

MG02

Statement of satisfaction in full or in part of mortgage or charge



☒ **What this form is for**
You may use this form to register a
statement of satisfaction in full or in
part of a mortgage or charge

☐ **What this form is NOT for**
You cannot use this form to register
a statement of satisfaction in full or in
part of a fixed charge mortgage on a
company registered in Scotland. If you
do this, please use form MG01.

FRIDAY



A47 13/05/2011 136
COMPANIES HOUSE

For official use

→ **Filling in this form**
Please complete in typescript or in
bold black capitals
All fields are mandatory unless
specified or indicated by *

- 1 You should give a description of the instrument (if any) creating or evidencing the charge, e.g. 'Legal charge'
- 2 The date of registration may be confirmed from the certificate

1 Company details

Company number 0 0 3 4 5 2 7 9
Company name in full LONDON & SCANDINAVIAN METALLURGICAL CO LIMITED
("Chargor")

2 Creation of charge

Date charge created d1 d3 m0 m2 y2 y0 y0 y8
Description 1 Security agreement dated 13/02/2008 made between the Chargor,
Metallurg Europe Limited and the Security Agent ("Charge")
Date of registration 2 d1 d5 m0 m2 y2 y0 y0 y8

3 Name and address of chargee(s), or trustee(s) for the debenture holders

Please give the name and address of the chargee(s), or trustee(s) for the debenture holders

Name Credit Suisse, London Branch (the "Security Agent")
Address One Cabot Square, London

Postcode E 1 4 4 Q J

Name

Address

Postcode

Name

Address

Postcode

Continuation page
Please use a continuation page if
you need to enter more details

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Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Continuation page
Please use a continuation page if
you need to enter more details

Short particulars

1 CREATION OF SECURITY

1.1 Land

- (a) The Chargor has charged (subject to obtaining any necessary consent to such mortgage or fixed charge from any third party)
- (i) by way of a first legal mortgage all estates or interests in any freehold or leasehold property owned by it (other than the Coal Pit Property) and all rights under any licence or other agreement or document which gives the Chargor a right to occupy or use property this includes any specified in Part 1 of the Schedule attached, and
 - (ii) (to the extent that they are not the subject of a mortgage under sub-paragraph (i) above) by way of first fixed charge all estates or interest in any freehold or leasehold property owned by it and all rights under any licence or other agreement or documents which gives the Chargor a right to occupy or use property
- (b) A reference in the Charge to any freehold or leasehold property includes
- (i) all buildings, erections fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery on that property owned by the Chargor and
 - (ii) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property and any moneys paid or payable in respect of those covenants

1.2 Investments

- (a) The Chargor has charged (subject to obtaining any necessary consent to such mortgage or fixed charge from any third party)
- (i) by way of a first legal mortgage the Charged Shares this includes any Charged Shares specified in Part 2 of the Schedule attached and
 - (ii) (to the extent that they are not the subject of a mortgage under sub-paragraph (i) above) by way of a first fixed charge its interest in all shares stocks debentures, bonds warrants coupons or other securities and investments (including all Cash Equivalent Investments) owned by it or held by any nominee on its behalf

SEE CONTINUATION SHEET

5

Satisfaction of the debt

I confirm that the debt for which the charge described above was given has been paid or satisfied ①

- ☒ In full
☐ In part

① Please tick one box only

6

Signature

Please sign the form here

Signature

Signature

X  X

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

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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	CRAIG KELLY
Company name	SKADDEN, ARPS, SLATE, MEACHAM & FLEM (UK) LLP
Address	40 BANK STREET CANARY WHARF
Post town	LONDON
County/Region	
Postcode	E14 5DS
Country	UK
DX	
Telephone	020 7519 7000



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 completed the charge details in Section 2
- ☐ You have completed the name and address of the chargee, or trustee for the debenture holders
- ☐ You have completed the short particulars of the property mortgaged or charged
- ☐ You have confirmed whether the charge is to be satisfied in full or in part
- ☐ You have signed the form



