

MR01

Particulars of a charge

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12/08/2015

#222

COMPANIES HOUSE

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

✗ **What this form is NOT for**
You may not use this form to
register a charge where the charge is
instrument Use form MR01

WEDNESDAY

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 03731119

Company name in full Hexion Stanlow Limited

5 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 27/07/2015

3

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

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

Name JPMorgan Chase Bank, N A

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

The instrument contains a charge expressed to be a fixed charge over all of the Chargor's title, interest and other rights from time to time in any land. Although no particular land is specified apart from Hexion UK Limited, this fixed charge would include any land registered (or required to be registered) in the UK in which the Chargor has any rights from time to time

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

Please limit the description to the available space

5

Other charge or fixed security

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

☒ Yes

☐ No

6

Floating charge

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

☒ Yes Continue

☐ No Go to Section 7

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

☐ Yes

7

Negative Pledge

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

☒ Yes

☐ No

8

Trustee statement ①

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

☐

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

9

Signature

Please sign the form here

Signature

Signature

X Mayer Brown International LLP X

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

MR01

Particulars of a charge



Presenter information

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

Contact name Simon Fisher

Company name Mayer Brown International LLP

Address 201 Bishopsgate

Post town London

County/Region

Postcode E C 2 M 3 A F

Country

DX DX 556 London and City

Telephone +44 (0)20 3130 3411



Certificate

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



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



How to pay

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

Make cheques or postal orders payable to 'Companies House'



Where to send

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

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

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

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



Further information

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

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



FILE COPY

CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3731119

Charge code: 0373 1119 0005

The Registrar of Companies for England and Wales hereby certifies that a charge dated 27th July 2015 and created by HEXION STANLOW LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 12th August 2015.

Given at Companies House, Cardiff on 18th August 2015



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated 27 July 2015

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

SECURITY DEED

CERTIFIED A TRUE COPY
OF THE ORIGINAL

DATED 07/08/2015

SIGNED Mayer Brown International LLP
Mayer Brown International LLP

MAYER • BROWN

LONDON

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THIS DEED is dated

27 July

2015 and made between:

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

BACKGROUND:

- (A) By an asset based revolving credit agreement originally dated 28 March 2013 and as amended and restated on or around the date of this Deed and made between amongst others (1) the Borrowers and (2) JPMorgan Chase Bank, N.A. (as amended and restated from time to time, the "**Credit Agreement**"), the Lenders have agreed to provide revolving credit facilities to the Borrowers on the terms of the Credit Agreement
- (B) The provision of this Deed is a condition precedent to the amendment and restatement the Credit Agreement. This is a "**U.K. Security Document**" as defined in the Credit Agreement
- (C) The Collateral Agent holds the benefit of this Deed, including the security created and other rights granted in it to the Collateral Agent or any Secured Party, on trust for the Secured Parties on the terms set out in the Credit Agreement and Clause 21 (*Collateral Agent provisions*)
- (D) This document is the deed of each Chargor, even if it has not been duly executed by the Collateral Agent or has been executed by the Collateral Agent but not as a deed

THIS DEED WITNESSES that:

**SECTION 1
INTERPRETATION**

1 DEFINITIONS AND INTERPRETATION

1.1 Terms defined in the Credit Agreement

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

1.2 Definitions

In addition, in this Deed

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

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

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

"Discharge Date" has the meaning given to it in Clause 15 1 (*Continuing security*)

"IA" means the Insolvency Act 1986

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

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

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

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

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

"LPA" means the Law of Property Act 1925

"Mortgaged Properties" has the meaning given to it in Clause 3 1(a) (*Land*), **"Mortgaged Property"** means any of them and any reference to one or more of the Mortgaged Properties includes all or any part of it or each of them.

"Party" means a party to this Deed

"Planning Acts" means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990 and the Planning and Compensation Act 1991, together with all other statutes from time to time governing or controlling the use or development of land

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

"Permitted Lien" means Liens permitted under Section 6 02 (*Liens*) of the Credit Agreement

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

"Secured Obligations" means all Obligations from time to time due or owing, and all Obligations from time to time incurred, by any Foreign Subsidiary Loan Party to any Secured Party or any Receiver or delegate of a Receiver under the Loan Documents:

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

but excluding (i) any money, obligation or liability which would cause the covenant set out in Clause 2.1 (*Covenant to pay*) or the security which would otherwise be constituted by this Deed to be unlawful or prohibited by any applicable law or regulation, and (ii) any amounts payable (under the Guarantee Agreement or otherwise) on account of the obligations of a Domestic Loan Party

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

1.3 Construction

- (a) In this Deed, any reference to:
 - (i) **"assets"** includes present and future properties, revenues, rights and other assets of every description (and any reference to a particular type or category of assets includes any present or future assets of that type or category),
 - (ii) the **"Chargors"** includes a reference to any one or more of them as well as a reference to all of them;
 - (iii) **"this Deed"** includes the Recitals and Schedules which form part of this Deed for all purposes,
 - (iv) a **"disposal"** includes any lease, licence, transfer, sale or other disposal of any kind (with related words being construed accordingly),
 - (v) the masculine, feminine or neuter **gender** respectively includes the other genders and the **singular** includes the plural (and vice versa),
 - (vi) a **"guarantee"** means:
 - (A) any guarantee, letter of credit, bond, indemnity, third party security or other legally binding assurance against loss; or

