiver shall for all purposes be the agent of the relevant Obligor and therefore deemed to be in the same position as a Receiver duly appointed by a mortgagee under the LPA 1925

The Obligors shall be solely responsible for his contracts, engagements, acts, omissions, defaults and losses and for all liabilities incurred by him and for the payment of his remuneration. No Receiver shall at any time act as, or be deemed to be, agent of the Collateral Agent or any Secured Party.

19.6 Remuneration

Subject to section 36 of the Insolvency Act 1986, the Collateral Agent may from time to time fix the remuneration of any Receiver appointed by it (without being limited to the maximum rate specified in section 109(6) of the LPA 1925) and may direct payment of such remuneration out of moneys accruing to him as Receiver, but the Obligors alone shall be liable for the payment of such remuneration and for all other costs, charges and expenses of the Receiver.

20. DISCRETION AND DELEGATION

20.1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Deed by the Collateral Agent or any Receiver may, subject to the terms and conditions of the Junior Lien Documents, be exercised or made from time to time in its absolute and unfettered discretion without any obligation to give reasons.

20.2 Delegation

- (a) Each of the Collateral Agent and any Receiver may at any time delegate all or any of the rights conferred on it by this Deed.
- (b) The delegation may be made upon any terms and conditions (including the power to sub-delegate) and subject to any restrictions as the Collateral Agent may think fit.
- (c) Such delegation shall not preclude either the subsequent exercise of such power, authority or discretion by the Collateral Agent or the Receiver itself or any subsequent delegation or revocation.
- (d) Under no circumstances shall the Collateral Agent, nor any Secured Party nor any Receiver nor any officer, agent or employee of any of them be liable to any Obligor or any other Person as a result of or in connection with any act, default, omission or misconduct on the part of any Delegate.

21. APPLICATION OF MONEYS

21.1 Application of moneys

All amounts received or recovered by the Collateral Agent or any Receiver or Delegate in exercise of their rights under this Deed shall, subject to the rights of any creditors having

priority and subject to the payment of any liabilities having priority to the Secured Obligations by operation of law, be applied in the order provided in Clause 21 2 (*Order of distributions*)

21.2 Order of distributions

The order referred to in Clause 21 1 (*Application of proceeds*) is, subject to the terms of the Senior Intercreditor Agreement, as set out in Section 4 1 (*Application of Proceeds*) of the Junior Intercreditor Agreement.

22. SUSPENSE ACCOUNT

The Collateral Agent may place and retain on a suspense account, for as long as it considers fit, any moneys received, recovered or realised under or in connection with this Deed to the extent of the Secured Obligations, without any obligation on the part of the Collateral Agent to apply such moneys in or towards the discharge of such Secured Obligations.

23. PROTECTION OF THIRD PARTIES

23.1 Consideration

The receipt of the Collateral Agent or any Receiver or Delegate shall be conclusive discharge to a purchaser and any sale or disposal of any of the Security Assets or any acquisition by the Collateral Agent or any Receiver or Delegate shall be for such consideration, and made in such manner and on such terms as it thinks fit

23.2 Protection of Purchasers

- (a) No purchaser or other Person dealing with the Collateral Agent, any Receiver or any Delegate shall be bound to inquire whether the right of the Collateral Agent or such Receiver or Delegate to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Collateral Agent or such Receiver or Delegate in such dealings
- (b) All the protections given to purchasers from a mortgagee by sections 104 and 107 of the LPA 1925, and to Persons dealing with a receiver in section 42(3) of the Insolvency Act 1986, shall apply equally to any Person purchasing from or dealing with the Collateral Agent, any Receiver or any Delegate.

24. NO LIABILITY

Neither the Collateral Agent nor any Secured Party nor any Receiver or Delegate nor any officer, agent or employee of any of them will in any circumstances (whether by reason of taking possession of the Security Assets or for any other reason whatsoever)

- (a) be liable to account to the Obligors or any other Person for anything except the Collateral Agent's own actual receipts, or

(b) be liable to the Obligors or any other Person as a result of or in connection with

- (i) taking any action permitted by this Deed,
- (ii) any neglect, default or omission in relation to the Security Assets; or
- (iii) taking possession of or realising all or any part of the Security Assets,

except in each case, to the extent such liability arises from any fraud or wilful default or gross negligence on its part

25. COSTS AND EXPENSES

Costs and expenses shall be payable by each Obligor in accordance with Section 9 (*Indemnity*) and Section 10(c) (*Costs and Expenses*) of the Second Lien Security Agreement.