Important information

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



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

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4	Short particulars of all the property mortgaged or charged	
	Please give the short particulars of the property mortgaged or charged	
Short particulars	(b)	<p>A reference in the Charge to any share, stock, debenture bond warrant, coupon or other security or investment includes</p> <p>(i) any dividend, interest or other distribution paid or payable</p> <p>(ii) any right, money or property accruing, derived, incidental or offered at any time by way of redemption substitution, exchange bonus or preference under option rights or otherwise</p> <p>(iii) any right against any clearance system</p> <p>(iv) any Related Rights, and</p> <p>(v) any right under any custodian or other agreement,</p> <p>in relation to that share stock debenture, bond warrant coupon or other security or investment</p> <p>1 3 Plant and machinery</p> <p>The Chargor has charged by way of a first fixed charge all Plant and Machinery owned by it and its interest in any Plant and Machinery in its possession</p> <p>1 4 Credit balances</p> <p>The Chargor has charged by way of a first fixed charge all of its rights in respect of any amount standing to the credit of any account it has with any person including its Mandatory Prepayment Accounts and Operating Accounts (if any) and the debt represented by that account</p> <p>1 5 Book debts etc</p> <p>The Chargor has charged by way of a first fixed charge</p> <p>(a) all of its book and other debts</p> <p>(b) all other moneys due and owing to it and</p> <p>(c) the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any item under paragraph (a) or (b) above</p> <p>1 6 Insurances</p> <p>(a) The Chargor has assigned absolutely, subject to a proviso for re-assignment on redemption, all amounts payable to it under or in connection with each of its insurances and all of its rights in connection with those amounts</p> <p>(b) To the extent that they are not effectively assigned under paragraph (a) above the Chargor has charged by way of first fixed charge all amounts and rights described in paragraph (a) above</p> <p>(c) A reference in this subclause to any amounts excludes all amounts received or receivable under or in connection with any third party liability Insurance and required to settle a liability of an Obligor to a third party</p> <p>1 7 Material contracts</p> <p>(a) The Chargor has assigned absolutely, subject to a proviso for re-assignment on redemption all of its rights in respect of its Material Contracts</p> <p>(b) To the extent that any such right described in paragraph (a) above is not assignable or capable of assignment the assignment of that right purported to be effected by paragraph (a) shall operate as an assignment of any damages compensation remuneration profit rent or income which the Chargor may derive from that right or be awarded or entitled to in respect of that right</p> <p>1 8 Intellectual property</p> <p>The Chargor has charged by way of a first fixed charge all of its rights in respect of any Material Intellectual Property Rights this includes any specified in Part 5 of the Schedule attached</p> <p>1 9 Miscellaneous</p> <p>The Chargor has charged by way of a first fixed charge</p> <p>(a) any beneficial interest claim or entitlement it has to any assets of any pension fund</p> <p>(b) its goodwill</p> <p>(c) the benefit of any authorisation (statutory or otherwise) held in connection with its business or the use of any Security Asset,</p> <p>(d) the right to recover and receive compensation which may be payable to it in respect of any authorisation referred to in paragraph (c) above and</p> <p>(e) its uncalled capital</p>