- (B) any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person, to make an investment in or loan to any person or to purchase assets from any person where, in each case, that obligation is assumed in order to maintain or assist the ability of that person to meet its indebtedness,
- (vii) **"including"** means "including without limitation" (with related words being construed accordingly), **"in particular"** means "in particular but without limitation" and other **general words** shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of assets, matters or things,
- (viii) **"indebtedness"** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent,
- (ix) any **Loan Document**, other **Instrument** or other **document** is to that Loan Document, other Instrument or other document as supplemented, otherwise amended, replaced or novated from time to time (however fundamental that amendment, novation or replacement may be, even if it involves increased, new, additional and/or replacement facilities or an increase in any other amount or rate);
- (x) a **"person"** includes any individual, firm, company or other corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of them and any reference to a **Party** or other **particular person** includes its successors in title, permitted assignees and permitted transferees in accordance with their respective interests,
- (xi) a **provision of law** is to that provision as amended, re-enacted or replaced from time to time and includes any subordinate legislation in force under it from time to time;
- (xii) a **"Recital"** is to a statement made under the heading "Background" above, any reference to a **"Clause"** or to a **"Schedule"** is to a clause of or a schedule to this Deed (as the case may be),
- (xiii) **"regulation"** includes any regulation, rule, official directive, notice, request, code of practice, guideline, demand or decision (in each case whether or not having the force of law, but, if not having the force of law, compliance with which is customary) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (xiv) a **"right"** includes any title, estate, interest, claim, remedy, power, authority, discretion or other right of any kind, both present and future (and any reference to rights in a particular asset or type or category of assets includes any rights in the proceeds of any disposal of that asset or any assets within that type or category);

(xv) **"tax"** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same), and

(xvi) **"this Security"** means the Liens constituted by or pursuant to this Deed

(b) The index and Clause and Schedule headings are for ease of reference only

(c) If there is any inconsistency between the terms of this Deed and those of the Credit Agreement, the terms of the Credit Agreement shall prevail

1 4 Third party rights

(a) A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Deed.

(b) No consent of any person who is not a Party is required to rescind or vary this Deed at any time

1 5 Credit Agreement

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

SECTION 2
COVENANT TO PAY; GRANTING AND PERFECTION OF SECURITY

2. PAYMENT OF THE SECURED OBLIGATIONS

2.1 Covenant to pay

The Chargors covenant with the Collateral Agent that they shall pay and discharge, or procure the payment or discharge of, each of the Secured Obligations at the time and in the manner provided in the relevant Instrument for their payment or discharge by the relevant Chargor

2.2 Interest

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

2.3 Further advances

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

3 SECURITY

3.1 Fixed charges

As security for the payment and discharge of the Secured Obligations each Chargor with full title guarantee charges to the Collateral Agent by way of first fixed charge (which so far as it relates to land in England and Wales vested in the Chargor as at the date of this Deed will be charged by way of first legal mortgage and so far as it relates to other assets shall take effect as an equitable mortgage)

- (a) **Land:** all of its rights as at the date of this Deed in the Properties and all of its other rights in any land (together the "**Mortgaged Properties**") in each case together with all of its rights in all buildings, structures, erections, fixtures and fittings (including trade fixtures and fittings) from time to time on any of the Mortgaged Properties and any proceeds of disposal of any of the Mortgaged Properties, and
- (b) **Chattels:** all of its rights in any plant, machinery, equipment and other chattels (but excluding its stock in trade or work in progress) (together, being "**Chattels**").

3.2 Floating charge

As security for the payment and discharge of the Secured Obligations, each Chargor with full title guarantee charges to the Collateral Agent by way of first floating charge its Mortgaged Properties and Chattels (other than such assets validly and effectively charged or assigned (whether at law or in equity) from time to time pursuant to Clause 3 1 (*Fixed charges*)). Schedule B1, Paragraph 14 1A shall apply to the floating charge contained in this Deed

4. CRYSTALLISATION OF FLOATING CHARGE

4 1 Crystallisation by notice

The Collateral Agent may at any time by notice in writing to a Chargor convert the floating charge created by that Chargor in Clause 3 2 (*Floating charge*) into a fixed charge with immediate effect as regards any Collateral specified in the notice if

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

4 2 Automatic crystallisation

The floating charge created by a Chargor in Clause 3.2 (*Floating charge*) shall automatically (without notice to that Chargor) be converted into a fixed charge with immediate effect as regards all assets of the relevant Chargor subject to the floating charge if

- (a) that Chargor creates a Lien other than Permitted Lien over any Collateral or attempts to do so or any Collateral is disposed of contrary to Clause 7 2 (*No disposals*),
- (b) any person levies or attempts to levy any distress, execution, sequestration or other process against any Collateral of the relevant Chargor, or
- (c) the Collateral Agent receives notice of a proposal or intention to wind up, or appoint an administrator of, that Chargor or if that Chargor is wound up or has an administrator appointed

Nothing in this Clause 4 shall affect the crystallisation of the floating charge created by any Chargor under applicable law and regulation

