SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act

Date of Report (Date of earliest event reported): March 15, 2001
(March 2, 2001)

GREIF BROS. CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	1-566	31-4388903
(State or other jurisdiction of incorporation)	(Commission File No.)	(I.R.S. Employer Identification No.)

425 Winter Road, Delaware, Ohio	43015
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code 740-549-6000

Not Applicable
(Former name or former address, if changed since last report)

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ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On March 2, 2001, pursuant to the terms of a Share Purchase Agreement between Greif Bros. Corporation (the "Company") and Huhtamaki Van Leer Oyj, a Finnish corporation ("Huhtamaki"), the Company acquired all of the issued share capital of Royal Packaging Industries Van Leer N.V., a Netherlands limited liability company ("Van Leer Industrial"), for $555 million less the amount of Van Leer Industrial's debt and certain other obligations as of the closing date. The purchase price was determined through arms-length negotiations between representatives of the Company and Huhtamaki. Van Leer Industrial is a worldwide provider of industrial packaging and components, including steel, fibre and plastic drums, polycarbonate water bottles, intermediate bulk containers and closure systems, with operations in over 40 countries. Van Leer Industrial had EUR 1,028 million ($951 million) in net sales for its fiscal year ended December 31, 2000. The transaction will be accounted for as a purchase. Prior to the closing of the acquisition, there was no material relationship between the Company or Huhtamaki or any of their respective affiliates, directors or officers, or any associates of any such directors or officers.

The description contained herein of the Share Purchase Agreement is qualified in its entirety by reference to the Share Purchase Agreement between the Company, as buyer, and Huhtamaki, as seller, which is attached hereto as Exhibit 2 and incorporated herein by reference.

On March 2, 2001, the Company and Greif Spain Holdings, S.L. entered into a $900 million Senior Secured Credit Agreement with a syndicate of lenders. A portion of the proceeds from the Senior Secured Credit Agreement was used to fund the Van Leer Industrial acquisition and to refinance amounts outstanding under the Company's then existing revolving credit facility. The Senior Secured Credit Agreement provides for three term loans, a $150 million U.S. Dollar Term Loan A, a $200 million Euro Term Loan A and a $400 million Term Loan B, and a $150 million revolving multicurrency credit facility. The revolving

multicurrency credit facility, as provided for in the Senior Secured Credit Agreement, is available for working capital and general corporate purposes. The Term Loan A (both U.S. Dollar and Euro) and Term Loan B periodically reduce through the maturity date of February 28, 2006 and February 29, 2008, respectively. The revolving multicurrency credit facility matures on February 28, 2006.

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS (concluded)

The Senior Secured Credit Agreement contains certain covenants, which include financial covenants that require the Company to maintain a certain leverage ratio, a minimum coverage of interest expense and fixed charges and a minimum net worth. In addition, the Company is limited with respect to the incurrence of additional debt. The repayment of this facility is secured by a first lien on substantially all of the personal property and certain of the real property of the Company. Standard & Poor's and Moody's Investors Service have assigned a "BB" rating and a "Ba3" rating, respectively, to the loan obligations of the Company under the Senior Secured Credit Agreement.

The Senior Secured Credit Agreement is filed herewith as Exhibit 99.2, and the description contained herein of the Senior Secured Credit Agreement is qualified in its entirety by reference to such exhibit.

The Company has previously publicly announced these transactions and a copy of the press release issued by the Company on March 2, 2001 is included herewith as Exhibit 99.1.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements of Business Acquired.

In accordance with Item 7(a)(4) of Form 8-K, the required financial statements will be filed by amendment under cover of Form 8-K/A no later than 60 days after March 17, 2001.

(b) Pro Forma Financial Information.

In accordance with Item 7(b)(2) of Form 8-K, such pro forma financial information will be filed by amendment under cover of Form 8-K/A no later than 60 days after March 17, 2001.

(c) Exhibits.

The following documents related to the purchase of Van Leer Industrial are being filed as exhibits to this Form 8-K:

Exhibit Number	Description
2	Share Purchase Agreement, dated October 27, 2000, as amended on January 5, 2001 and February 28, 2001, between Huhtamaki Van Leer Oyj, as the seller, and Greif Bros. Corporation, as the buyer (the "Share Purchase Agreement").
99.1	Press Release issued by Greif Bros. Corporation on March 2, 2001.
99.2	$900 million Senior Secured Credit Agreement, dated as of March 2, 2001, among Greif Bros. Corporation, as U.S. Borrower, Greif Spain Holdings, S.L., as Subsidiary Borrower, Merrill Lynch & Co., as Sole Lead Arranger, Sole Book-Runner and Administrative Agent, Keybank National Association, as Syndication Agent, ABN AMRO Bank N.V., as Co-Documentation Agent, National City Bank, as Co-Documentation Agent, The Bank of Nova Scotia, as Paying Agent, and other financial institutions party hereto from time to time (the "Senior Secured Credit Agreement").

Schedules and Exhibits to the Share Purchase Agreement and the Senior Secured Credit Agreement have not been filed because the Company believes they do not contain information material to an investment decision that is not otherwise disclosed in the Share Purchase Agreement and the Senior Secured Credit Agreement. A list has been included in the Share Purchase Agreement and the Senior Secured Credit Agreement briefly identifying the contents of all omitted Schedules and Exhibits. The Company hereby agrees to furnish a copy of any omitted Schedule or Exhibit to the Securities and Exchange Commission upon its request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DATE: March 15, 2001

GREIF BROS. CORPORATION

BY /s/ Kenneth E. Kutcher
Kenneth E. Kutcher, Chief Financial Officer and Secretary

INDEX TO EXHIBITS

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* Included herein.

EXHIBIT 2

Execution copy

SHARE PURCHASE AGREEMENT

HUHTAMAKI VAN LEER OYJ

as the Seller

and

GREIF BROS. CORPORATION

as the Purchaser

for the acquisition by the Purchaser
of the entire issued share capital of
Royal Packaging Industries Van Leer N.V.

NAUTADUTILH
Amsterdam

Place: Amsterdam
Date: 27 October 2000

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Schedules

Schedule 25 Van Leer Corporate Environmental Policy
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SHARE PURCHASE AGREEMENT

THE UNDERSIGNED:

(1) HUHTAMAKI VAN LEER OYJ, a company duly incorporated and validly existing under the laws of Finland, established and having its principal office in Espoo as the seller (the "Seller"); and

(2) GREIF BROS. CORPORATION, a corporation organised under the laws of the State of Delaware, USA, having its principal offices at 425 Winter Road, Delaware, Ohio, USA as the purchaser (the "Purchaser");

WHEREAS:

A. on the date hereof, the Seller has full right and title to the entire issued share capital of ROYAL PACKAGING INDUSTRIES VAN LEER N.V., a public company with limited liability organised under the laws of the Netherlands, having its registered seat and office at Amstelveen, the Netherlands as (the "Company");

B. the Company, directly or indirectly, has full right and title to the Subsidiary Shares (as hereinafter defined);

C. prior to Closing (as hereinafter defined), the Seller may transfer the Shares (as hereinafter defined) to one of its subsidiaries as further provided in Article 2.1 and Article 13.10;

D. the Seller wishes to sell the Shares to the Purchaser (or, as the case may be, the Seller wishes to cause its subsidiary to which it has transferred the Shares prior to Closing to sell and transfer the Shares to the Purchaser) and the Purchaser wishes to purchase the Shares from the Seller (or as the case may be, from the subsidiary to which the Seller will have transferred the Shares prior to Closing) subject to the terms and conditions and for the Purchase Price as set forth in this agreement (the "Agreement"); and

E. all required procedures, if any, to be followed under employee or trade union consultation legislation and regulations under Dutch law which have to be completed prior to execution of this Agreement, have been completed .