26. STAMP TAXES

Each Obligor shall pay promptly, and in any event before any penalty becomes payable, all stamp, registration, documentary and similar Taxes, if any, payable in connection with the entry into, performance, enforcement or admissibility in evidence of this Deed and any other document referred to in this Deed, and shall indemnify the Collateral Agent on demand against any costs and expenses with respect to, or resulting from any delay in paying or omission to pay, any such Tax.

27. CURRENCY

27.1 Currency indemnity

- (a) If, under any applicable law, whether pursuant to a judgment against any Obligor or the Dissolution of any Obligors or for any other reason, any payment under or in connection with this Deed is made or falls to be satisfied in a currency (the "**Other Currency**") other than the currency in which the relevant payment is expressed to be payable (the "**Required Currency**"), then, to the extent that the payment actually received by the Collateral Agent (when converted into the Required Currency at the rate of exchange on the date of payment or, if it is not practicable to make the conversion on that date, at the rate of exchange as soon afterwards as it is practicable for the Collateral Agent to do so or, in the case of a Dissolution, at the rate of exchange on the latest date permitted by applicable law for the determination of liabilities in such Dissolution) falls short of the amount expressed to be due or payable under or in connection with this Deed, the Obligors shall, as an original and independent obligation under this Deed, indemnify and hold the Collateral Agent harmless against the amount of such shortfall.

- (b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under or in connection with this Deed in a currency or currency unit other than that in which it is expressed to be payable

27.2 Rate of exchange

For the purpose of Clause 28.1 (*Currency indemnity*), "**rate of exchange**" means the rate at which the Collateral Agent is able on the relevant date to purchase the Required Currency with the Other Currency and shall take into account any commission, premium and other costs of exchange and Taxes payable in connection with such purchase.

28. SECURED PARTIES

Each party agrees that the Collateral Agent's interests and rights under and in respect of this Deed shall be held by the Collateral Agent as agent and, to the extent permitted by law, trustee for itself and, the Secured Parties for the time being and from time to time on the terms set out in the Indenture and the New Convertible Notes Indenture. Accordingly, unless the context requires otherwise, all references in this Deed to the Collateral Agent mean the Collateral Agent in its capacity as agent and trustee, and each party to this Deed also agrees that the Secured Parties for the time being and from time to time shall have the benefit of this Deed.

29. JOINT AND SEVERAL LIABILITY

The liabilities of each of the Obligors under this Deed shall be joint and several

30. CERTIFICATES AND DETERMINATIONS

For all purposes, including any legal proceedings, a determination by the Collateral Agent or a copy of a certificate signed by an officer of the Administrative Agent, of the amount of any Indebtedness comprised in the Secured Obligations or the amount standing to the credit of any Account for the time being or at any time shall, in the absence of manifest error, be conclusive evidence against the Obligors as to such amount

31. ASSIGNMENT

31.1 Assignment by the Collateral Agent

The Collateral Agent may at any time, without the consent of the Obligors, assign or transfer all of its rights and obligations under this Deed to any successor or additional Collateral Agent appointed in accordance with the terms of the Junior Lien Documents. Upon such assignment and transfer taking effect, the replacement Collateral Agent shall be and be deemed to be acting as agent and trustee for each Secured Party (as well as for itself) for the purposes of this Deed in place of the previous Collateral Agent.

31.2 Assignment by the Obligors

No Obligor shall assign or transfer, or attempt to assign or transfer, any of its rights or obligations under this Deed except as permitted by the Junior Lien Documents.

32. AMENDMENTS

This Deed may not be amended, modified or waived in any respect, otherwise than in accordance with the provisions of the Junior Lien Documents, without the prior written consent of the Collateral Agent given with express reference to this Clause 33

33. NOTICES

33.1 Communications in writing

Any communication to be made under or in connection with this Deed shall be in writing and, unless otherwise stated, may be made by fax or letter

33.2 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 to this Deed (other than the Collateral Agent, whose contact details are provided in Appendix B of the First Lien Credit Agreement) for any communication or document to be made or delivered under or in connection with this Deed is that identified with its signature below or any substitute address, fax number or department or officer as the party may notify to the other parties by not less than five Business Days' notice.