5. PERFECTION OF SECURITY AND FURTHER ASSURANCE

5.1 Notice of Charge

Whilst an Event of Default is continuing, promptly upon a request from the Collateral Agent, each Chargor shall deliver (with a copy to the Collateral Agent) a notice of charge (in form and substance satisfactory to the Collateral Agent acting reasonably), duly completed to any depositary owner, warehouse owner or other person who owns or controls a location in England and Wales at which any of a Chargor's plant, machinery, equipment and other chattels is stored or located

5.2 Further assurance

Each Chargor shall at the reasonable request of the Collateral Agent and at its own expense promptly execute (in such form as the Collateral Agent may reasonably require) any Instruments or other documents and otherwise do any acts and things which the Collateral Agent may reasonably require to preserve, perfect or protect the security created (or intended to be created) by this Deed or the priority of it or whilst an Event of Default is continuing to facilitate the realisation or enforcement of it or to exercise any of the rights of the Collateral Agent, any other Secured Party or any Receiver in relation to the same

SECTION 3
ASSET REPRESENTATIONS, COVENANTS AND WARRANTIES

6. REPRESENTATIONS

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

- (a) save for Permitted Liens, it is the sole legal and beneficial owner of the assets over which it purports to grant security, and
- (b) it has good and valid rights in, or the power to transfer, the Collateral and title to the Collateral with respect to which it has purported to grant a Lien under this Deed, free and clear of all Liens except for Permitted Liens, and has full power and authority to grant to the Collateral Agent this Security

7. NEGATIVE PLEDGE AND DISPOSALS

7.1 Negative pledge

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

7.2 No disposals

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

8. OTHER COVENANTS OF GENERAL APPLICATION

8.1 Information and access

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

8.2 Management of Collateral

Each Chargor shall manage its Collateral in a proper and efficient manner and in particular shall

- (a) keep its Collateral in good and substantial repair and working order,
- (b) not without the prior written consent of the Collateral Agent make, permit or allow any alterations or additions of a materially prejudicial nature to any of its Collateral or carry out any works of demolition on them, and

- (c) not do, permit or allow to be done anything which might in any way depreciate, jeopardise or otherwise prejudice the security held by the Collateral Agent or the value of any of the Chargor's Collateral and shall immediately inform that Collateral Agent of anything which occurs which would reasonably be expected to have that effect

8.3 Maintenance of insurance

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

8.4 Covenants for title

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

9. MORTGAGED PROPERTIES

9.1 Registration at Land Registry

Each Chargor shall

- (a) do all things requested by the Collateral Agent to facilitate the registration of this Deed against any Land Registry title comprised in the Mortgaged Properties. For that purpose, the relevant Chargor shall
 - (i) apply to the Chief Land Registrar (or co-operate in the application) for a restriction to be entered on each title to the Mortgaged Properties in the following terms "No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the Deed dated [●], in favour of [●] referred to in the charges register or, if appropriate, signed on such proprietor's behalf by its secretary or conveyancer", and
 - (ii) if the Collateral Agent so requests, certify that the security over the Mortgaged Properties created by this Deed does not contravene any of the provisions of its constitutional documents;
- (b) not permit any other person to be registered at Land Registry as proprietor of any of the Mortgaged Properties (or of any interest in any of the Mortgaged Properties), and
- (c) save to the extent expressly disclosed in writing to the Collateral Agent prior to the date of this Deed, not create or permit to arise any interest which falls within any of the paragraphs of Schedule 3 Land Registration Act 2002 or any interest preserved by the transitional provisions of Schedule 12 Land Registration Act 2002 to the extent and for so long as any interest is so preserved in or over any of the Mortgaged Properties

9 2 Delivery of Mortgaged Property title documents

- (a) Each Chargor shall, on the date of this Deed and from time to time, deliver (or procure that there are delivered) to the Collateral Agent (or a nominee specified by the Collateral Agent acting on its behalf) all title documents (including all local land charges, Land Registry search certificates and planning and other statutory consents) relating to the Mortgaged Properties. The Collateral Agent shall be entitled to hold or retain (or have its nominee hold or retain) them
- (b) On completion of the registration of this Deed against any Land Registry title comprised in the Mortgaged Properties, each relevant Chargor shall supply the Collateral Agent with a copy of the title information document for that title

9 3 Development

Each Chargor shall, at all times until the Discharge Date.

- (a) not carry out or permit to be carried out on any of the Mortgaged Properties any development (within the meaning of that expression in the Planning Acts and being development for which the permission of the local planning authority is required) nor sever or unfix or remove any of the fixtures from any of the Mortgaged Properties nor remove any of the plant and machinery (other than stock-in-trade or work-in-progress) on any Mortgaged Property (except for the purpose and in the course of effecting necessary repairs to that asset or of replacing it with a new or improved model or substitute or, to the extent it is obsolete, for the purpose of disposal); and
- (b) not make (or permit others to make) any application for planning permission in respect of any of the Mortgaged Properties

9 4 Leases comprised in the Secured Assets

Each Chargor shall not without the prior written consent of the Collateral Agent:

- (a) surrender or determine or agree to the determination, surrender or termination of any Lease forming part of the Secured Assets, or
- (b) agree to any amendment of, or to any waiver of rights under, any Lease forming part of the Secured Assets except to the extent that such amendment or waiver would not have a material or adverse effect on the interests of the Secured Parties.