NOW HEREBY AGREE AS FOLLOWS:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless the context requires otherwise, the following capitalised terms and expressions in this Agreement are defined terms and expressions which shall have the following meanings:

Agreement:	this Share Purchase Agreement
Annex:	each of the annexes to Schedule 4(i)
Breach:	shall have the meaning given to it in Article 6.1
Civil Law Notary:	civil law notary Mr F. Oldenburg or any other civil law notary of Nauta Dutilh, attorneys, civil law notaries and tax advisers or any of their deputies
Closing:	the completion of the transactions contemplated by this Agreement on the

	Closing Date
Closing Balance Sheet:	the audited consolidated balance sheet of the Industrial Packaging Division as at Closing to be prepared in accordance with Articles 4.3 and 4.4
Closing Date:	a date to be agreed upon by the Parties, which date shall be within ten (10) days after fulfilment or waiver of all conditions precedent set forth in Article 8
Company:	Royal Packaging Industries Van Leer N.V., a public company with limited liability organised under the laws of the Netherlands, having its registered seat and office at Amstelveen, the Netherlands
Company's Group:	the Company and its Subsidiaries
Confidentiality Agreement:	the agreement between the Parties dated 28 March 2000 setting forth the terms and conditions on confidentiality with respect to this transaction and as further referred to in Article 10.3 and 13.1 of this Agreement
Consumer Packaging Division:	the subsidiaries of the Seller, excluding the Company's Group and excluding the Included Assets and including the Excluded Assets
Deed of Transfer:	the notarial deed of transfer of the Shares in the form of Schedule 1
Disclosure Letter:	the letter, with the annexes attached thereto and made part thereof, of even date with this Agreement from the Seller to the Purchaser, attached to and made part of Schedule 4 (ii), as accepted in writing by the Purchaser and containing various specific disclosures against the Seller's Representations and Warranties
Due Diligence Information:	the information as listed in part (i), (ii) and (iii) of Schedule 2 disclosed by the Seller or the Company's Group to the Purchaser in connection with the due diligence investigation carried out by the Purchaser into the Company's Group
Dutch GAAP:	the accounting principles and practices generally accepted in the Netherlands with respect to the preparation of annual accounts
Encumbrances:	any lien (statutory or other), attachment, charge, security interest, mortgage, deed of trust, pledge, hypothecation, assignment, usufruct, conditional sale or other title retention agreement, preference, priority or other security agreement or preferential arrangement of any kind or nature, and any easement, encroachment, restriction, right of way or other encumbrance of any kind
Environmental Laws	any and all applicable laws, regulations, rules, orders, ordinances, and/or decrees issued, promulgated, enforced, or enacted by any national, federal, state, or local government or governmental authority, and any non-statutory, common law, or court decision, and concerning the Investigation (as defined in Article

	6.11.1 of this Agreement) of or the actual or threatened contamination, release, discharge, dispersal, escape, migration or presence of pollutants in the air, land, soil, subsurface strata, surface water, or ground water
Estimated Net Outstanding Indebtedness:	the estimated Net Outstanding Indebtedness as referred to in Article 3.2
Estimated Net Working Capital:	the estimated Net Working Capital as referred to in Article 3.2
Excluded Assets:	the assets and liabilities of the Company's Group as per the Closing Date which are not Included Assets
Included Assets:	the assets and liabilities reflected in the Pro Forma Accounts plus the assets and liabilities belonging to the business of the Industrial Packaging Division which under Dutch GAAP do not need to be reflected in such Pro Forma Accounts, less those assets disposed of and liabilities discharged since 31 December 1999 in the ordinary course of business of the Industrial Packaging Division and plus those assets acquired and liabilities incurred by the Industrial Packaging Division since 31 December 1999 in its ordinary course of business
Indemnification Amount:	shall have the meaning given to it in Article 6.1
Industrial Packaging Division:	the Company's Group including the Included Assets and excluding the Excluded Assets
Net Outstanding Indebtedness:	the sum of (i) all interest-bearing indebtedness (including, without limitation, long term loans, short term loans, the current portion of long term loans and, in each case, any accrued interest thereon), (ii) all negative cash accounts, overdrafts and, in each case, any accrued interest thereon, (iii) the amount of all provisions and reserves for unfunded pension liabilities and pre-pension and post and early retirement obligations included under "Provisions for liabilities and other charges" included in the Closing Balance Sheet, (iv) all capitalised leases or other leases which, pursuant to Dutch GAAP, should be characterised as capital leases, (v) the amount of outside shareholders' interest included under "Capital and Reserves" included in the Closing Balance Sheet and (vi) accrual for performance incentives as further set forth in Article 4.3, minus (a) all interest-bearing short term loan receivables, interest-bearing long term loan receivables and other interest-bearing receivables, in each case, net of related provisions and reserves therefor (including, without limitation, any accrued interest thereon), and minus (b) all cash and cash equivalents (including bank receivables and marketable securities) and, in each case, any accrued interest thereon, of the Industrial Packaging Division on a consolidated

	basis as at Closing and all as the same are determined in accordance with the accounting principles and practices applied on a basis consistent with the accounting principles and practices applied with respect to the Pro Forma Accounts as if the Closing were the year end; for the avoidance of doubt it is hereby provided that Net Outstanding Indebtedness will be considered to be a negative amount for the purpose of calculating the Purchase Price if the amount of the sum of the liabilities referred to in subparagraphs (i) through (vi) above is higher than the amount of the sum of the assets referred to in subparagraphs (a) and (b) above and that Net Outstanding Indebtedness will be considered to be a positive amount for the purpose of calculating the Purchase Price if the amount of the sum of the liabilities referred to in subparagraphs (i) through (vi) above is lower than the amount of the sum of the assets referred to in subparagraphs (a) and (b) above (a list of accounts with account numbers in the Company's accounting system that are included in the Net Outstanding Indebtedness is attached as Schedule 17(i));1
Net Working Capital:	the sum of the trade receivables, miscellaneous receivables and the inventory minus the trade payables and the miscellaneous payables of the Industrial Packaging Division, all on a consolidated basis as at Closing and all as the same are determined in accordance with the accounting principles and practices applied on a basis consistent with the accounting principles and practices applied with respect to the Pro Forma Accounts as if the Closing were the year end (a list of accounts with account numbers in the Company's accounting system that are included in the Net Working Capital is attached as Schedule 17 (ii)). The Purchaser reserves the right to review the items to be included in the Net Working Capital as presented in Schedule 17 (ii) and shall finalise such review prior to 31 October 2000; whereby it is understood that the same items will be included in the Pro Forma Accounts Net Working Capital
Parties:	the Seller, the Purchaser and their respective permitted assigns collectively, each of them to be referred to respectively as a "Party"

1-inter company balances, including balances as a result of the Reorganisation referred to in Article 7.2 are interest bearing and are therefore included in the definition of Net Outstanding Indebtedness.

Pro Forma Accounts:	the audited pro forma consolidated balance sheet and profit and loss account, cash flow statement and the explanatory notes thereto relating to the Industrial Packaging Division for the period ended on the Pro Forma Accounts Date containing comparative profit and loss and cash flow information for the period ending on December 31, 1998, attached to Schedule 4(i) as Annex 8, as prepared on a basis consistent with the accounting policies of the Company. Annex 8a to Schedule

	4(i) discloses each item or discrete category of items included in "Provisions for liabilities and charges - Other provisions" in the Pro Forma Accounts and the amount reserved for such item or category
Pro Forma Accounts Date:	31 December 1999
Pro Forma Accounts Net Working Capital:	the sum of the trade receivables, miscellaneous receivables and the inventory minus the trade payables and the miscellaneous payables of the Industrial Packaging Division, all on a consolidated basis, as at the Pro Forma Accounts Date (for a matter of reference being the amount of EUR 238,947,000 (two hundred thirty eight million nine hundred forty seven thousand Euro)) (a list of accounts with account numbers in the Company's accounting system that are included in the Pro Forma Accounts Net Working Capital is attached as Schedule 17 (ii))
Provisional Purchase Price:	the provisional purchase price for the Shares as referred to in Article 3.2
Purchase Price:	the purchase price for the Shares as referred to in Article 3.1
Purchaser:	Greif Bros. Corporation, a corporation organised under the laws of the State of Delaware, having its principal offices at 425 Winter Road, Delaware, Ohio, USA
Purchaser's Representations and Warranties:	the representations and warranties with respect to the matters represented and warranted by the Purchaser as set out in Schedule 3
Reorganisation:	the reorganisation provided for in Article 7.2
Schedule:	each of the schedules to this Agreement
Seller:	Huhtamaki Van Leer Oyj, a company duly incorporated and validly existing under the laws of Finland, established and having its principal office in Espoo
Seller Ancillary Agreements:	the agreements as referred to in Section 1.5 of Schedule 4 (i) (the Seller's Representations and Warranties)
Seller's Representations and Warranties:	the representations and warranties with respect to the matters represented and warranted by the Seller as set out in Schedule 4 (i)
Service Agreement:	the agreement referred to in Clause 9.5
Shares:	all 32,782,500 issued ordinary shares and all 10,000,000 issued preferred shares with a nominal value of NLG 5 each in the share capital of the Company with numbers 1 through 32,782,500 for the ordinary shares and 1 through 10,000,000 for the preferred shares
Significant Subsidiary:	any Subsidiary listed on Schedule 6