33.3 Delivery

(a) Any communication or document made or delivered by one Person to another under or in connection with this Deed will only be effective

- (i) If by way of personal service, when delivered in person or by courier service and signed for against receipt thereof, or
- (ii) if by way of telex or fax, when received in legible form, or
- (iii) if by way of letter, when it has been left at the relevant address or three Business Days after being deposited in the post, postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 34.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Collateral Agent will be effective only when actually received by the Collateral Agent and then only if it is

expressly marked for the attention of the department or officer specified in Clause 9.9 (*Notices*) of the Senior Intercreditor Agreement (or any substitute department or officer as the Collateral Agent shall specify for this purpose)

34. REMEDIES AND WAIVERS

No failure to exercise, nor any delay or omission in exercising, on the part of the Collateral Agent, any right provided by law or under this Deed shall impair, affect or operate as a waiver of that or any other right or constitute an election to affirm this Deed. No election to affirm this Deed on the part of the Collateral Agent shall be effective unless it is in writing. No single or partial exercise of any right shall prevent any further or other exercise or the exercise of any other right. The rights provided in this Deed are cumulative and not exclusive of any rights provided by law.

35. PARTIAL INVALIDITY

(a) If at any time any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither

(i) the legality, validity or enforceability of the remaining provisions under the law of that jurisdiction or any other jurisdiction, nor

(ii) the legality, validity or enforceability of such provision under the law of any other jurisdiction,

will in any way be affected or impaired.

(b) The parties shall enter into good faith negotiations, but without any liability whatsoever in the event of no agreement being reached, to replace any illegal, invalid or unenforceable provision with a view to obtaining the same commercial effect as this Deed would have had if such provision had been legal, valid and enforceable.

36. INTERCREDITOR AGREEMENTS

(a) Notwithstanding anything herein to the contrary:

(i) the Security and security interests granted to the Collateral Agent for the benefit of the Secured Parties pursuant to this Deed are subject to the provisions of the Intercreditor Agreements to the extent provided therein, and

(ii) the exercise of any right or remedy by the Collateral Agent hereunder or the application of proceeds (including insurance and condemnation proceeds) of any Security Assets are subject to the provisions of the Intercreditor Agreements to the extent provided therein.

- (b) In the event of any conflict between the terms of the Junior Intercreditor Agreement and the terms of this Deed, the terms of the Junior Intercreditor Agreement shall govern. In the event of any conflict between the terms of the Junior Intercreditor Agreement and the terms of the Senior Intercreditor Agreement, the terms of the Senior Intercreditor Agreement shall govern. Nothing herein is intended, or shall be construed, to give any Obligor any additional right, remedy or claim under, to or in respect of this Deed or any Security Assets.
- (c) Notwithstanding anything to the contrary herein, any provision hereof that requires any Obligor to (i) deliver any Security Assets, or any certificates, documents of title and other documentary evidence of ownership or transfers relating to any Security Assets, to the Collateral Agent or (ii) provide that the Collateral Agent has control over such Security Asset may be satisfied by (A) the delivery of such Security Assets, or any certificate, document of title and other documentary evidence of ownership or transfer relating to such Security Assets, by such Obligor to the First Lien Agent for the benefit of the lenders party to the First Lien Credit Agreement and the Collateral Agent for the benefit of the Secured Parties pursuant to Section 5.1 of the Junior Intercreditor Agreement and (B) providing that the First Lien Agent be provided with control with respect to such Security Assets of such Obligor for the benefit of the lenders party to the First Lien Credit Agreement and the Collateral Agent for the benefit of the Secured Parties pursuant to Section 5.1 of the Intercreditor Agreement.

37. TRUSTS

If any trust intended to arise pursuant to any provision of this Deed fails or for any reason (including the laws of any jurisdiction in which any assets, moneys, payments or distributions may be situated) cannot be given effect to, the relevant Obligor will pay to the Collateral Agent for application in accordance with Clause 21 (*Application of Moneys*) an amount equal to the amount (or the value of the relevant assets) intended to be so held on trust for the Collateral Agent.