9.5 Powers of leasing of a Chargor

No grant, agreement to grant or acceptance of a surrender of a Lease by a Chargor prior to the Discharge Date shall have effect or force (by virtue of ss99 and 100 Law of Property Act 1925 or otherwise) unless expressly permitted by the Credit Agreement or otherwise expressly permitted in writing by the Collateral Agent (acting on the instructions of the Majority Lenders).

9.6 Local authority proposals

- (a) Each Chargor shall
 - (i) give to the Collateral Agent a copy of any notice or order (or any proposal for a notice or order) given, issued or made by any local or other authority which would reasonably be expected to materially affect any of the Secured Assets;
 - (ii) except to the extent the Collateral Agent expressly agrees otherwise, take all necessary steps to comply with that notice, order or proposal, and
 - (iii) make or join in making any representations which the Collateral Agent requests in respect of the notice, order or proposal
- (b) Any compensation received as a result of a notice, order or proposal referred to in Clause 8.7(a), pursuant to s25 Law of Property Act 1969 and/or the Landlord and Tenant Act 1954 or otherwise, shall be held on trust for, and promptly paid to, the Collateral Agent. The Collateral Agent shall apply the compensation as if it constituted proceeds of an enforcement of this Deed

9.7 Subsequent incumbrancer

For the purposes of ss99 and 100 LPA, "mortgagor" shall include any incumbrancer (as defined in the LPA) deriving title from a Chargor and s99(18) and s100(12) LPA shall not apply

9.8 Access

To the extent that Chattels of a Chargor (the "**First Chargor**") are located on the Mortgaged Property of another Chargor (the "**Second Chargor**"), the Second Chargor hereby.

- (a) waives any interest it has in the Chattels and agrees not to claim or assert any lien, security interest, right or other claim against any part of the Chattels for any reason,
- (b) agrees, to the extent possible under applicable laws, that the Chattels are and shall remain property of the First Chargor regardless of the manner or mode of attachment of any Chattel to the Mortgaged Property of the Second Chargor and, in particular, no part of any Chattel shall be deemed to be fixtures,
- (c) agrees that the Chattels may be inspected and evaluated by the Collateral Agent or its agents or delegates, without the need for a court order, at any reasonable time without payment of any fee, and
- (d) agrees that the Collateral Agent or its agent or delegate may, without the need for a court order, enter the Mortgaged Property of the Second Chargor at any reasonable time to inspect or remove all or any of the Chattels from such Mortgaged Property without interference by the Second Chargor, and the Collateral Agent or its agent or delegate may sell, transfer, or otherwise

dispose of any Chattel free of all liens, security interests, claims, demands, rights and interests that the Second Chargor may have in any Chattel by law or agreement, without interference by the Second Chargor.

**SECTION 4
ENFORCEMENT OF SECURITY**

10 ENFORCEMENT – GENERAL PROVISIONS

10.1 Enforcement

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

- (a) the power of sale and all other powers conferred on mortgagees by the LPA (or otherwise by law) or on an administrative receiver by the IA, in either case as extended or otherwise amended by this Deed;
- (b) to the extent that Clause 11 (*Right of appropriation*) applies, the power to appropriate the Collateral in or towards the payment and discharge of the Secured Obligations in accordance with Clause 11.2 (*Exercise of right of appropriation*), and
- (c) (without first appointing a Receiver) any or all of the rights which are conferred by this Deed (whether expressly or by implication) on a Receiver

10.2 LPA provisions

- (a) The Secured Obligations shall be deemed for the purposes of all powers implied by statute to have become due and payable within the meaning of s101 LPA immediately on the execution of this Deed
- (b) s93(1) LPA (restriction on the consolidation of mortgages), s103 LPA (restricting the power of sale) and s109 LPA (restricting the power to appoint a receiver) shall not apply to this Security

10.3 Protection of third parties

- (a) No purchaser, mortgagee or other person dealing with a Receiver or the Collateral Agent shall be bound to enquire whether its right to exercise any of its rights has arisen or become exercisable, or be concerned as to the application of any money paid, raised or borrowed or as to the propriety or regularity of any sale by or other dealing with that Receiver or the Collateral Agent
- (b) All of the protection to purchasers contained in ss104 and 107 LPA and s42(3) IA shall apply to any person purchasing from or dealing with a Receiver or the Collateral Agent as if the Secured Obligations had become due and the statutory powers of sale and of appointing a Receiver in relation to the Collateral had arisen on the date of this Deed.

10 4 Delegation

- (a) The Collateral Agent may delegate to any person or persons all or any of the rights which are exercisable by it under this Deed. A delegation under this Clause may be made in any manner (including by power of attorney) and on any terms (including power to sub-delegate) which the Collateral Agent may think fit.
- (b) A delegation under Clause 10 4(a) shall not preclude the subsequent exercise of those rights by the Collateral Agent itself nor preclude the Collateral Agent from making a subsequent delegation of them to another person or from revoking that delegation.
- (c) The Collateral Agent shall not be liable or responsible to any *Chargor* for any loss or damage arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

10 5 No liability

None of the Collateral Agent, any Receiver or any Administrator shall be liable as a mortgagee in possession or otherwise to account in relation to all or any part of the Collateral for any loss on realisation or for any other action, default or omission for which it, he or she might be liable.