	hereto
Subsidiaries:	the direct and indirect subsidiary companies of the Company as listed in Annex 6 (i) plus any direct or indirect subsidiary companies of the Company being part of the Industrial Packaging Division incorporated in the process of the Reorganisation referred to in Clause 7.2 and plus any direct or indirect subsidiary companies of the Company being part of the Industrial Packaging Division that the Company has agreed prior to the execution of this Agreement to acquire as listed in Annex 6 (ii)
Subsidiary Shares:	the issued shares directly or indirectly held by the Company in the capital of the Subsidiaries as further described in Annex 6
Taxes or Tax:	all forms of taxation and statutory, national, supra-national, federal, state, provincial or municipal impositions, duties, contributions, levies and tariffs of the Netherlands or any other jurisdiction, wherever imposed by or due to any public authority, including national social security contributions and employee social security contributions and all penalties, charges, costs, interest, deductions and withholdings relating to the foregoing
Tax Authority:	any national, supra-national or local government, governmental body and/or any other duly empowered authority competent to impose and/or collect Taxes or any other body or authority having any official function in relation to Taxes
Third Party Claim:	any action, claim or proceeding from or initiated by a third party against the Company's Group, such third party including but not limited to Tax Authorities.

1.2 References

In this Agreement, unless otherwise specified, reference to:

(a) a "person" includes any person, individual, company, corporation, partnership, firm, government, provincial, municipal or other governmental authority;

(b) a "day" means any day which is a business day in the Netherlands and Finland;

(c) "Articles", "Clauses", "Schedules" and "Annexes" are to the articles and clauses of and the schedules and annexes to this Agreement;

(d) words denoting the singular shall include the plural and vice versa and words denoting any gender shall include all genders;

(e) any statute, regulation, requirement or other legal concept of Netherlands law as used in this Agreement shall in respect of any other applicable jurisdiction be deemed to refer to that which most nearly approximates in that jurisdiction to the Netherlands term or concept;

(f) any time of day is a reference to the time in the Netherlands; and

(g) the Agreement includes all Annexes and Schedules.

ARTICLE 2 SALE AND PURCHASE OF THE SHARES

2.1 Sale and Purchase of the Shares

Subject to the terms and conditions set out in this Agreement, the Seller shall on the Closing Date sell the Shares to the Purchaser and the Purchaser shall on the Closing Date purchase the Shares from the Seller. It is understood between the Parties that only the Industrial Packaging Division shall be included in the sale; the Consumer Packaging Division and the Excluded Assets shall be transferred by the Company or the relevant Subsidiary to the Seller or a subsidiary thereof other than a Subsidiary and the Included Assets (including any Subsidiary Shares) presently held by entities in the Consumer Packaging Division shall be transferred into the Company's Group, all in accordance with Article 7.2.

It is agreed between the Parties that the Seller may transfer the Shares to one of its wholly-owned subsidiaries prior to the Closing, in which case the Seller shall cause such subsidiary to assume all obligations and rights of the Seller pursuant to this Agreement and the Seller's Representations and Warranties shall be read as though they are given by such subsidiary. Without prejudice to the preceding sentence, the Seller shall in that case be jointly and severally liable towards the Purchaser for any obligations thus assumed by that subsidiary and will cause that subsidiary to perform its obligations under this Agreement.

It is further agreed between the Parties that the Purchaser may designate one or more wholly owned subsidiaries of the Purchaser to purchase the Shares, or any of the Subsidiary Shares, in which case the Purchaser shall cause each such subsidiary to assume all obligations and rights of the Purchaser pursuant to this Agreement and the Purchaser's Representations and Warranties shall be read as though they are given by such subsidiary. Without prejudice to the preceding sentence, the Purchaser shall in that case be jointly and severally liable towards the Seller for any obligations thus assumed by that subsidiary.

2.2 Transfer of the Shares

At Closing the Seller shall transfer the Shares to the Purchaser through the signing by the Parties of the Deed of Transfer, which will be passed by the Civil Law Notary. At Closing the Parties shall further take such actions as are required to be taken by Article 9 of this Agreement. The Seller undertakes to cause the Company to acknowledge the transfer of the Shares on the Closing Date by co-signing the Deed of Transfer and to duly enter such transfer in the Company's register of shareholders forthwith.

ARTICLE 3 PURCHASE PRICE AND PAYMENT

3.1 Purchase Price

The purchase price for the Shares shall be the amount of the Provisional Purchase Price (as defined in Article 3.2) adjusted in accordance with the provisions of Article 4 (such adjusted amount to be referred to as the "Purchase Price").

3.2 Provisional Purchase Price

In order to determine the Provisional Purchase Price (as hereinafter defined), the Seller shall make a reasonable best estimate of both the amount of the Net Outstanding Indebtedness ("Estimated Net Outstanding Indebtedness") and the Net Working Capital ("Estimated Net Working Capital"). In establishing the amounts of the Estimated Net Outstanding Indebtedness and the Estimated Net Working Capital, the Seller shall take into account the figures in the last monthly accounts of the Industrial Packaging Division, and the Seller shall use a conversion rate which is the European Central Bank fixed rate on the date of its estimate.

Ultimately ten (10) days before the Closing Date the Seller shall notify the Purchaser of the amount of the Estimated Net Outstanding Indebtedness and the amount of the Estimated Net Working Capital.

The Provisional Purchase Price (the "Provisional Purchase Price") shall be a sum equal to US$ 620,000,000 (six hundred and twenty million US dollars) minus the Estimated Net Outstanding

Indebtedness, if it represents a negative amount, or plus the Estimated Net Outstanding Indebtedness, if it represents a positive amount, and shall be increased, if the Estimated Net Working Capital is higher than the Pro Forma Accounts Net Working Capital, or shall be decreased, if the Estimated Net Working Capital is lower than the Pro Forma Accounts Net Working Capital, by the difference between the Estimated Net Working Capital and the Pro Forma Accounts Net Working Capital.

If the Provisional Purchase Price for the shares would exceed US $ 620,000,000 (six hundred and twenty million US dollars), the Seller will cause the Company to declare a dividend payable to the Seller in an amount which is equal to the lower of (i) such excess and (ii) the amount of the distributable reserves of the Company in order to reduce the Provisional Purchase Price with the amount of such dividend. The Seller and/or Huhtamaki Finance Oy will make a loan to the Company to the extent there is not sufficient cash in the Company's Group to pay the aforementioned dividend. The amount of such loan will be taken into account by the Seller in calculating and estimating the Estimated Net Outstanding Indebtedness.

Schedule 19 sets forth, for purposes of illustration only, hypothetical calculations of the Provisional Purchase Price based on the Pro Forma Accounts as if the Closing Date were December 31, 1999. It is understood that the Purchaser still has to obtain additional comfort, and shall do so before 31 October 2000, on the US accounting implications of the mechanism presented in said Schedule 19.

3.3 Payment

Attached hereto as Schedule 7 is a comfort letter from Merrill Lynch Capital Corporation, bankers to the Purchaser, with respect to the financing of the transaction.

The Provisional Purchase Price shall be paid at the Closing in cash in same day funds. The Purchaser shall transfer an amount equal to the Provisional Purchase Price one day before the Closing Date to the bank account in the name of Derdengelden Notarissen NautaDutilh Amsterdam with ABN AMRO Bank N.V. (account number 41.57.69.779), with reference to file number 50037435.

The Civil Law Notary shall hold the Provisional Purchase Price for the benefit of the Seller immediately after the Deed of Transfer shall have been executed. The Civil Law Notary is hereby instructed by the Parties to transfer the Provisional Purchase Price after the Deed of Transfer shall have been executed to the bank account of the Seller as to be directed by the Seller to the Civil Law Notary prior to Closing.