38. EXECUTION AS A DEED

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

39. COUNTERPARTS

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

40. JURISDICTION

- (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) or any non-contractual obligation arising out of or in connection with 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 41 is for the benefit of only the Collateral Agent. As a result, no Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.

41. Concerning the Collateral Agent

U S Bank National Association is acting under this Deed, solely in its capacity as Collateral Agent and Trustee under the Indenture and the Pledge and Security Agreement and not in its individual capacity. In acting hereunder, the Collateral Agent shall be entitled to all of the rights, privileges and immunities granted to it under the Indenture and the Pledge and Security Agreement and other Security Documents, as if such rights, privileges and immunities were set forth herein.

42. GOVERNING LAW

This Deed is governed by and is to be construed in accordance with English law. Any matter, claim or dispute arising out of or in connection with this Deed, whether contractual or non-contractual, is to be governed by and determined in accordance with English law.

IN WITNESS of which this document has been signed on behalf of the Collateral Agent and executed as a deed by each Obligor and is delivered on the date stated at the beginning of this Deed.

SCHEDULE 3
SHARES

Company Owner	Issuer	Country of Organisation	Certificate No(s). (If Applicable)	No. of Shares Issued and Type
A M Castle Metals UK, Limited	Castle Metals UK Limited	England and Wales	Unnumbered	50,000 Ordinary shares of £1 00
	E Harding & Sons Limited	England and Wales	Unnumbered	1 Ordinary shares of £1 00
	K K.S (Stainless Steel) Co. Limited	England and Wales	Number 2	1 Ordinary shares of £1 00
	LOKS Plasma Services Limited	England and Wales	Unnumbered	1 Ordinary shares of £1 00
	Tiernay Metals Limited	England and Wales	Number 2	1 Ordinary shares of £1.00

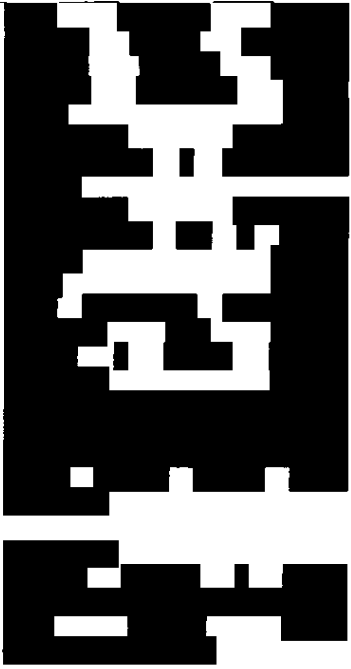
SCHEDULE
ACCOUNTS

4

Account Holder	Account Bank	Account Details
Castle Metals UK Limited (c/o A M. Castle Metals UK, Limited)	National Westminster Bank 5 The Courtyard Calvin Street The Valley Bolton BL1 8BP United Kingdom	[REDACTED]

**SCHEDULE 5
INSURANCE POLICIES**

Policyholder	Coverage	Carrier	Coverage Information
AM Castle Metals UK Ltd & Castle Metals UK Ltd	[REDACTED]	AIG Europe Ltd Policy [REDACTED]	[REDACTED]
AM Castle Metals UK Ltd & Castle Metals UK Ltd	[REDACTED]	Allianz Policy [REDACTED] No	[REDACTED]
AM Castle Metals UK Ltd & Castle Metals UK Ltd	[REDACTED]	HSB Engineering Policy [REDACTED] No	[REDACTED]
AM Castle Metals UK Ltd & Castle Metals UK Ltd	[REDACTED]	AIG Europe Ltd Policy [REDACTED]	[REDACTED]

			
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SCHEDULE 8

NOTICES

Part I

NOTICE OF ACCOUNT CHARGE

[LETTERHEAD OF COMPANY]

To. [Account
 [Address]

Bank]

[Date]

Dear Sirs,

NOTICE OF CHARGE

We refer to our [describe account e.g. "interest-bearing sterling deposit"] account (number [●] designated "[account name]") with you (the "Account").