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Short particulars	<p>1 10 Floating charge</p> <p>(a) The Chargor has charged by way of a first floating charge all of its assets whatsoever and wheresoever not otherwise effectively mortgaged charged or assigned under the Charge</p> <p>(b) Except as provided below the Security Agent may by notice to the Chargor convert the floating charge created by the Chargor under the Charge into a fixed charge as regards any of the Chargor's assets specified in that notice, if</p> <p style="margin-left: 40px;">(i) An Event of Default has occurred and is continuing</p> <p style="margin-left: 40px;">(ii) the Security Agent reasonably considers those assets to be in danger of being seized or sold under any form of distress attachment execution or other legal process or to be otherwise in jeopardy or</p> <p style="margin-left: 40px;">(iii) the Chargor fails to comply or takes or threatens to take any action which in the reasonable opinion of the Security Agent, is likely to result in it failing to comply with its obligations under paragraph (a) of clause 4 (<i>Restrictions on dealing</i>) of the Charge</p> <p>(c) The floating charge created under the Charge may not be converted into a fixed charge solely by reason of</p> <p style="margin-left: 40px;">(i) the obtaining of a moratorium or</p> <p style="margin-left: 40px;">(ii) anything done with a view to obtaining a moratorium,</p> <p style="margin-left: 40px;">under section 1A of the Insolvency Act 1986</p> <p>(d) The floating charge created under the Charge will (in addition to the circumstances in which the same will occur under general law) automatically convert into a fixed charge over all of the Chargor's assets</p> <p style="margin-left: 40px;">(i) if an administrator is appointed or the Security Agent receives notice of an intention to appoint an administrator</p> <p style="margin-left: 40px;">(ii) on the convening of any meeting of the members of the Chargor to consider a resolution to wind the Chargor up (or not to wind the Chargor up) or</p> <p style="margin-left: 40px;">(iii) the Chargor creates or attempts to create any Security (other than security permitted pursuant to the Facilities Agreement) over any of the Security Assets</p> <p>(e) the floating charge created under the Charge is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act 1986</p> <p>(f) The giving by the Security Agent of a notice under paragraph (b) above in relation to any asset of the Chargor will not be construed as a waiver or abandonment of the Security Agent's rights to give any other notice in respect of any other asset or of any other right of any other Secured Creditor under the Charge or any other Finance Document</p> <p>2 RESTRICTIONS ON DEALINGS</p> <p>The Chargor may not</p> <p style="margin-left: 40px;">(a) create or permit to subsist any Security Interest over any of its assets, or</p> <p style="margin-left: 40px;">(b) enter into a single transaction or a series of transactions (whether related or not) and whether voluntarily or involuntarily to sell lease, transfer or otherwise dispose of any asset</p> <p style="margin-left: 40px;">unless otherwise permitted under the Facilities Agreement</p> <p>3 FURTHER ASSURANCES</p> <p>3 1 General</p> <p>The Chargor must, at its own expense take whatever action the Security Agent or a Receiver may reasonably require for</p> <p style="margin-left: 40px;">(a) creating perfecting or protecting any security intended to be created by or pursuant to the Charge</p> <p style="margin-left: 40px;">(b) facilitating the realisation of any Security Asset</p> <p style="margin-left: 40px;">(c) facilitating the exercise of any right, power or discretion exercisable by the Security Agent or any Receiver or any of their respective delegates or sub-delegates in respect of any Security Asset or</p> <p style="margin-left: 40px;">(d) creating and perfecting security in favour of the Security Agent (equivalent to the security intended to be created by the Charge) over any assets of the Chargor located in any jurisdiction outside England and Wales</p> <p style="margin-left: 40px;">This includes</p> <p style="margin-left: 80px;">(i) the re-execution of the Charge</p> <p style="margin-left: 80px;">(ii) the execution of any legal mortgage charge transfer conveyance, assignment or assurance of any property whether to the Security Agent or to its nominee and</p> <p style="margin-left: 80px;">(iii) the giving of any notice order or direction and the making of any filing or registration,</p> <p style="margin-left: 40px;">which in any such case the Security Agent may think expedient</p>

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Short particulars

3.2 Consents

The Chargor agreed that it shall use all reasonable endeavours to obtain (in form and content satisfactory to the Security Agent (acting reasonably)) as soon as possible any consents necessary to enable its assets to be the subject of an effective fixed charge or assignment pursuant to clause 2 (*Creation of Security*) of the Charge and immediately upon obtaining any such consent, the asset concerned shall become subject to such Security and the Chargor shall promptly deliver a copy of each consent to the Security Agent

4 PRESERVATION OF SECURITY

Continuing security

The Security is a continuing security and will extend to the ultimate balance of the Non-U S Liabilities regardless of any intermediate payment or discharge in whole or in part

5 MISCELLANEOUS

Covenant to pay

The Chargor must pay or discharge the Non-U S Liabilities in the manner provided for in the Finance Documents

Definitions

"Acceptable Bank" means

- (a) a bank or financial institution which has a rating for its long-term unsecured and non-credit-enhanced debt obligations of A- or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or A3 or higher by Moody's Investor Services Limited or a comparable rating from an internationally recognised credit rating agency, or
- (b) any other bank or financial institution approved by the Facility Agent (and for this purpose each of the banks specified in the list of Acceptable Banks delivered to the Facility Agent on 25 July 2007, have been approved by the Facility Agent)

"Additional Borrower" means a company which becomes a Borrower in accordance with clause 30 (*Changes to the Obligors*) of the Facilities Agreement

"Ancillary Document" means each document relating to or evidencing the terms of an Ancillary Facility

"Ancillary Facility" means any ancillary facility made available by an Ancillary Lender in accordance with clause 9 (*Ancillary Facilities*) of the Facilities Agreement

"Additional Guarantor" means a company which becomes a Guarantor in accordance with clause 30 (*Changes to the Obligors*) of the Facilities Agreement

"Ancillary Lender" means each Lender (or affiliate of a Lender) which makes available an Ancillary Facility in accordance with clause 9 (*Ancillary Facilities*) of the Facilities Agreement

"Base Case Model" means the financial model including profit and loss, balance sheet and cashflow projections in agreed form relating to the Group together with the written business plan in agreed form each prepared by the Parent

"Base Currency" means US dollars

"Borrower" means an Original Borrower under the Facilities Agreement or an Additional Borrower under the Facilities Agreement unless it has ceased to be a Borrower in accordance with clause 30 (*Changes to the Obligors*) of the Facilities Agreement