ARTICLE 4 ADJUSTMENT TO PROVISIONAL PURCHASE PRICE

4.1 Reduction of the Provisional Purchase Price

Should it be found in accordance with the following provisions of this Article 4 that the Net Working Capital is less than the Estimated Net Working Capital, then the Provisional Purchase Price shall be reduced by an amount equal to the established shortfall.

Should it be found in accordance with the following provisions of this Article 4 that the amount of the Net Outstanding Indebtedness is more negative or less positive than the amount of the Estimated Net Outstanding Indebtedness, then the Provisional Purchase Price shall be reduced by an amount equal to the established difference (such difference hereinafter to be referred to as the "Net Outstanding Indebtedness Reduction Amount").

The sum of (i) the shortfall in the Net Working Capital, if any, and (ii) the amount of the Net Outstanding Indebtedness Reduction Amount, if any, pursuant to this Article 4.1 shall hereinafter be referred to as the "Reduction Amount".

4.2 Increase of the Provisional Purchase Price

Should it be found in accordance with the following provisions of this Article 4 that the Net Working Capital is in excess of the Estimated Net Working Capital, then the Provisional Purchase Price shall be increased by an amount equal to the established excess.

Should it be found in accordance with the following provisions of

this Article 4 that the amount of the Net Outstanding Indebtedness is more positive or less negative than the amount of the Estimated Net Outstanding Indebtedness, then the Provisional Purchase Price shall be increased by an amount equal to the established difference (such difference hereinafter to be referred to as the "Net Outstanding Indebtedness Increase Amount").

The sum of (i) the excess in the Net Working Capital, if any, and (ii) the amount of the Net Outstanding Indebtedness Increase Amount, if any, pursuant to this Article 4.2 shall hereinafter be referred to as the "Increase Amount".

4.3 Closing Balance Sheet

For the purpose of establishing the Net Working Capital and the Net Outstanding Indebtedness the Seller shall prepare the Closing Balance Sheet in accordance with accounting principles and practices consistent with the accounting principles and practices applied with respect to the Pro Forma Accounts as if the Closing were the year end. The Seller shall deliver documentation of the relevant balance sheet items that constitute the Net Outstanding Indebtedness and the Net Working Capital. The Closing Balance Sheet shall be audited by KPMG at Subsidiary level and by Ernst & Young Accountants at consolidated Company's Group level as involved by the Seller in the same manner as the audit of the Pro Forma Accounts. The Seller shall submit such audited Closing Balance Sheet no later than eight weeks after the Closing Date to the Purchaser for the Purchaser to review and to submit all its objections, if any, against such Closing Balance Sheet to the Seller within six (6) weeks after the Closing Balance Sheet has been submitted and the Minimum Supporting Data (as defined below) have been made available to the Purchaser (the "Objection Date"). The Seller shall procure that the Purchaser shall have access to the necessary supporting data, including the KPMG and Ernst & Young working papers (collectively: the "Supporting Data"). Schedule 20 lists the minimum Supporting Data (the "Minimum Supporting Data") to be made available to the Purchaser. For the avoidance of doubt, it is agreed that Supporting Data on Subsidiary level is available locally, while all Supporting Data including Ernst & Young working papers related to Company's Group consolidation is available in the Netherlands. The Purchaser may participate in the physical inventory of the Company's Group. Should the Parties fail to reach agreement on any objection raised by the Purchaser within four weeks thereafter ("Disagreement Date"), then any such unresolved matters or disputes (for the purpose of this Article 4: the "Open Issues") shall be resolved in accordance with the provisions of Article 4.4.

It is agreed between the Parties that events that occur after the Closing shall not affect the Closing Balance Sheet.

The Seller and the Purchaser shall use their best efforts to agree before Closing on the actuarial valuation assumptions to be used for the purpose of establishing the Closing Balance Sheet for unfunded pension liabilities and pre-pension and post and early retirement obligations. Such actuarial valuation assumptions will be consistent with those typically used by similar plans in the relevant countries at the Closing Date. In the absence of such agreement, such actuarial assumptions shall be established by an independent third-party actuary selected by the Parties jointly ultimately within two weeks after the Closing Date, or, failing agreement on such election, by the relevant country's professional actuarial body with the costs shared equally by the Parties, or as agreed to by the Seller and the Purchaser.

It is agreed between the Parties that the post-retirement scheme liability in South Africa amounting at January 1, 2000 to approximately EUR 3,700,000, equivalent to SAR 23,077,000 as disclosed in Alexander Forbes's Report on the Actuarial Valuation of the Employer's Liability in respect of Health Care Benefits for Retirees of Van Leer SA as at 1 January 2000, will be recalculated as of the Closing Date and included under "Provisions for liabilities and other charges" in the Closing Balance Sheet for purposes of the determination of Net Outstanding Indebtedness whether or not such liability would otherwise have been required under applicable accounting principles to be included in the Closing Balance Sheet. In addition, the Parties will, as soon as practicable before Closing, determine for the purposes of establishing the Closing Balance Sheet the correct accounting treatment of the US cash surrender value life insurance of US$ 4,226,000, including whether or not such item should be included

under "Provisions for liabilities and other charges" in the Closing Balance Sheet for purposes of the determination of the Net Outstanding Indebtedness.

The Parties will, as soon as practicable before Closing, agree for the purposes of establishing the Closing Balance Sheet whether the liability in France relating to the provision for medical and life insurance benefits for former employees between early retirement and age 65 and/or the liability in France relating to the benefits arising from the early retirement convention, should be included under "Provisions for liabilities and other charges" in the Closing Balance Sheet for purposes of the determination of the Net Outstanding Indebtedness.

Accruals in the Closing Balance Sheet for performance incentives relating to the period from 1 January 2000 through the Closing Date relating to the key management employees listed in Annex 9 as well as the business unit managers of the Industrial Packaging Division shall be accounted for as indebtedness in the Net Outstanding Indebtedness.

To the extent that at Closing, the Company's Group will still hold Excluded Assets belonging to the Consumer Packaging Division, the Closing Balance Sheet will be adjusted in order to exclude such Excluded Assets. To the extent that at Closing, the Company's Group will not yet hold all Included Assets and the Subsidiary Shares, the Closing Balance Sheet will be adjusted in order to include such Included Assets and Subsidiary Shares. For the avoidance of doubt, the Closing Balance Sheet will include the Mexican loan, the USA loan and the German loan and only such other loans necessitated by the Reorganisation that Purchaser approves of.

Should the Purchaser have failed to submit its objections against the Closing Balance Sheet to the Seller by the Objection Date, then the Closing Balance Sheet and the Net Working Capital and the Net Outstanding Indebtedness reflected therein shall be deemed to have been finally established for the purpose of this Agreement.

The Purchaser shall, and shall procure that the Company's Group shall, give all information and assistance to the Seller and the auditors of Ernst & Young involved by the Seller as required or desirable for the preparation of the Closing Balance Sheet.

4.4 Open Issues

If so agreed between the Parties as set forth in Article 14.2, the Open Issues shall be submitted to and settled by an accountant of an independent reputable firm of accountants (for the purpose of this Article 4.4 to be referred to as the "Accountant") to be jointly appointed by the Parties within three weeks after Disagreement Date or, if the Parties fail to agree on such appointment within that period, by the Chairman of the Netherlands Institute of Registered Accountants ("NIVRA"). The Parties shall within two weeks after such appointment submit the Closing Balance Sheet and statements of their respective positions in writing to the Accountant. The Accountant shall determine the further procedural rules in his discretion.

The Parties undertake to procure that the Accountant shall then finally resolve the Open Issues by way of a binding advice ("bindend advies") in accordance with this Agreement and that the Accountant shall notify the Parties of his decision, inter alia certifying the amounts of the Net Working Capital and the Net Outstanding Indebtedness which he has established, as promptly as possible and in any event no later than eight weeks after his appointment. The fees and expenses arising out of the engagement of the Accountant shall be borne by the party which has on balance been put in the wrong or otherwise as allocated by the Accountant in his discretion.