We give you notice that, we have charged by way of first fixed charge to U S Bank National Association, as collateral agent for itself and the Secured Parties, (the "**Collateral Agent**") all our rights under or in respect of the Account including all credit balances on the Account from time to time

We hereby instruct and authorise you as follows (notwithstanding any previous instructions to the contrary)

- (a) to disclose to the Collateral Agent any information relating to the Account required by it from time to time,
- (b) following notification from the Collateral Agent of the occurrence of a Triggering Event (as defined in the Debenture), to comply with the terms of any written instructions (including any requests for payment from the Account) received by you from the Collateral Agent from time to time (although pending receipt of any such instructions, you should continue to deal with us in relation to all matters relating to the Account); and
- (c) following notification from the Collateral Agent of the occurrence of a Triggering Event (as defined in the Debenture), to hold all amounts standing to the credit of the Account to the order of the Collateral Agent.

The instructions and authorisations which are contained in this notice shall remain in full force and effect until the Collateral Agent gives you notice in writing revoking them.

You may comply with the instructions in this notice without any further permission from us and without any enquiry by you as to the justification for or validity of any request, notice or instruction. In the event of any conflict between communications received from us and from the Collateral Agent, you shall treat the communication from the Collateral Agent as prevailing over the communication from us.

This notice is governed by English law.

Please acknowledge receipt of this notice and confirm your agreement to it, by executing and returning an original copy of the Form of Acknowledgement attached to this notice to the Collateral Agent at [•] with a copy to us.

Yours faithfully,

.....
For and on behalf of
[the Company]

c.c. U.S. Bank National Association

LETTER FROM COLLATERAL AGENT TO ACCOUNT BANK

To	[Account Address]	Bank]
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Dear Sirs,

We refer to [the Company's] [describe account e.g. "interest-bearing sterling deposit"] account (number [●] designated "[insert account name]") with you (the "Account") and the notice of charge of the Account dated [●] to you from [Company] (the "Notice"). Words and expressions defined in the Notice shall have the same meanings in this letter

We hereby instruct and authorise you (subject always to our absolute discretion to withdraw such instruction and authorisation at any time) to accept instructions in relation to the Account from [the Company]

The instructions and authorisations which are contained in this letter shall remain in full force and effect until we give you notice in writing revoking them

This letter is governed by English law

Please acknowledge receipt of this letter and confirm your agreement to it, by executing and returning an original copy of the Form of Acknowledgment attached to the Notice to us at [FAO], U S Bank National Association, [Address] with a copy to [Company]

For and on behalf of
U.S. Bank National Association, as Collateral Agent

c c. [Company]

Part III
FORM OF ACKNOWLEDGEMENT OF CHARGE OF ACCOUNT

[LETTERHEAD OF ACCOUNT BANK]

To. [•]
 U.S. Bank National Association
 [•]

 (as collateral agent for the Secured
 Parties,) (the "**Collateral Agent**")

[Date]

Dear Sirs,

ACKNOWLEDGEMENT OF NOTICE OF CHARGE

We acknowledge receipt of a notice dated [•] (the "**Notice**") and of payment instructions dated [•] in relation to the Account (the "**Payment Instructions**") (copies of which are attached to this letter) Words and expressions defined in the Notice shall have the same meanings in this letter

At the request of the Collateral Agent and [Company], we confirm that

- (a) we accept the instructions and authorisations in the Notice and the Payment Instructions and undertake to act in accordance with their terms,
- (b) following notification from the Collateral Agent of the occurrence of a Triggering Event (as defined in the Debenture), we shall not release payments or permit withdrawals from the Account save as specified in the Payment Instructions or as otherwise specified in writing by the Collateral Agent and we will not amend or vary any rights attaching to the Account without the prior written consent of the Collateral Agent,
- (c) other than a notice of the First Lien Debenture (as defined in the Debenture), we have not received notice of any previous assignment, charge, trust, claim or other third party interest or action affecting the Account and if, we receive any such notice, we shall immediately notify the Collateral Agent, and
- (d) we have not claimed or exercised any rights of counter-claim, set-off or combination of accounts or other equities in respect of the Account, no such rights or equities have arisen in our favour and we shall not assert or seek to exercise any such rights or equities in the future without the prior written consent of the Collateral Agent.