11 RIGHT OF APPROPRIATION

11 1 Application of right of appropriation

This Clause 11 applies to the extent the Collateral constitute "financial collateral" and this Deed constitutes a "financial collateral arrangement" (within the meaning of the Financial Collateral Arrangements (No. 2) Regulations 2003).

11 2 Exercise of right of appropriation

If and to the extent that this Clause 11 applies, the Collateral Agent may appropriate the Collateral. If the Collateral Agent exercises its right of appropriation then it shall for these purposes value any relevant Collateral by reference to an independent valuation or other procedure determined by the Collateral Agent, acting reasonably, at the time of the appropriation.

12. APPOINTMENT OF RECEIVER

12 1 Appointment of Receiver

Without prejudice to any statutory or other powers of appointment of the Collateral Agent under the LPA as extended by this Deed or otherwise, at any time after this Security has become enforceable or if the relevant *Chargor* so requests in writing at any time the Collateral Agent may without further notice to any *Chargor* do any of the following:

- (a) appoint by deed or otherwise (acting through a duly authorised officer) any one or more persons qualified to act as a Receiver to be a Receiver of all or any part of the Collateral,
- (b) either at the time of appointment or any time after that appointment fix his or their remuneration (without being limited by the maximum rate specified in s109(6) LPA), and
- (c) (except as otherwise required by statute) remove any Receiver and appoint another or others in his or her place

12.2 Powers of Receiver

Every Receiver shall have in relation to the Collateral (every reference in this Clause 12.2 to "Collateral" being a reference only to all or any part of the Collateral in respect of which that Receiver was appointed) the powers granted by the LPA to any receiver appointed under it or to any mortgagor or mortgagee in possession and (whether or not the Receiver is an administrative receiver) the powers granted by the IA to any administrative receiver, all as varied and extended by this Deed. In addition, but without limiting the preceding sentence, every Receiver shall have power to do the following:

- (a) **Collection:** enter on, take possession of, collect and get in the Collateral and collect and get in all income relating to the Collateral whether accrued before or after the date of his or her appointment and for those purposes make any demands and take any actions or other proceedings which may seem to him or her expedient,
- (b) **Compliance with Deed:** comply with and perform all or any of the acts, matters, omissions or things undertaken to be done or omitted by the relevant Chargor under this Deed;
- (c) **Dealing with Collateral:** sell or otherwise dispose of the Collateral, or vary any agreement or arrangement relating to them. This power may be exercised without the need to comply with ss99 and 100 LPA. Any disposal or other dealing under this Clause 12.2(c) may be effected in the manner and on any terms which the Receiver thinks fit, for consideration consisting of cash, debentures or other obligations, shares or other valuable consideration and this consideration may be payable in a lump sum or by instalments spread over such period as the Receiver may think fit,
- (d) **Severance of assets:** sever from the premises to which they are annexed and sell separately (in accordance with Clause 12.2(c)) any plant, machinery or fixtures which constitute Collateral,
- (e) **Upkeep of Collateral:** repair, decorate, furnish, maintain, alter, improve, replace, renew or add to the Collateral as the Receiver shall think fit and effect, maintain, renew or increase indemnity insurance and other insurances and obtain bonds in relation to the Collateral;

- (f) **Dealing with third parties:** appoint or dismiss officers, employees, contractors or other agents and employ professional advisers and others on such terms (as to remuneration and otherwise) as the Receiver may think fit,
- (g) **Agreements:** perform, repudiate, terminate, amend or enter into any arrangement or compromise any contracts or agreements relating to the Collateral which the Receiver may consider expedient;
- (h) **Proceedings:** settle, arrange, compromise or submit to arbitration any accounts, claims, questions or disputes which may arise in connection with the Collateral and bring, prosecute, defend, enforce, compromise, submit to and discontinue any actions, suits, arbitrations or other proceedings which may arise in connection with the Collateral,
- (i) **Rights in connection with Collateral:** exercise or permit the relevant Chargor or any nominee of the relevant Chargor to exercise any rights incidental to the ownership of the Collateral in such manner as the Receiver may think fit,
- (j) **Assets and rights:** purchase, lease, hire or otherwise acquire any assets or rights of any description which the Receiver shall consider necessary or desirable for the carrying on, improvement or realisation of the Collateral or otherwise for the benefit of the Collateral,
- (k) **Landlord and tenant powers.** exercise any rights conferred on a landlord or a tenant by any applicable law or regulation in relation to the Mortgaged Properties,
- (l) **Receipts and discharges:** give valid receipts for all monies and execute all discharges, assurances and other documents which may be proper or desirable for realising the Collateral and redeem, discharge or compromise any Lien whether or not having priority to this Security or any part of it,
- (m) **All other acts:** execute and do all such other acts, things and documents as the Receiver may consider necessary or desirable for the realisation or preservation of the Collateral or incidental or conducive to any of the rights conferred on or vested in him or her under or by virtue of this Deed or otherwise and exercise and do in relation to the Collateral, and at the cost of the relevant Chargor, all the rights and things which he or she would be capable of exercising or doing if he or she were the absolute beneficial owner of the same, and
- (n) **Name of Chargor:** use the name of the relevant Chargor or his or her own name to exercise all or any of the rights conferred by this Deed