The failure of either the Seller or the Purchaser to timely submit to the Accountant a written statement of its position or to otherwise fail to respond to any request of the Accountant for information shall not preclude or delay the Accountant's determination of the Open Issues on the basis of the information which will have been submitted.

The Parties shall, and the Purchaser shall procure that the Company shall, give all information and assistance to the Accountant requested by the Accountant for the preparation of his

binding advice. Simultaneously with providing such information to the Accountant, the Parties shall provide each other with the same information.

4.5 Payment of the Adjustment

At the latest within five (5) days after the Net Working Capital and the Net Outstanding Indebtedness have been established by the Parties pursuant to Article 4.3 or, in the event of disputes, pursuant to Article 4.4 or 14.2, the Purchaser shall, if the Increase Amount as referred to in Article 4.2, is higher than the Reduction Amount as referred to in Article 4.1 pay the amount of such difference to the Seller (on a "euro for euro" basis, converted into US dollars in accordance with Article 4.6) by transferring such amount to a bank account to be designated by the Seller in writing, or, if the Reduction Amount as referred to in Article 4.1 is higher than the Increase Amount as referred to in Article 4.2, the Seller shall pay the amount of such difference to the Purchaser (on a "euro for euro" basis, converted into US dollars in accordance with article 4.6) by transferring such amount to a bank account to be designated by the Purchaser to the Seller in writing. Any payment to be made pursuant to this Article 4.5 shall be increased by an interest of 5% per annum accrued on such amount as from Closing until payment of such amount.

4.6 Conversion US dollars - Euro

The conversion from Euro into US dollars as provided for in Article 4.5 shall be made on the basis of the European Central Bank fixing on the Closing Date.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Seller's Representations and Warranties

The Seller represents and warrants to the Purchaser that each of the Seller's Representations and Warranties is true and accurate as at the date of this Agreement, save to the extent any disclosures ("Disclosures") have fairly been made in the Due Diligence Information, in the Disclosure Letter or in this Agreement, and will be true and accurate as at Closing.

For the purpose of this Clause 5.1 any disclosures shall be deemed to have "fairly" been made if the Purchaser, by taking prima facie knowledge of the facts or circumstances so disclosed, could reasonably be expected to have had awareness of such facts or circumstances constituting a breach of the Seller's Representations and Warranties.

5.2 Purchaser's Representations and Warranties

The Purchaser represents and warrants to the Seller that each of the Purchaser's Representations and Warranties is true and accurate as at the date of this Agreement and will be true and accurate as at Closing.

ARTICLE 6 INDEMNIFICATION AND SURVIVAL

6.1 Indemnification

Subject to Articles 6.2 through 6.9, the Seller hereby agrees that in case of a breach by the Seller of any of the Seller's Representations and Warranties or of any of the Seller's covenants or other obligations contained in this Agreement (collectively a "Breach"), it shall indemnify the Purchaser for and hold the Purchaser harmless against any direct damage (including reasonable costs and expenses including attorneys fees but excluding lost profits and consequential damage) incurred by the Purchaser and/or the Company's Group as a result of any such Breach (the "Indemnification Amount") except to the extent the amounts thereof have already been taken into account in establishing the Purchase Price in accordance with Articles 3 and 4 (i.e. led to a reduction in the Provisional Purchase Price), or, as the case may be, have been indemnified to the Purchaser and/or any member of the Company's Group under Article 7.2, in which case the Seller shall have no such obligation to indemnify the Purchaser or hold the Purchaser harmless for such amounts which have already thus been taken into account, or indemnified. The Purchaser shall, and the Purchaser shall cause the Company's Group to, mitigate the amount of any damage to the best of their ability.

Subject to Articles 6.2 and 6.8, the Purchaser hereby agrees that in case of a breach by the Purchaser of any of the Purchaser's Representations and Warranties or of any of the Purchaser's covenants or other obligations contained in this Agreement, it shall indemnify the Seller for and hold the Seller harmless against any direct damage (including reasonable costs and expenses and including attorneys fees but excluding lost profits and consequential damage) incurred by the Seller and/or any of its group companies (other than the Company's Group) as a result of any such breach. The Seller shall, and the Seller shall cause any group company of the Seller (excluding the Company's Group after the Closing occurs) to, mitigate the amount of any damage to the best of their ability.

Any payment pursuant to this Clause 6.1 shall be considered to take place as an adjustment to the Purchase Price.

Notwithstanding anything to the contrary in the foregoing, the obligations of the Seller and the obligations of the Purchaser pursuant to Article 7.2 hereof are not governed by Articles 6.1 through 6.7.

6.2 Survival of the Seller's Representations and Warranties

With the exception of the Seller's Representations and Warranties set forth in Sections 4 and 5 of Schedule 4 (i), which shall survive the Closing Date for the applicable statute of limitations period, the Purchaser shall not be entitled to claim any Indemnification Amount:

(i) relating to the Seller's Representations and Warranties set forth in Section 11 of Schedule 4 (i),upon expiry of the applicable statute of limitations or assessment period under applicable Tax laws, plus three (3) months;

(ii) relating to the Pre-Closing Covenants, referred to in Article 7 hereof, upon expiry of six (6) months from the Closing Date; and

(iii) relating to all other the Seller's Representations and Warranties upon expiry of eighteen (18) months from the Closing Date,

and the Seller shall not be entitled to make any claim relating to the Purchaser's Representations and Warranties upon expiry of eighteen (18) months from the Closing Date,

all of the foregoing unless prior to the relevant dates legal proceedings have been commenced pursuant to Article 14 or notice of a claim and/or of either Party's intention to commence legal proceedings has been served upon the other Party in compliance with the notice provision contained in Article 13.

6.3 Purchaser's Investigation and Awareness

6.3.1 Subject always and without prejudice to Articles 5.1 and 6.3.2, the fact in itself that the Purchaser has carried out an investigation into the Company's Group shall not prejudice any claim by the Purchaser under the Seller's Representations and Warranties or reduce any amount recoverable thereunder.

6.3.2 The Purchaser hereby warrants to the Seller that it has no actual awareness upon signing of this Agreement of any breach of the Seller's Representations and Warranties (as such Representations and Warranties are qualified by the Disclosure Letter and its annexes). If any of the Purchaser and the persons involved in the due diligence investigation on its behalf have any such actual awareness, the Purchaser will have no claim for any breach of the Seller's Representations and Warranties to which such actual awareness relates.

6.4 Limitation of Indemnification Amount under the Seller's Representations and Warranties

In no case shall the Seller be liable for the payment of any Indemnification Amount under the Seller's Representations and Warranties insofar as the aggregate of all such Indemnification Amounts exceeds US$ 125 million (one hundred and twenty five

million US dollars). This limitation is not applicable, for the avoidance of doubt, to any adjustment of the Provisional Purchase Price pursuant to Article 4.

6.5 Threshold

The Seller shall be under no liability in respect of any claim for the payment of an Indemnification Amount under the Seller's Representations and Warranties unless:

(a) the amount of any single claim shall equal or exceed Euro 50,000 (fifty thousand Euro); and

(b) the aggregate amount of all such single claims of Euro 50,000 or more shall exceed Euro 2,500,000 (two million and five hundred thousand Euro), in which case the Seller shall merely be liable for the excess over the said amount of Euro 2,500,000.

These limitations are not applicable, for the avoidance of doubt, to any adjustment of the Purchase Price pursuant to Article 4.

6.6 Effects of Taxes, Insurances and Provisions

In determining any Indemnification Amount and in determining whether the threshold set forth in Article 6.5 has been exceeded, such amount shall be reduced:

(i) by the positive effect, if any, of

(a) insurance recoveries, provided that such recoveries have been received in connection with the same fact or facts which gives or give rise to the claim for the Indemnification Amount; and

(b) Tax refunds or reductions actually received, provided that such Tax refunds or reductions are caused by the same fact or facts which gives or give rise to the claim for the Indemnification Amount and provided further that there will be no such reduction of any Indemnification Amount to the extent that receipt of such Indemnification Amount would be taxable income for the Purchaser; and

(c) 50% of the benefit realised by the Purchaser or the Company's Group by use of Tax losses of the Company's Group originating from the period prior to Closing carried forward;

(ii) by the amount of any provisions or reserves that have been established in the Pro Forma Accounts with respect to the matter for which an Indemnification Amount is claimed.