This letter is for the benefit of the Collateral Agent as agent and, to the extent permitted by law, as trustee for the Secured Parties and is governed by English law.

Part IV
CHARGE OF INSURANCE POLICY

[LETTERHEAD OF COMPANY]

To **[Insurer]**
 [Address]

[Date]

Dear Sirs,

NOTICE OF CHARGE
Policy number [●] (the "Policy")

We give you notice that we have charged in favour of U.S. Bank National Association, as collateral agent for the Secured Parties, (the "**Collateral Agent**") all rights in relation to the Policy, including all amounts payable to us under or in respect of the Policy and all our present and future rights to such amounts as further specified below

We also give you notice that we have undertaken to the Collateral Agent not to agree to any variation of the rights attaching to or termination of the Policy

We hereby instruct and authorise you as follows (notwithstanding any prior instructions to the contrary).

- (a) to disclose to the Collateral Agent any information relating to the Policy required by it from time to time;
- (b) [to place an endorsement on the Policy (and all renewals of the Policy) naming the Collateral Agent as co-insured and sole loss payee in respect of our rights under or in connection with the Policy and the proceeds of all claims]*;
- (c) [to pay all amounts payable to us under or in connection with the Policy, to the following bank account

Account Bank [name and address of Account Bank]

Account Name: [●]

Account Number: [●]]*,

* To be included in the case that the endorsement is required to be made pursuant to the Debenture

- (d) pending payment or release of any amounts payable to us under or in connection with the Policy as specified above, to hold all such amounts to the order of the Collateral Agent;
- (e) following notification from the Collateral Agent of the occurrence of a Triggering Event (as defined in the Debenture), to comply with any written instruction received by you from the Collateral Agent in relation to the Policy from time (although save as expressly specified above, pending receipt of any such instructions, you should continue to deal with us in relation to all matters relating to the Policy),
- (f) to endorse a copy of this notice and your acknowledgement on the Policy (and any renewals of the Policy).

The instructions in this notice shall remain in full force and effect until the Collateral Agent gives you notice in writing revoking them.

You may comply with the instructions in this notice without any further permission from us and without any enquiry by you as to the justification for or validity of any instruction. In the event of any conflict between communications received from us and from the Collateral Agent, you shall treat the communication from the Collateral Agent as prevailing over the communication from us.

Please confirm your agreement to the contents of this notice by executing and returning an original copy of the Form of Acknowledgement attached to this notice to the Collateral Agent at [FAO], U S Bank National Association, [Address] with a copy to us

This letter is governed by English law.

Yours faithfully,

For and on behalf of
[the Company]

c c U.S Bank National Association

PART V

ACKNOWLEDGEMENT OF CHARGE OF INSURANCE POLICY

[LETTERHEAD OF UNDERWRITER/INSURANCE COMPANY]

To: [FAO]
U S Bank National Association
[Address]
(as collateral agent for the Secured
Parties,) (the "**Collateral Agent**")

[Date]

Dear Sirs,

ACKNOWLEDGEMENT OF NOTICE OF CHARGE

We acknowledge receipt of a notice dated [●] (the "**Notice**") (a copy of which is attached to this letter) Words and expressions defined in the Notice shall have the same meanings in this letter

At the request of the Collateral Agent and [Company], we confirm that

- (a) we accept the instructions and authorisations in the Notice and undertake to act in accordance with its terms;
- (b) other than a notice of the First Lien Debenture (as defined in the Debenture), we have not received notice of any previous assignment, charge, trust, claim or other third party interest or action affecting the Policy and if, we receive any such notice, we shall immediately notify the Collateral Agent,
- (c) no circumstances exist which would entitle us to exercise any right of set-off over £50,000 or otherwise make any claim or counterclaim under or terminate the Policy, and we shall not assert or seek to exercise any such rights against the [Company] without the prior written consent of the Collateral Agent,
- (d) we will not cancel or otherwise allow the Policy to lapse or amend or vary the terms of the Policy in any material respect without giving the Collateral Agent at least 30 days' notice