12.3 Agent of the relevant Chargor

Any Receiver appointed under this Deed whether acting solely or jointly shall be deemed to be the agent of the relevant Chargor and to be in the same position as a receiver appointed under the LPA and the relevant Chargor shall be solely responsible for his or her acts, omissions, defaults, losses and misconduct and for his or her

remuneration and the Collateral Agent shall not be in any way liable or responsible either to the relevant Chargor or to any other person for any Receiver

12.4 Joint appointment

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

13 APPOINTMENT OF ADMINISTRATOR

13.1 Appointment of Administrator

- (a) The Collateral Agent may without notice appoint any one or more persons to be an administrator of any Chargor pursuant to Schedule B1, Paragraph 14.1A at any time after this Security has become enforceable
- (b) Clause 13.1(a) shall not apply to the Chargor if Schedule B1, Paragraph 14.1A does not permit an administrator of the Chargor to be appointed
- (c) Any appointment under Clause 13.1(a) shall be in writing signed by a duly authorised officer of the Collateral Agent.

13.2 Replacement of an Administrator

The Collateral Agent may (subject to any necessary approval from the court) end the appointment of any Administrator by notice in writing signed by a duly authorised officer and appoint under Clause 13.1 a replacement for any Administrator whose appointment ends for any reason

14 APPLICATION OF PROCEEDS

14.1 Order of priority

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

- (a) where applicable, in payment of all Losses of and incidental to the appointment of the Receiver and the exercise of all or any of his or her powers,
- (b) where applicable, in payment of the Receiver's remuneration at such rate as may be agreed with the Collateral Agent,
- (c) in accordance with Section 2.19(b) of the Credit Agreement, and

- (d) if no Chargor is under any further actual or contingent liability under the Credit Agreement, in payment of the surplus (if any) to the person or persons entitled to it

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

SECTION 5
GENERAL SECURITY PROVISIONS

15. GENERAL SECURITY PROVISIONS

15.1 Continuing security

This Deed is a continuing security and regardless of any intermediate payment or discharge in whole or in part to any Secured Party, shall be binding until the date (the "**Discharge Date**") on which:

- (a) all of the Secured Obligations have been unconditionally and irrevocably paid or discharged in full to the satisfaction of the Collateral Agent, and
- (b) the Collateral Agent is satisfied that all of the Secured Parties have ceased to have any commitment, obligation or other liability (whether actual or contingent) to make any credit or provide any other accommodation to any Loan Party under any Loan Document or otherwise or to any other person in respect of whose liabilities any Loan Party has undertaken a liability to the Collateral Agent or any other Secured Party under any Loan Document

15.2 Additional security

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

15.3 Waiver of defences

The obligations of each Chargor under this Deed will not be discharged, impaired or otherwise affected by any act, omission, matter or thing which, but for this Clause 15.3, would reduce, release or prejudice any of its obligations under this Deed, including (whether or not known to it or the Collateral Agent):

- (a) any time, waiver, consent or other indulgence granted to, or composition with, any Loan Party or any other person other than any time, waiver, consent or other indulgence granted to a Chargor in relation to an obligation or obligations set out in this Deed, in which case the relevant Chargor shall be entitled to rely on such time, waiver or other indulgence for the purpose of the discharge of the relevant obligation or obligations under this Deed,
- (b) the release of any other Loan Party or any other person under the terms of any composition or arrangement with any creditor,
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Lien over the assets of, any Chargor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any Instrument or any failure to take, or failure to realise the full value of, any Lien **provided that** where the Collateral Agent makes a variation, compromise or release of any rights of a Chargor contained in this Deed then the relevant Chargor shall

be entitled to rely on such variation, compromise or release for the purposes of the discharge of the relevant obligation or obligations under this Deed,

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

15.4 Immediate recourse

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

15.5 Discretion in enforcement

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

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

15.6 Subsequent Liens

At any time following

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

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

shall not operate to reduce the amount secured by this Deed at the time when the Secured Party received or was deemed to have received that notice or, as the case may be, the Insolvency commenced or the assignment or transfer occurred.

16. POWER OF ATTORNEY

16.1 Appointment

The Chargor irrevocably and by way of security appoints the Collateral Agent and any Receiver and every delegate referred to in Clause 10.4 (*Delegation*) and each of them jointly and also severally to be its attorney (with full powers of substitution and delegation) and in its name or otherwise and on its behalf and as its act and deed and only whilst an Event of Default is continuing to execute, deliver and perfect all Instruments and other documents and do any other acts and things which may be required or which the attorney may consider desirable:

- (a) to carry out any obligation imposed on that Chargor by this Deed and which has not been carried out by that Chargor,
- (b) to carry into effect any disposal or other dealing by the Collateral Agent or any Receiver,
- (c) to convey or transfer any right in land or any other asset,
- (d) to get in the Collateral, and
- (e) generally to enable the Collateral Agent and any Receiver to exercise the respective rights conferred on them by this Deed or by applicable law and regulation,

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

16.2 Irrevocable power

Each Chargor acknowledges that each power of attorney granted by Clause 16.1 is granted irrevocably and for value as part of this Security to secure a proprietary interest of, and the performance of obligations owed to, the donee within the meaning of s4 Powers of Attorney Act 1971