6.7 Change of law

The Seller shall not be liable for any claim based on an alleged Breach of the Seller's Representations and Warranties asserted pursuant to this Agreement to the extent that such claim would not have arisen but for (i) any change in law entering into force after Closing, whether or not such change purports to be effective retroactively in whole or in part or (ii) any interpretation of any law that was in existence as of the Closing Date by a court or other public authority in a judgment or decision published after Closing to the extent such interpretation is materially different from interpretations in effect as of Closing.

6.8 Information of Claim

If either party ("Indemnitee") becomes aware of any fact or event on the basis of which it will or may make a claim against the other party ("Indemnitor") for the payment of any indemnification under this Article 6, the Indemnitee shall as promptly as practicable thereafter notify the Indemnitor thereof in writing giving reasonable particulars of the facts that give rise to such claim or potential claim and specifying if possible the Indemnitee's best reasonable estimate of the likely amount of the claim or potential claim. Any failure or delay of the Indemnitee to give such notice to the Indemnitor shall not prejudice the right of the Indemnitee to make any claims for indemnification under this Article 6 but shall reduce the claimed amount by the amount of damage attributable to such failure or delay.

6.9 Defence against Third Party Claims

Where a claim or potential claim of the Purchaser for an Indemnification Amount is based upon or related to a Third Party Claim, the Purchaser shall notify the Seller thereof in writing in accordance with Article 6.8 and as soon as possible following the date of the said notification the Parties shall consult on the course of action to be taken. Without prejudice to the Purchaser's right to claim any Indemnification Amount the Seller shall, at its own cost and expense, be entitled to assume the defence of the Third Party Claim, to employ its own counsel (which counsel shall be reasonably satisfactory to the Purchaser) and to take such action as may be necessary to avoid, dispute, resist, appeal, or compromise such claim, any of the aforementioned if applicable in the name of the company of the Company's Group which is the subject of the claim; provided that the Purchaser shall be entitled to have sole control over the defence or settlement of any Third Party claim to the extent that such claim seeks an order, injunction or other equitable relief against the Purchaser which, if successful, would be reasonably likely to materially interfere with the business, operations, assets, or financial condition of the Purchaser, the Company's Group or the Industrial Packaging Division. The Seller shall promptly notify the Purchaser if it so elects to assume the defence of the Third Party Claim.

If the Seller elects not to assume the defence or, following notice from the Purchaser to make an election, does not make any election, the Purchaser shall be entitled to assume the defence of the Third Party Claim in its own discretion provided that the Purchaser or the Company's Group shall not compromise any such claim without the prior written consent of the Seller, which consent shall not be unreasonably withheld. In the event the Seller assumes the defence of a Third Party Claim, the Purchaser will co-operate in good faith with the Seller in such defence and will have the right to participate in the defence of any Third Party Claim assisted by counsel of its own choosing and at its own expense. Notwithstanding the foregoing, if the named parties to the Third Party Claim (including any impleaded parties) include both the Seller and the Purchaser or if the Seller proposes that the same counsel represent both the Purchaser and the Seller and the Purchaser in good faith determines that representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them, then the Purchaser shall have the right to retain its own counsel at the cost and expense of the Seller.

If the defence of a Third Party Claim is conducted by the Seller, and the Seller and the relevant third party wish to compromise the Third Party Claim in a cash settlement while the Purchaser and/or the relevant company of the Company's Group do not consent to such compromise or refuse to co-operate in carrying out such compromise, then the Seller's liability to pay any Indemnification Amount shall in respect of such Third Party Claim be limited to the amount offered in such compromise.

The Seller will co-operate with the Purchaser, and the Purchaser will and will cause the Company's Group to co-operate with the Seller, in resolving or attempting to resolve any Third Party Claim including permitting the other Party access to all books and records of the Company's Group which might be useful for such purpose, during normal business hours and at the place where the same are normally kept, with full right to make copies thereof or take extracts therefrom at the cost of the requesting Party, except to the extent that such disclosure would violate any agreement, law or court order. Such books and records shall be subject to a duty of confidentiality for each Party except to the extent that it is necessary to disclose information contained therein in the course of the proceedings resolving such Third Party Claim or as otherwise required to be disclosed by applicable law or stock exchange rules.

6.10 Officers and Directors of the Company's Group

The Seller confirms that it will not, after the Closing, claim from any officer or employee of the Company's Group who was, prior to the Closing, an officer or employee of the Seller or its subsidiaries (including, but not limited to, the Company and the Subsidiaries), any damages and/or losses incurred by the Seller as a result of a breach of the Seller's Representations

and Warranties or as a result of the environmental indemnity as set out in Clause 6.11 or the indemnity as set out in Article 7.2 on the basis that the information provided by said officer or employee was inaccurate, incorrect or incomplete; provided that the Seller may take action against such officer or employee (but not against the Purchaser or the Company's Group) in case of an act of fraud ("bedrog") or gross negligence ("grove schuld") on the part of such officer or employee.

6.11 Environmental Liability and Indemnity

6.11.1 The following capitalised terms and expressions in this Article 6.11 are defined terms and expressions which shall have the following meanings:

Environmental Authority:	means the relevant governmental agency or other regulatory body referred to in the definition of Environmental Laws in Article 1.1 or a judicial body or court
Environmental Cost(s):	any liability, expense or cost incurred by the Purchaser or a member of the Purchaser's Group, both on premises and off-premise, in relation to or arising out of the Investigation of or the actual or threatened contamination, release, discharge, dispersal, escape, migration or presence of pollutants in the air, land, soil, subsurface strata, surface water, or ground water, and including but not limited to the costs of Investigation, cleanup, removal, remediation, restoration, rehabilitation, operations, neutralization, immobilization, maintenance, monitoring, testing, consultant fees and expenses (including professional design costs), and legal and expert fees and expenses, natural resources damage, third party claims, penalties, fines and other governmentally imposed costs, punitive damages, and damages for personal injury and death; provided that costs of normal, recurring, on-going operations shall not be included and such costs shall, by way of example, include the costs of maintaining and operating manufacturing equipment, renewal of Environmental Permits, management and/or removal of asbestos containing materials that are an integral part of building materials maintained in good condition on any

	Property, and meeting emission requirements in Environmental Permits.
Environmental Disclosure Letter:	the letter of even date with this Agreement from the Seller to the Purchaser, attached as Schedule 21, containing disclosures under the representations and warranties of the Seller stated in Article 6.11.12 of this Agreement
Environmental Insurance Policy:	the insurance policy referred to in Article 6.11.3
Environmental Laws:	has the meaning given in Article 1.1
Environmental Matter(s):	all matters involving, concerning, arising out of, or relating to (i) the compliance with or violation of the Environmental Laws by the Seller or the Company's Group prior to or on the Closing Date and/or (ii) the environmental conditions existing at and/or pollutants present at, on or under any Property prior to or on the Closing Date, which could cause Environmental Costs. For avoidance of doubt, Environmental Matters includes, but is not limited to, third party claims in relation to the foregoing
Environmental Permits:	all EU, national, federal, provincial and municipal permits, licences, exemptions, consents or authorisations howsoever named, including but not limited to equivalent or similar governmental items in any relevant jurisdiction, as are necessary under the Environmental Laws
Investigation:	means any inspection, investigation, assessment, auditing, sampling, testing, analysis, or monitoring
Property:	any site, facility, property, or premises listed in Schedule 22 and any site, facility, property, or premises owned, operated, used, occupied, or leased by the Seller or the Company's Group prior to Closing and that is transferred to the Purchaser or the

	Purchaser's Group upon Closing
the Purchaser's Group:	the Purchaser and all its group companies including the Company's group
Self Insured Retention Amount:	that amount of payment that must be expended by the Parties before payments or reimbursements will be made by the insurer(s) for matters covered under the Environmental Insurance Policy, as defined in Article 6.11.3, which amount shall be US$ 50 million.

6.11.2 Notwithstanding anything to the contrary in this Agreement and to the exclusion of any responsibility or liability of any party in respect of Environmental Matters and to the exclusion of any limitations or reductions of responsibility or liability of any party in respect of Environmental Matters, in any other provision in this Agreement, the provisions of this Article 6.11 shall govern and control the obligations, liabilities and responsibilities of the Parties with respect to any Environmental Matter; provided, however, that Article 6.6.(i)(a) and Article 6.10 shall apply to this Article 6.11 and further provided that, if an amount can be claimed under several provisions of this Agreement, such amount shall not be reimbursed more than once.