We further acknowledge that under no circumstances shall the Collateral Agent be liable for any premiums or other payments in respect of the Policy nor shall the Policy be rendered void, voidable or unenforceable by reason of any non-disclosure by the Collateral Agent

This letter is for the benefit of the Collateral Agent as agent and trustee for the Secured Parties and is governed by English law

Yours faithfully,

PART VI

NOTICE OF CHARGE OF CONTRACT

[LETTERHEAD OF THE COMPANY]

To. **[Counterparty]**
[Address]

[Date]

Dear Sirs,

NOTICE OF CHARGE

We give you notice that we have charged in favour of U.S. Bank National Association, as collateral agent for the Secured Parties, (the "**Collateral Agent**") all our rights under or in respect of the *[describe Material Contract]* (the "**Contract**")

We confirm that

- (a) We will remain liable under the Contract to perform all the obligations assumed by us under the Contract
- (b) None of the Collateral Agent, any delegate appointed by the Collateral Agent or any receiver will at any time be under any obligation or liability to you under or in respect of the Contract

Neither the charge nor this notice releases, discharges or otherwise affects your liability and obligations in respect of the Contract

Subject to the above, we will remain entitled to exercise all our rights, powers and discretions under the Contract and you may continue to deal with us in relation to the Contract and give notices under the Contract to us unless and until you receive written notice to the contrary from the Collateral Agent that a Triggering Event (as defined in the charge) has occurred. Thereafter, all such rights, powers and discretions shall be exercisable by, and notices shall be given to, the Collateral Agent or as it directs and we will cease to have any right to deal with you in relation to the Contract and you must deal only with the Collateral Agent

The instructions in this notice may only be revoked or amended with the prior written consent of the Collateral Agent

Please confirm your agreement to the contents of this notice by executing and returning an original copy of the Form of Acknowledgement attached to this notice to the Collateral Agent at *[FAO]*, U S Bank National Association, *[Address]* with a copy to us.

This notice is governed by English law

Yours faithfully,

PART VII

ACKNOWLEDGEMENT OF CHARGE OF CONTRACT

[LETTERHEAD OF CONTRACT COUNTERPARTY]

To *[FAO]*
U S. Bank National Association
[Address]
(as collateral agent for the Secured
Parties,) (the "**Collateral Agent**")

[Date]

Dear Sirs,

ACKNOWLEDGEMENT OF NOTICE OF CHARGE

We acknowledge receipt of a notice dated **[●]** (the "**Notice**") (a copy of which is attached to this letter) Words and expressions defined in the Notice shall have the same meanings in this letter.

At the request of the Collateral Agent and *[Company]*, we confirm that

- (a) we accept the confirmations in the Notice and undertake to act in accordance with its terms;
- (b) other than a notice of the First Lien Debenture (as defined in the Debenture), we have not received notice of any previous assignment, charge, trust, claim or other third party interest or action affecting the Contract and if, we receive any such notice, we shall immediately notify the Collateral Agent; and
- (c) the Collateral Agent will not in any circumstances have any liability in relation to the Contract

This letter is for the benefit of the Collateral Agent as agent and, to the extent permitted by law, as trustee for the Secured Parties and is governed by English law.

Yours faithfully,

Signed for and on behalf of
[Counterparty]

by _____
(Print Name):

**SCHEDULE 9
TEMPLATE DEED OF RELEASE**

Dated [•]

A.M. CASTLE METALS UK LIMITED

E. HARDING & SONS LIMITED

CASTLE METALS UK LIMITED

K.K.S. (STAINLESS STEEL) CO. LIMITED

LOKS PLASMA SERVICES LIMITED

TIERNAY METALS LIMITED

as Obligors

and

U.S. BANK NATIONAL ASSOCIATION

as Collateral Agent

DEED OF RELEASE

THIS DEED OF RELEASE is made on [•]

PARTIES:

- (1) EACH COMPANY listed on the execution pages of this Deed as an Obligor (the "Obligors"), and
- (2) U.S. BANK NATIONAL ASSOCIATION as collateral agent for the Secured Parties (the "Collateral Agent")

BACKGROUND

- (A) The Obligors and the Collateral Agent entered into a debenture dated 21 February 2017 (the "**Debenture**") pursuant to which the Obligors granted Security (as defined in the Debenture) in favour of the Collateral Agent as agent, and, to the extent permitted by law, as trustee for the Secured Parties
- (B) Pursuant to Clause 16 (Release of Security) of the Debenture, the Obligors have requested that the Collateral Agent release [[all of the Security Assets] [the property listed in the schedule to this Deed (the "**Released Property**")]] from the Security and the Collateral Agent has agreed to do so on the terms and conditions of this Deed

IT IS AGREED as follows.