17. RETENTION OF SECURITY

17.1 Release of Security

Following the Discharge Date and at the request and cost of the relevant Chargor, the Collateral Agent shall, as soon as reasonably practicable after receipt of that request, release and discharge this Security, at all times without recourse, representation or warranty and subject to the provisions of the Credit Agreement, Clauses 17.2 and 17.3 and the rights of any person having prior rights over those assets. Any release or discharge of this Security shall not release or discharge the relevant Chargor from any

liability to the Collateral Agent or any other Secured Party for the Secured Obligations or any other monies which exists independently of this Deed

17.2 Reinstatement

- (a) Any release, settlement, discharge, re-assignment or arrangement (in this Clause 17, a "**release**") made by the Collateral Agent on the faith of any assurance, security or payment shall be conditional on that assurance, security or payment not being avoided, reduced, clawed back or ordered to be repaid under any law relating to Insolvency.
- (b) If any avoidance, reduction or clawback occurs or order is made as referred to in Clause 17.2(a), then the release given by the Collateral Agent shall have no effect and shall not prejudice the right of the Collateral Agent to enforce this Security in respect of the Secured Obligations. As between the Chargors and the Collateral Agent, this Security shall (notwithstanding the release) be deemed to have remained at all times in effect and held by the Collateral Agent as security for the Secured Obligations.

18 PRIOR LIENS

18.1 Redemption

The Collateral Agent may at any time

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

18.2 Costs of redemption

All principal monies, interest, costs, expenses and other amounts incurred in and incidental to any redemption or transfer under Clause 18.1 shall be paid by the Chargors to the Collateral Agent on demand, in each case together with interest calculated in the manner referred to in Section 2.14 (*Interest*) of the Credit Agreement.

19 COLLATERAL AGENT PROVISIONS

19.1 Appointment of the Collateral Agent

- (a) Each of the Secured Parties has irrevocably appointed the Collateral Agent to act as its trustee in connection with the Security Documents pursuant to Article VIII (*The Agents*) of the Credit Agreement.
- (b) Each of the Secured Parties has authorised the Collateral Agent to exercise the rights specifically given to the Collateral Agent under or in connection with the Loan Documents together with any other incidental rights pursuant to Article VIII (*The Agents*) of the Credit Agreement.

19.2 Role of the Collateral Agent

- (a) The Collateral Agent shall hold the benefit of the Security Documents on trust for the Secured Parties
- (b) If the Collateral Agent receives notice from a party referring to this Deed, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Secured Parties
- (c) The Collateral Agent does not have any duties except those expressly set out in the Loan Documents. In particular, the Collateral Agent shall not be subject to the duty of care imposed on trustees by the Trustee Act 2000

19.3 Business with the Chargors

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

19.4 Discretions of the Collateral Agent

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

19.5 Responsibility for documentation

The Collateral Agent is not responsible for.

- (a) the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by any Secured Party, any Chargor or any other person given in or in connection with any Loan Document; or

- (b) the legality, validity, effectiveness, adequacy or enforceability of any Loan Document or any other agreement, arrangement or other document entered into, made or executed in anticipation of or in connection with any Loan Document

19.6 Additional Collateral Agent

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

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

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

19.7 Confidentiality

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

19.8 Relationship with the Lenders

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

19.9 No obligation to remain in possession

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

19 10 Security Documents

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

19 11 Collateral Agent's obligation to account

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

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

19.12 Receiver's and delegate's obligation to account

All the provisions of Clause 19 11 shall apply in respect of the liability of any Receiver or Administrator or delegate in all respects as though every reference in Clause 19 11 to the Collateral Agent were instead a reference to the Receiver or, as the case may be, Administrator or delegate

SECTION 6 ADMINISTRATION

20. CREDIT AGREEMENT PROVISIONS

Sections 9.01 (*Notices*), 9.05 (*Expenses, Indemnity*), 9.06 (*Right of set-off*), 9.10 (*Conversion of currencies*) and 9.17 (*Confidentiality*) of the Credit Agreement shall apply to this Deed as if they were set out in full again here, with references to the Collateral Agent or the Lenders including the Collateral Agent and with any other changes which are necessary to fit this context.

21 INDEMNITY

21.1 General indemnity

The Chargors shall on demand indemnify and keep indemnified the Collateral Agent and every Receiver, attorney, manager, agent or other person appointed by the Collateral Agent under this Deed and their respective employees in respect of all Losses incurred or suffered by any of them in or directly or indirectly as a result of the exercise of any of the rights vested in them under this Deed and against all Losses suffered or incurred by any of them in respect of any matter or thing done or omitted relating to the Collateral, together with interest calculated in the manner referred to in Section 2.13(d) of the Credit Agreement from the earlier of the date of demand and the date of payment by that person up to the date of receipt by that person (both before and after judgement) The Collateral Agent and Receiver may retain and pay all those sums out of any monies received by it or him or her under this Deed

21.2 Indemnity for breach

The Chargors shall on demand indemnify and keep indemnified the Collateral Agent in respect of all Losses occasioned by any breach of any of its covenants or other obligations under this Deed or otherwise relating to all or any part of the Collateral together with interest calculated in the manner referred to in Section 2.13(d) of the Credit Agreement from the earlier of the date of demand by the Collateral Agent and the date of payment up to the date of receipt by the Collateral Agent (both before and after judgement)