"Cash Equivalent Investments" means at any time

- (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank
- (b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State or by an instrumentality or agency of any of them having an equivalent credit rating maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security
- (c) commercial paper not convertible or exchangeable to any other security
 - (i) for which a recognised trading market exists
 - (ii) issued by an issuer incorporated in the United States of America, the United Kingdom any member state of the European Economic Area or any Participating Member State

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- (iii) which matures within one year after the relevant date of calculation, and
 - (iv) which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or P1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investor Services Limited, or if no rating is available in respect of the commercial paper the issuer of which has in respect of its long-term unsecured and non-credit enhanced debt obligations an equivalent rating
 - (d) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent)
 - (e) any investment in money market funds which (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or P1 or higher by Fitch Ratings Ltd or P-1 of higher by Moody's Investor Services Limited, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above and (iii) can be turned into cash on not more than 30 days' notice or
 - (f) any other debt security approved by the Majority Lenders
- in each case, denominated in US dollars, sterling, euro or Brazilian reals or any other currency which is freely convertible into US dollars and to which any Obligor is alone (or together with other Obligors beneficially entitled at the time and which is not issued or guaranteed by any member of the Group or subject to any Security (other than Security arising under the Transaction Security Documents) provided that the equivalent in the Base Currency (on the basis of the Facility Agent's Spot Rate of Exchange on the relevant date of calculation) of the aggregate amount of such debt securities denominated in Brazilian reals (together with cash denominated in Brazilian reals) does not exceed US \$3,000,000
- "Charged Shares"** means all shares in any member of the Group the subject of the Security
- "Commitment"** means a Term Facility Commitment of Revolving Facility Commitment
- "Compliance Certificate"** means a certificate substantially in the form set out in schedule 9 (Form of Compliance Certificate) of the Facilities Agreement
- "Coal Pit Property"** means the leasehold property production facility at 45 Coal Pit Lane Lower Cumberworth Huddersfield, HD8 8PL
- "Deed of Accession"** means a deed substantially in the form of schedule 6 (*Form of Deed of Accession*) of the Charge
- "Event of Default"** means any event or circumstance specified as such in clause 28 (*Event of Default*) of the Facilities Agreement
- "Facilities Agreement"** means a US\$275,000,000 multicurrency term and revolving facilities agreement dated 30 August 2007 made between, amongst others AMG Advanced Metallurgical Group N V as parent, certain subsidiaries of the parent (together with the parent) as original borrowers, certain subsidiaries of the parent (together with the parent) as original guarantors and Credit Suisse London Branch as mandated lead arranger, facility agent, issuing bank and security agent (as supplemented and amended from time to time including by an amended agreement dated 25 September 2007 and by a second amendment agreement dated 26 October 2007)
- "Facility Agent"** means Credit Suisse London Branch acting as agent of the other Finance Parties
- "Facility Agent's Spot Rate of Exchange"** means the Facility Agent's spot rate of exchange for the purchase of the relevant currency with the Base Currency in the London foreign exchange market at or about 11 00am on a particular day
- "Fee Letter"** means
- (a) the letter dated 24 June 2007 between the Mandated Lead Arranger Facility Agent, Security Agent and the Parent setting out certain of the fees referred to in clause 17 (*Fees*) of the Facilities Agreement, and
 - (b) any agreement setting out fees to a Finance Party referred to in clause 17 4 (*Fees payable in respect of Letters of Credit*) or clause 17 5 (*Interest commission and fees on Ancillary Facilities*) of the Facilities Agreement or under any other Finance Document
- "Finance Document"** means
- (a) the Facilities Agreement
 - (b) the commitment letter dated 24 June 2007 between the Mandated Lead Arranger and the Parent
 - (c) any Obligor Accession Letter
 - (d) any Ancillary Document
 - (e) any Compliance Certificate
 - (f) any Fee Letter
 - (g) any Hedging Agreement
 - (h) any Resignation Letter
 - (i) any Selection Notice
 - (j) any Transaction Security Document
 - (k) any Utilisation Request, and

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any other document designated as a "Finance Document" by the Facility Agent and the Parent

"Finance Party" means the Facility Agent the Mandated Lead Arranger, the Security Agent, a Lender, the Issuing Bank, a Hedge Counterparty or any Ancillary Lender

"Group" means the Parent and each of its Subsidiaries for the time being

"Guarantor" means an Original Guarantor under the Facilities Agreement or an Additional Guarantor under the Facilities Agreement unless it has ceased to be a Guarantor in accordance with clause 30 (*Changes to the Obligors*) to the Facilities Agreement