6.11.3 The Seller and the Purchaser shall cause to be purchased an environmental insurance policy to be issued on the date of Closing and to be effective as of the Closing Date from one or more insurers reasonably acceptable to the Seller and the Purchaser covering certain environmental risks and liabilities as the Parties shall agree between signing of this Agreement and Closing (the "Environmental Insurance Policy") on terms and conditions as shall be acceptable to the Purchaser and the Seller. The total premium cost under the Environmental Insurance Policy shall be paid by and be for the account of the Purchaser and shall not exceed US$ 10 million. If the total premium cost under the Environmental Insurance Policy were to exceed US$ 10 million, the Purchaser shall be entitled to refuse to purchase the Environmental Insurance Policy on the basis of such higher premium and to refuse to proceed to Closing, unless the Seller accepts a reduction of the Purchase Price equal to the amount with which the total premium cost under the Environmental Insurance Policy exceeds US$ 10 million. If the Seller accepts such reduction of the Purchase Price, the total premium cost under the Environmental Insurance Policy including the excess, will be paid by and be for the account of the Purchaser. The Seller and the Purchaser agree to seek cost cap coverage for the excluded conditions on or at the Lier 1 and 2 sites and some of the other sites referred to on Schedule 24 referenced in Article 6.11.6 below as part of the environmental insurance coverage.

6.11.4 Subject to Articles 6.11.5 through 6.11.10 and Articles 6.11.13, 6.11.14 and 6.11.15 below, the Seller shall reimburse the Purchaser an amount equal to the Seller's share (as determined in accordance with Articles 6.11.5 and 6.11.6 respectively) of the Environmental Costs for any Environmental Matters, including, without limitation, any Environmental Matters among the matters disclosed in the Environmental Disclosure Letter. Reimbursement by the Seller to the Purchaser shall be made within thirty (30) days after written notice to the Seller of the reimbursement amount, provided that prior to or with such notice the Seller has been provided with documentation reasonably sufficient for the Seller to evaluate the Environmental Matter and review in reasonable detail the Environmental Costs for which reimbursement is being sought.

6.11.5 With respect to the payment of any Environmental Cost for any Environmental Matter that qualifies to apply against the Self-Insured Retention Amount, any and all payments therefor shall be shared by the Purchaser being responsible for 30% of the amount of any such payment and by the Seller reimbursing the Purchaser in a timely manner of 70% of the amount of any such payment.

6.11.6 With respect to the payment of any Environmental Costs for any Environmental Matters not paid under the Environmental Insurance Policy and not qualifying to apply against the Self-Insured Retention Amount, including without limitation those known matters excluded from coverage under the Environmental Insurance Policy as listed on Schedule 24, any and all payments therefor shall be shared by the Parties and allocated as follows:

(a) the Purchaser shall have made such payments therefor until such payments by the Purchaser total US$ 10 million; provided that such Purchaser's responsibility to pay US$ 10 million shall be limited to Environmental Costs for Environmental Matters listed on Schedule 24; and

(b) as to Environmental Costs for Environmental Matters listed on Schedule 24 in excess of the Purchaser's obligation in Article 6.11.6 (a) above and as to all other matters under this Article 6.11.6:

(i) the Purchaser shall be responsible for 30% of the amount of any such payments; and

(ii) the Seller shall reimburse the Purchaser in a timely manner for 70% of the amount of any such payments.

6.11.7 In any dispute resolution with any insurer as to whether any Environmental Cost shall be applied against the Self-Insured Retention Amount or paid for under the Environmental Insurance Policy, the Purchaser shall confer with the Seller regarding the strategy for and steps to be taken in such dispute resolution and the Seller's approval shall not be unreasonably withheld or delayed; provided that, if the Seller fails to provide its approval, the Purchaser may at its election proceed with such dispute resolution in the Purchaser's sole discretion and/or seek dispute resolution under this Agreement regarding the reasonableness of the Seller's failure or refusal to grant approval and any related matters. The Purchaser's separate pursuit of dispute resolutions with the insurer(s) shall not prejudice the Seller's right to dispute the same issue with the Purchaser provided that the Seller provides the Purchaser with a written statement of the grounds for such position.

6.11.8 (A) The Purchaser shall not be entitled to claim under this Article 6.11 to the extent that such claim would not have arisen but for, results from or is increased by:

(i) any act or omission after the Closing Date by any employee, contractor, agent or other person controlled by the Purchaser or a member of the Purchaser's Group, which act or omission constitutes negligence or wilful misconduct; and any act or omission after the Closing Date by any other person, other than an employee, agent, contractor, or other person under the control of the Seller, which act or omission constitutes gross negligence or wilful misconduct;

(ii) any Environmental Cost that is not approved by the Seller or excepted from approval as provided in Article 6.11.10 below;

(iii) development construction, demolition, or expansion of any Property after the Closing Date by the Purchaser's Group ("Development") except for Development in relation to a use of the relevant Property which is substantially the same as, or an extension of, the business carried on at that Property as at the Closing Date;

(iv) loss of profits, loss of sales, loss of production, business interruption, or any other indirect or consequential loss or damage or internal cost;

(v) any pollution or contamination first existing or arising after the Closing Date; provided, for the avoidance of doubt, that contamination or pollution consisting of migration of pollutants that were present at, on or under the Property prior to or at Closing Date shall be an Environmental Matter hereunder;

(vi) any indemnity, covenant, undertaking, warranty, assurance or other contractual provision entered into or given by any member of the Purchaser's Group on or after the Closing Date;

(vii) the Purchaser's failure to comply with Article 6.11.9; or

(viii) changes in Environmental Laws or Environmental Laws established after the Closing Date only as they apply to claims under Articles 6.11.6 and 6.11.12, but not as to claims under Article 6.11.5.

(B) Any relief from liability of the Seller as a result of an event described in Article 6.11.8(A)(i), (ii), (iii), (v), (vi),(vii) or (viii) above, shall be only to the extent that prejudice to the Seller is reasonably quantifiable and is not immaterial;

(C) Notwithstanding any other provision to the contrary but without prejudice to Article 6.11.9 (C) (i), the Purchaser and any member of the Purchaser's Group may conduct any Investigation at any time at any location or Property without notice to or approval by the Seller (provided that the Seller's obligation to share the cost of Investigations applies only to Investigations that result in the incurrence of other Environmental Costs that must be reimbursed by the Seller to the Purchaser under this Article 6.11);

(D) The Purchaser shall not be entitled to claim under this Article 6.11 to the extent that such claim is increased by the Purchaser or the Purchaser's Group or their respective employees, agents and contractors, incurring Environmental Costs which would otherwise be reimbursable under this Article 6.11 but which exceed a minimum level of Environmental Costs. Minimum level of Environmental Costs is intended to mean such reasonable Environmental Costs that are incurred in exercising reasonable and professional judgment, from time to time, under all the relevant facts and circumstances known at the various times, regarding decisions that are made with respect to both the determination of the steps or actions reasonably necessary to address the relevant Environmental Matter and the incurrence of reasonable Environmental Costs .

6.11.9 The Purchaser shall ensure that, in relation to any Environmental Matter:

(A) the Seller shall be notified as soon as reasonably practicable in writing if the Purchaser or any member of the Purchaser's Group becomes aware that a particular Environmental Matter exists provided that the Environmental Matters listed on Schedule 24 referenced in Article 6.11.6 or reported in the Environmental Disclosure Letter, other than significant changes in relation thereto after the Closing Date, shall be deemed to have been notified under this sub-article as at the date of this Agreement;

(B) the Seller shall be notified as soon as reasonably practicable in writing upon any person initiating any substantial written contact with the Purchaser or any member of the Purchaser's Group, making or threatening any claim based on an Environmental Matter; the Parties

acknowledge that management of the facilities is decentralized and , in exercising its best efforts within this management context, notice of Environmental Matters under this Article 6.11.9 may take longer than in other management contexts;

(C) Each member of the Purchaser's Group shall take reasonable steps to:

(i) allow the Seller (and/or its advisers) to attend and inspect the carrying out of any Investigation or any other activities of the Purchaser which involve the incurrence of an Environmental Cost, other than Investigations in the ordinary course of business, at any time whilst it is being carried out subject to the notice provisions above;

(ii) promptly provide to the Seller all relevant non-privileged correspondence, documents or information which are or come into the possession of such member of the Purchaser's Group in relation to such Environmental Matters, except Investigations in the ordinary course of business, and promptly provide a status report to the Seller as and when the Seller shall reasonably require; and

(iii) allow the Seller (and/or its advisers) to attend and participate in any site visit or other meeting as the Seller shall reasonably require on reasonable notice in relation to such Environmental Matters.