22 TRANSFERS

22.1 Collateral Agent

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

22.2 Chargors

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

22.3 Disclosure of information

The Collateral Agent may disclose any information about any Chargor in accordance with and subject to Section 9 17 (*Confidentiality*) of the Credit Agreement

23 COMMUNICATIONS

23 1 Communications in writing

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

23 2 Addresses

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

- (a) in the case of the Collateral Agent and the UK Borrowers, that identified with its name in Schedule 9 01 of the Credit Agreement, or
- (b) in the case of the Chargors other than the UK Borrowers, with its execution of this Deed at the end of the Schedules

24. CALCULATIONS AND CERTIFICATES

24.1 Accounts

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

24 2 Certificates or determinations

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

25 PARTIAL INVALIDITY

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

26 REMEDIES AND WAIVERS

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

single or partial exercise of any remedy or other right prevent any further or other exercise or the exercise of any other right. The remedies and other rights provided in this Deed are cumulative and not exclusive of any remedies and other rights provided by law.

27. AMENDMENTS AND WAIVERS

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

28. COUNTERPARTS

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

29. CONDUCT OF BUSINESS

No provision of this Deed will.

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

SECTION 7
GOVERNING LAW AND ENFORCEMENT

30 GOVERNING LAW

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

31 ENFORCEMENT

31.1 Jurisdiction of English courts

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed) (a "**Dispute**")
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) This Clause 30.1 is for the benefit of the Collateral Agent only. As a result, the Collateral Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Collateral Agent may take concurrent proceedings in any number of jurisdictions.

EXECUTION:

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

**SCHEDULE 1
THE CHARGORS**

Name	Jurisdiction of Incorporation	Company Number	Registered Office
Borden International Holdings Limited	England and Wales	03745631	C/O Momentive Specialty Chemicals UK Ltd Sully Moors Road Penarth South Glamorgan United Kingdom CF64 5YU
Borden Chemical UK Limited	England and Wales	03104655	C/O Momentive Specialty Chemicals UK Ltd Sully Moors Road Penarth South Glamorgan United Kingdom CF64 5YU
Combined Composite Technologies Limited	England and Wales	03486020	Unit 3 Trilogy Concorde Way Fareham Hampshire United Kingdom PO15 5RL
Hexion Stanlow Limited	England and Wales	03731119	Sully Moors Road Penarth South Glamorgan United Kingdom CF64 5YU
Hexion UK Limited	England and Wales	00867053	Sully Moors Road Penarth South Glamorgan CF64 5YU

**SCHEDULE 2
PROPERTIES**

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

Chargor	Description of Property	Title Number
Hexion UK Limited	Land and buildings lying to the North of Davy Drive, Peterlee	DU187150 -
Hexion UK Limited	Land lying to the North of Davy Drive, Peterlee	DU187138

EXECUTION of the Deed:

THE CHARGORS

SIGNED as a deed by, [REDACTED])
Director, duly authorised for and on behalf)
of [REDACTED])
[REDACTED] in the presence)
of [REDACTED])

Witness's signature [REDACTED]

Witness's name [REDACTED]
(in capital)

Witness's address [REDACTED]

Contact details [REDACTED]

Address [REDACTED]

Facsimile no [REDACTED]

Electronic mail address [REDACTED]

For the attention of [REDACTED]

SIGNED as a deed by [REDACTED])
Director, duly authorised for and on behalf)
of [REDACTED])
[REDACTED] in the presence of [REDACTED])

Witness's signature [REDACTED]

Witness's name [REDACTED]
(in capital)

Witness's address [REDACTED]

SIGNED as a deed by [REDACTED],
Director, duly authorised for and on behalf
of **COMBINED COMPOSITE**
TECHNOLOGIES LIMITED in the
presence of [REDACTED]

[REDACTED]

Witness's signature [REDACTED]

Witness's name [REDACTED]
(in capital)

Witness's address [REDACTED]

Contact details [REDACTED]

Address [REDACTED]

Facsimile no [REDACTED]

Electronic mail address [REDACTED]

For the attention of [REDACTED]

SIGNED as a deed by [REDACTED],
Director, duly authorised for and on behalf
of **HENION STANLOW LIMITED** in
the presence of [REDACTED]

[REDACTED]

Witness's signature [REDACTED]

Witness's name [REDACTED]
(in capital)

Witness's address [REDACTED]

Contact details [REDACTED]

Address [REDACTED]

Facsimile no [REDACTED]

Electronic mail address [REDACTED]

For the attention of [REDACTED]

Witness's

SIGNED as a deed by, [REDACTED] 1
Director duly authorised for and on behalf 1
of **HENXON UK LIMITED** in the 1
presence of [REDACTED] 1

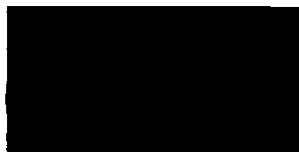
Witness's signature [REDACTED]

Witness's name
(in capital letters) [REDACTED]

Witness's address [REDACTED]

THE COLLATERAL AGENT

SIGNED as a deed by [REDACTED] ,)
duly authorised for and on behalf of)
JPMORGAN CHASE BANK, N.A. in)
the presence of)



Witness's signature

Witness's name
(in capitals)

Witness's address