"Hedge Counterparty" means a Lender or an affiliate of a Lender which becomes a Hedge Counterparty in accordance with clause 33.10 (*Hedging Accession Undertaking*) of the Facilities Agreement unless it has ceased to be a Hedge Counterparty in accordance with clause 33.9 (*Change of Hedge Counterparty*) of the Facilities Agreement

"Hedging Agreement" means any master agreement confirmation schedule or other agreement in agreed form entered into or to be entered into by the Parent and a Hedge Counterparty for the purpose of hedging interest rate liabilities in relation to the Term Facility in accordance with the Hedging Letter delivered to the Facility Agent under clause 4.1 (*Initial conditions precedent*) of the Facilities Agreement

"Hedging Letter" means a letter between the Facility Agent and the Parent in the agreed form dated on or about the date of the Facilities Agreement (and executed by the Parent) describing the hedging arrangements to be entered into in respect of the interest rate liabilities of the Borrowers of the Term Facilities under the Facilities Agreement

"IFRS" means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements

"Insurances" means in relation to the Chargor any contract or policy of insurance (including all cover notes) taken out by or on behalf of the Chargor or under which it has a right to claim

"Intellectual Property" means

- any patents, trade marks, service marks, designs, business names, copyrights, design rights, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered, and
- the benefit of all applications and rights to use such assets of each member of the Group

"Issuing bank" means Credit Suisse, London Branch acting as issuing bank under the Facilities Agreement

"Legal Opinion" means any legal opinion delivered to the Facility Agent under clause 4.1 (*Initial conditions precedent*) of the Facilities Agreement or clause 30 (*Changes to the Obligors*)

"Legal Reservations" means

- the principle that equitable remedies may be granted or refused at the discretion of a court and the limitations of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors
- the time barring of claims under the Limitation Acts, the possibility that an undertaking to assume liability for or indemnify a person against a non-payment of UK stamp duty may be void and defences of set-off or counterclaim
- similar principles, rights and defences under the laws of any Relevant Jurisdiction, and
- any general principles of law limiting the obligations of an Obligor which are specifically referred to in any Legal Opinion

"Lender" means

- any Original Lender, and
- any bank, financial institution, trust, fund or other entity which has become a party to the Facilities Agreement in accordance with clause 29 (*Changes to the Lenders*) of the Facilities Agreement

which in each case has not ceased to be a party to the Facilities Agreement in accordance with the terms of the Facilities Agreement

"Letter of Credit" means

- a letter of credit substantially in the form set out in schedule 12 (*Form of a Letter of Credit*) of the Facilities Agreement or in any other form requested by the Parent and agreed by the Facility Agent and the Issuing Bank (each acting reasonably) or
- any guarantee, indemnity or other instrument in a form requested by a Borrower (or the Parent on its behalf) and agreed by the Facility Agent and the Issuing Bank (each acting reasonably)