1. INTERPRETATION

- (a) Terms defined in the Debenture shall, unless otherwise defined in this Deed, have the same meaning in this Deed
- (b) The provisions of Clause 1.2 (Construction of Particular Terms) and Clause 1.3 (Interpretation of this Deed) of the Debenture apply to this Deed as though they were set out in full in this Deed

2. RELEASE

- (a) The Collateral Agent, absolutely, irrevocably and unconditionally releases and re-assigns absolutely, without recourse or representation or warranty of any kind, the Security over [[all of the Security Assets] [the relevant Released Property specified in the Schedule to this Deed]], subject to Clause 16 (Release of Security) of the Debenture
- (b) This release and re-assignment shall not discharge the Obligors from any outstanding liabilities to the Collateral Agent or any of the Secured Parties or

from any other security and [releases the *[relevant Obligor]* from all its covenants, liabilities and obligations under the Debenture]²

3. FURTHER ASSURANCE

The Collateral Agent will do all things and execute all documents which are reasonably necessary and within its control to give effect to this Deed and the release and re-assignment of the Security Assets from the Security

4. EXPENSES

Costs and expenses shall be payable by each Obligor in accordance with Section 10.2 of the First Lien Credit Agreement

5. EXECUTION AS A DEED

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

6. COUNTERPARTS

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

7. GOVERNING LAW

This Deed is governed by and is to be construed in accordance with English law

IN WITNESS of which this document has been executed as a deed by the Collateral Agent and executed as a deed by each Obligor and is delivered on the date stated at the beginning of this Deed

² This wording is required where all of an Obligor's assets are released from the debenture, not just some of its assets

The Collateral Agent

EXECUTED as a DEED
by **U.S. BANK NATIONAL ASSOCIATION,**
as Collateral Agent

_____ Officer

_____ Officer

The Obligors

EXECUTED as a DEED by
A.M. CASTLE METALS UK LIMITED

_____ Director

_____ Director/Secretary

E. HARDING & SONS LIMITED

_____ Director

_____ Director/Secretary

CASTLE METALS UK LIMITED

_____ Director

_____ Director/Secretary

K.K.S. (STAINLESS STEEL) CO. LIMITED

_____ Director

_____ Director/Secretary

LOKS PLASMA SERVICES LIMITED

_____ Director

_____ Director/Secretary

TIERNAY METALS LIMITED

_____ Director

_____ Director/Secretary


SIGNATURES

The Obligors

EXECUTED as a DEED by:

A.M. CASTLE METALS UK LIMITED

Patrick R. Anderson Director

 Director/Secretary

Address:

Fax:

Attention:

E. HARDING & SONS LIMITED

Patrick R. Anderson Director

 Director/Secretary


Address:

Fax:

Attention:

CASTLE METALS UK LIMITED

Patrick R. Anderson Director

 Director/Secretary


Address:

Fax:

Attention:

K.K.S. (STAINLESS STEEL) CO. LIMITED

Patrick R. Anderson Director

 Director/Secretary

Address:

Fax:

Attention:

LOKS PLASMA SERVICES LIMITED

Patrick R. Anderson Director

 Director/Secretary

Address:

Fax:

Attention:

TIERNAY METALS LIMITED

Patrick R. Anderson Director

 Director/Secretary

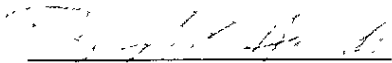
Address:

Fax:


Attention:

The Collateral Agent

U.S. BANK NATIONAL ASSOCIATION,
as Collateral Agent



Officer



Officer

Address: 60 Livingston Avenue, ST. Paul MN 55107

Fax: 651 466-7429

Attention: Global Corporate Trust A.M. Castle Administrator