"Loan" means a Term Facility Loan or a Revolving Facility Loan

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Short particulars	<p>"Majority Lenders" means</p> <p>(a) (for the purposes of paragraph (a) of clause 42.1 (<i>Required consents</i>) of the Facilities Agreement in the context of a waiver in relation to a proposed Utilisation of the Revolving Facility of the condition in clause 4.2 (<i>Further conditions precedent</i>) of the Facilities Agreement), a Lender or Lenders whose Revolving Facility Commitments aggregate more than 66 2/3 per cent of the Total Revolving Facility Commitments and</p> <p>(b) (in any other case), a Lender or Lenders whose Commitments aggregate more, than 66 2/3 per cent of the Total Commitments (or if the Total Commitments have been reduced to zero aggregated more than 66 2/3 per cent of the Total Commitments immediately prior to that reduction)</p> <p>"Mandated Lead Arranger" means Credit Suisse, London Branch acting as mandated lead arranger and bookrunner</p> <p>"Mandatory Prepayment Account" means an interest-bearing bank account</p> <p>(a) held in England by a Borrower with the Facility Agent or Security Agent,</p> <p>(b) identified in a letter between the Parent and the Facility Agent as a Mandatory Prepayment Account</p> <p>(c) subject to a Security in favour of the Security Agent which Security is in form and substance satisfactory to the Facility Agent and Security Agent, and</p> <p>(d) from which no withdrawals may be made by any members of the Group except as contemplated by the Facilities Agreement, (as the same may be redesignated, substituted or replaced from time to time)</p> <p>"Material Adverse Effect" means an event or circumstance which has, or could reasonably be expected to have a material adverse effect on</p> <p>(a) the business, operations property or financial condition of the Group taken as a whole or</p> <p>(b) the ability of the Obligors (taken as a whole) to perform their obligations under the Finance Documents or</p> <p>(c) subject to the Legal Reservations the validity of enforceability of or the effectiveness or ranking of any Security granted or purporting to be granted pursuant to any of the Finance Documents or the rights or remedies of any Finance Party under any of the Finance Documents</p> <p>"Material Contract" means in relation to the Chargor, any agreement contract licence or other arrangement to which the Chargor is a party which is required by the Chargor to carry on its business as it is being conducted on the date if the Charge and breach non-performance repudiation, rescission cancellation or termination of which could reasonably be expected to have a Material Adverse Effect including any agreement specified in Part 4 of the Schedule</p> <p>"Material Intellectual Property Rights" means in relation to the Chargor all the Intellectual Property which is material in the context of the business of the Chargor or the Group and which is required by the Group or the Chargor in order to carry on its business as it is being conducted and as contemplated in the Base Case Model</p> <p>"Non-US Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of each Obligor to the Secured Creditors (or any of them) under each or any of the Finance Documents together with all costs, charges and expenses incurred by any Secured Creditor in connection with the protection preservation or enforcement of its respective rights under the Finance Documents or any other document evidencing or securing any such liabilities, other than the US Liabilities</p> <p>"Obligor" means a Borrower or a Guarantor</p> <p>"Obligor Accession Letter" means a document substantially in the form set out in schedule 7 (<i>Form of Obligor Accession Letter</i>) of the Facilities Agreement</p> <p>"Operating Account" means in relation to the Chargor</p> <p>(a) any account specified in Part 6 of the Schedule and</p> <p>(b) any other account which the Chargor and the Security Agent have designated an Operating Account</p> <p>"Original Borrower" means the subsidiaries of the Parent listed in part 1A of schedule 1 (<i>The Original Parties - The Original Borrowers</i>) of the Facilities Agreement as original borrowers (together with the Parent)</p> <p>"Original Guarantor" means the subsidiaries of the Parent listed in part 1B of schedule 1 (<i>The Original Parties - The Original Guarantors</i>) of the Facilities Agreement as original guarantors (together with the Parent)</p> <p>"Original Lenders" means the financial institutions listed in part II (<i>The Original Parties - The Original Lenders - other than UK Non-Bank Lenders</i>) and part III (<i>The Original Parties - The Original Lenders - UK Non-Bank Lenders</i>) of schedule 1 of the Facilities Agreement</p> <p>"Parent" means AMG Advanced Metallurgical Group NV a public company (<i>naamloze vennootschap</i>) incorporated under the laws of The Netherlands with corporate seal (<i>statutaire zegel</i>) in Amsterdam the Netherlands having its registered office at Prins Bernhardplein 200 1097 JB Amsterdam, The Netherlands registered at the Chamber of Commerce of Amsterdam under number 34261128</p> <p>"Participating Member State" means any member state of the European Communities that adopt or has adopted the euro as its lawful currency in accordance with legislation of the European Community relating to Economic and Monetary Union</p>

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"**Plant and Machinery**" means in relation to the Chargor any plant, machinery, computers, office equipment or vehicles specified in part 3 of the Schedule attached

"**Receiver**" means an administrative receiver a receiver and manager or a receiver in each case appointed under the Charge

"**Related Rights**" means in relation to any Charged Share

(a) the proceeds of sale of the whole or any part of that asset or any monies and proceeds paid or payable in respect of that asset

(b) all rights under any licence, agreement for sale option or lease in respect of that asset, and

(c) all rights benefits, claims contracts, warranties, remedies security indemnities or covenants for title in respect of that asset

"**Relevant Jurisdiction**" means in relation to an Obligor

(a) its jurisdiction of incorporation

(b) any jurisdiction where any asset subject to or intended to be subject to that Transaction Security to be created by it is situated

(c) any jurisdiction where it conducts its business, and

(d) the jurisdiction whose laws govern the perfection of any of the Transaction Security Documents entered into by it

"**Resignation Letter**" means a letter substantially in the form set out in schedule 8 (Form of Resignation Letter) of the Facilities Agreement

"**Revolving Facility**" means the revolving credit facility made available under the Facilities Agreement as described in paragraph (a)(ii) of clause 2.1 (*The Facilities*) of the Facilities Agreement

"**Revolving Facility Commitment**" means

(a) in relation to an Original Lender the amount in the Base Currency set opposite its name under the heading Revolving Facility Commitment in part II or part III of schedule 1 (*The Original Parties*) of the Facilities Agreement and the amount of any other Revolving Facility Commitment transferred to it under the Facilities Agreement and

(b) in relation to any other Lender, the amount in the Base Currency of any Revolving Facility Commitment transferred to it under the Facilities Agreement

to the extent not cancelled reduced or transferred by it under the Facilities Agreement

"**Revolving Facility Loan**" means a loan made or to be made under the Revolving Facility or the principal amount outstanding for the time being of that loan

"**Secured Creditors**" means each Finance Party

"**Security**" means any Security interest created evidenced or conferred by or under the Charge or any Deed of Accession

"**Security Assets**" means all assets of the Chargor the subject of the Security

"**Security Interest**" means any mortgage, pledge, lien charge (fixed or floating) assignments, hypothecation, set-off or trust arrangement for the purpose of creating security reservation of title or security interest or any other agreement or arrangement having a similar effect

"**Selection Notice**" means a notice substantially in the form set out in part II of schedule 3 (*Requests*) of the Facilities Agreement given in accordance with clause 15 (*Interest Periods*) of the Facilities Agreement in relation to a Term Facility

"**Subsidiary**" means a subsidiary within the meaning of section 736 of the Companies Act 1985 and for the purpose of clause 26 (*Financial Covenants*) of the Facilities Agreement and in relation to financial statements of the Group (i) a group company (*groepsmaatschappij*) as defined in section 2.24b of the Dutch Civil Code (*Burgelijk Wetboek*) and (ii) in relation to the Parent and its Subsidiaries any entity whose financial information is (or must be) fully consolidated in the Parent's consolidated financial statements in accordance with IFRS or any entity which would be consolidated (whether fully or proportionally) in the consolidated financial statements of the Parent in accordance with IFRS

"**Term Facility**" means the term loan facility made available under the Facilities Agreement as described in paragraph (a)(i) of clause 2.1 (*The Facility*) of the Facilities Agreement

"**Term Facility Loan**" means a loan made or to be made under the Term Facility or the principal amount outstanding for the time being of that loan

"**Total Commitments**" means the aggregate of the Total Term Facility Commitments and the Total Revolving Facility Commitments being US \$275,000,000 at the date of the Facilities Agreement

"**Total Revolving Facility Commitments**" means the aggregate of the Revolving Facility Commitments being US \$175,000,000 at the date of the Facilities Agreement

"**Total Term Commitments**" means the aggregate of the Term Facility Commitments being US \$100,000,000 at the date of the Facilities Agreement

"**Transaction Security**" means the security created or expressed to be created in favour of the Security Agent pursuant to the Transaction Security Documents

"**Transaction Security Documents**" means each of the documents listed as being a Transaction Security Document in paragraph 2(d) of

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part 1 of schedule 2 (*Conditions Precedent*) of the Facilities Agreement and any document required to be delivered to the Facility Agent under paragraph 14 of part II of schedule 2 (*Conditions Precedent*) of the Facilities Agreement together with any other document entered into by any Obligor creating or expressed to create security over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents

"US Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of each US Obligor to the Secured Creditors (or any of them) under each or any of the Finance Documents together with all costs charges and expenses incurred by any Finance Party in connection with the protection preservation or enforcement of its respective rights under the Finance Document or any other document evidencing or securing any such liabilities

"US Obligor" means any Obligor that is resident for tax purposes in the United States

"Utilisation" means a Loan or a Letter of Credit

"Utilisation Report" means a notice substantially in the relevant form set out in part 1 of schedule 3 (*Requests*) of the Facilities Agreement

SCHEDULE

In respect of a security agreement dated 13 February 2008, made between the Chargor, Metallurg Europe Limited and the Security Agent

PART 1

REAL PROPERTY

Chargor	Freehold/Leasehold	Description	Title Number
London & Scandinavian Metallurgical Co Limited	Freehold	Land and buildings at Fullerton Road Canklow	SYK388369
London & Scandinavian Metallurgical Co Limited	Freehold	Land on the east side of Fullerton Road, Brnsworth	SYK203434
London & Scandinavian Metallurgical Co Limited	Freehold	Land on the east side of Fullerton Road, Brnsworth	SYK202952
London & Scandinavian Metallurgical Co Limited	Freehold	Land at Fullerton Road, Canklow	SYK405963

PART 2

CHARGED SHARES

Chargor	Name of Charged Company	Class of shares held	Number of shares held
London & Scandinavian Metallurgical Co Limited	The Aluminium Powder Company Limited	Ordinary	436 037 of £1 each

PART 3

SPECIFIC PLANT AND MACHINERY

Chargor	Description	Internal Reference No
London & Scandinavian Metallurgical Co Limited	Two TPH Rod Line Production	70595
London & Scandinavian Metallurgical Co Limited	Rod Plan Induction Furnace	70651
London & Scandinavian Metallurgical Co Limited	Rod Plant Foundation Works	70655
London & Scandinavian Metallurgical Co Limited	Rod Plant Fume Plant	70652

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Chargor	Description	Internal Reference No
London & Scandinavian Metallurgical Co Limited	Furnace Cleaner	70865
London & Scandinavian Metallurgical Co Limited	Rod Line Ancillary Equipment	70653
London & Scandinavian Metallurgical Co Limited	Sennebogen Scrap Handling Machine	70877
London & Scandinavian Metallurgical Co Limited	Rod Plant High Voltage substation	70656
London & Scandinavian Metallurgical Co Limited	Rod Plant Steelwork and Platforms	70658
London & Scandinavian Metallurgical Co Limited	Rod Wrapping Machine	70851
London & Scandinavian Metallurgical Co Limited	Agresso Upgrade	70883
London & Scandinavian Metallurgical Co Limited	Rod Plant Installation and Commissioning	70659
London & Scandinavian Metallurgical Co Limited	ICAP 6500 Duo View ICP-OES Spectrometer	70895
London & Scandinavian Metallurgical Co Limited	Furnace Cleaner	70795
London & Scandinavian Metallurgical Co Limited	Fume Collector (Degreaser)	70552
London & Scandinavian Metallurgical Co Limited	Lime Fume Plant	70796
London & Scandinavian Metallurgical Co Limited	Precimeter lasers for EMD Rod Plant	70874
London & Scandinavian Metallurgical Co Limited	Chemical Grade Manufacture	70456
London & Scandinavian Metallurgical Co Limited	Castle Crushing Security	70889
London & Scandinavian Metallurgical Co Limited	Perimeter Fencing	70853
London & Scandinavian Metallurgical Co Limited	Titanium Scrap Baler/Shear	70722
London & Scandinavian Metallurgical Co Limited	Application Server	70872
London & Scandinavian Metallurgical Co Limited	Pruftechnik ECT machine for EMD	70868
London & Scandinavian Metallurgical Co Limited	IBC Packaging System	70812
London & Scandinavian Metallurgical Co Limited	Second-hand Kue Ken 35	70886
London & Scandinavian Metallurgical Co Limited	Security Cameras	70855
London & Scandinavian Metallurgical Co Limited	Ost Wet End Process Plant	70677

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Chargor	Description	Internal Reference No
London & Scandinavian Metallurgical Co Limited	Lab Reorganisation	70695
London & Scandinavian Metallurgical Co Limited	Document Management System Upgrade	70897
London & Scandinavian Metallurgical Co Limited	Switchgear for Middle Sub	70706
London & Scandinavian Metallurgical Co Limited	Bulk Bag Lifting Frame	70576
London & Scandinavian Metallurgical Co Limited	Installation of Altab Robot	70606
London & Scandinavian Metallurgical Co Limited	EMD Basket Coiler	70867
London & Scandinavian Metallurgical Co Limited	Fume Plant HF Monitor	70856
London & Scandinavian Metallurgical Co Limited	Replace Collator/Heatseal Tunl	70554
London & Scandinavian Metallurgical Co Limited	Whitepol R3 Mixing Bins	70893

PART 4

MATERIAL CONTRACTS

Chargor	Counterparty	Date	Term	Type of Supply	Amount
London & Scandinavian Metallurgical Co Limited	Rainbow Win Trading Limited	16 March 2007	Through December 2007	Chrome Oxide	800 tons per month average
London & Scandinavian Metallurgical Co Limited	Elements Chromium LLP	16 March 2007	Through December 2007	Chrome Oxide	113 tons per month average

PART 5

MATERIAL INTELLECTUAL PROPERTY RIGHTS

None at the date of the Charge

PART 6

OPERATING ACCOUNTS

Chargor	Account number	Sort code	Currency
London & Scandinavian Metallurgical Co Limited	38918003	40-05-15	USD
London & Scandinavian Metallurgical Co Limited	81664336	40-39-07	GBP
London & Scandinavian Metallurgical Co Limited	39094964	40-05-15	EURO
London & Scandinavian Metallurgical Co Limited	38918054	40-05-15	Swiss Franc