(iv) allow the Seller, and its agents and contractors, reason-able access to conduct a reasonable scope of Investi-gation on any Property which is then in the custody and control of the Purchaser, provided that the Purchaser can place reasonable conditions on the time and scope of Investigation so as to not unreasonably interfere with or disrupt operations, or place the Purchaser at risk of violating any Environmental Laws, Environmental Permits, or contracts, or create any safety, health or environmental risk, and provided that the Seller shall promptly provide the Purchaser with test results and reports, other than privileged information;

(v) the Seller shall indemnify and hold harmless the Purchaser and the Purchaser's Group from any claim, damage or liability, including reasonable legal fees and expense for defence of claims, to the extent caused by the activities of the Seller and its agents and contractors in exercising the Seller's rights under this Article 6.11.9 (C) (i), (iii) and (iv);

(D) in giving notice under this Article 6.11, the Purchaser shall give to the Seller reasonable particulars of the facts of the Environmental Matters and specifying, if possible, the Purchaser's best reasonable estimate of the likely amount of any claim.

6.11.10 The Purchaser shall not be entitled to any claim whatsoever under Article 6.11.6 unless the Purchaser has obtained the Seller's approval as provided in this Article 6.11.10, or would reasonably be entitled to such approval under all relevant factors and circumstances:

(A) with respect to Environmental Costs for Environmental Matters that result from the order, directive, instruction, or injunction of an Environmental Authority or third party claims in litigation, the Purchaser or the Purchaser's Group shall, except as otherwise provided for in this Article 6.11.10, vigorously defend against such Environmental Authority's action and shall not enter into any agreement, concession, settlement, or admission which is material in relation to such Environmental Authority's action or the defence thereof (including

any failure to appeal or decision not to appeal such Environmental Authority's action) without the prior written approval of the Seller, which approval shall not be unreasonably withheld or delayed. In defending an order, directive, instruction, or injunction of an Environmental Authority or any litigated third party claim, the Purchaser or the Purchaser's Group will consult with the Seller on the course of action to be taken including reasonable steps to avoid, dispute, resist, appeal or compromise each matter; provided that the Purchaser and the Purchaser's Group shall consistent with the rights of the Seller as stated in this Article 6.11.10 (A) retain sole control over the defence or settlement of any such matter. The word "consult" in the prior sentence shall mean that the Purchaser will co-operate with the Seller regarding the Seller's rights under Article 6.11.9 (C) and in good faith reasonably confer with and consider Seller's input while retaining the right to make final decisions on strategy, defence and settlement. If the Purchaser proceeds without the Seller's approval, it is without prejudice to the Seller's right to dispute whether or the extent to which it must reimburse the Purchaser under Article 6.11.6 provided that the Seller provides the Purchaser with a written statement of the grounds for its failure or refusal of approval;

(B) with respect to other Environmental Costs for Environmental Matters that fall within Article 6.11.6, the Purchaser or the Purchaser's Group will, except as otherwise provided for in this Article 6.11.10, endeavour to obtain the prior written approval of the Seller under the criteria in Article 6.11.10 (D), such approval not to be unreasonably withheld or delayed;

(C) the Purchaser or any member of the Purchaser's Group may incur Environmental Costs for Environmental Matters prior to obtaining the Seller's approval without prejudice to the Seller's obligation to share in the cost to the extent if in the Purchaser's reasonable judgement after careful and professional consideration such work should be promptly commenced and should not be delayed by the notice and approval process, in order to comply with or avoid violation of an Environmental Permit or an instruction or requirement of an Environmental Authority acting within its apparent authority, to contain or mitigate contamination that poses an immediate and substantial risk to human health or the environment or, if action were delayed, the likely result would be a significant increase in Environmental Cost otherwise to be reimbursed under Article 6.11.6;

(D) in exercising its rights to approve Environmental Costs for Environmental Matters as provided in Article 6.11.10(B), the Seller acknowledges and agrees that it may be desirable, appropriate and reasonable for the Purchaser and members of the Purchaser`s Group to incur Environmental Costs, which would be subject to cost sharing hereunder, under voluntary action programs of Environmental Authorities, to address substantial risks to human health or the environment, to contain or mitigate contamination or pollution that, if action were delayed or denied, would likely result in substantially increased Environmental Costs otherwise to be reimbursed under Article 6.11.6 or violation of Environmental Laws or Environmental Permits, and to comply with Van Leer Corporate Environmental Policy in effect on the Closing Date, a copy of which is attached as Schedule 25 even without an order, directive, instruction or injunction of an Environmental Authority, and such circumstances may be the basis for approval of such Environmental Costs subject to cost sharing herein;

(E) the Purchaser or the Purchaser's Group may obtain the Seller's approval in accordance with this Article 6.11.10 for Environmental Costs when (i) it is in doubt whether, or (ii) the insurer(s) have yet to acknowledge that, such Environmental Costs are qualifying for application against the Self-Insured Retention Amount

and /or for payment or reimbursement under the Environmental Insurance Policy.

6.11.11 Any real estate, facility, site, leased premise, occupied premise, premise used or included in any contractual relationship, transport or operation of the Company's Group or the Industrial Products Division transferred to a third party, transferred to or retained by the Seller or the Consumer Packaging Division, or whose use ended (except for Property) during the period of time up to and including the Closing Date, shall be deemed as an Excluded Asset and all liabilities and costs including but not limited to Environmental Costs arising out of or relating thereto shall be governed by the indemnity in the third paragraph of Article 7.2 of this Agreement.

6.11.12 Except as fairly disclosed in the Environmental Disclosure Letter, the Seller makes the following representations and warranties in regard to this Article 6.11 of the Agreement, all of which shall be renewed at and shall survive the Closing, and the Seller shall indemnify, defend, and hold harmless the Purchaser from any Environmental Cost not otherwise paid or reimbursed to the Purchaser under the Environmental Insurance Policy involving, concerning, arising out of, or relating to any breach of these representations and warranties:

(A) to the knowledge of the Seller, neither the Company nor its Subsidiaries have provided to any third party any indemnity relating to any Environmental Matter that could cause any Environmental Cost for the Company or any of the Subsidiaries;

(B) the Company and each of its Subsidiaries has obtained all Environmental Permits necessary to operate each of its facilities other than Environmental Permits the absence of which do not, individually or collectively, have material adverse consequences for the Company's Group taken as a whole; such Environmental Permits are in full force and effect; and the Company and each of its Subsidiaries has at all times conducted its operations in compliance with such Environmental Permits, except for violations which individually or collectively do not have a material adverse consequence for the Company's Group taken as a whole;

(C) to the knowledge of the Seller, the Company and each of its Subsidiaries is in substantial compliance with the Environmental Laws, except for violations which individually or collectively do not have a material adverse consequence for the Company's Group taken as a whole;

(D) there is no pending litigation or administrative adjudacatory proceeding against the Company or any of its Subsidiaries relating to any Environmental Matter that could cause material Environmental Costs;

(E) the Seller has no knowledge of criminal or civil actions for, notice-of-violation, or summons to, or court, regulatory or administrative adjudacatory proceeding against, the Company or any Subsidiary relating to a violation of any of the Environmental Laws or any Environmental Matter that could cause any Environmental Costs; and except for such actions, notices, summonses or proceedings which individually or collectively do not have a material adverse consequence for the Company's Group taken as a whole, no such actions or proceedings exist;

(F) there exists no Environmental Matter caused by nor any violation by the Company or any of its Subsidiaries of any of the Environmental Laws and, to the knowledge of the Seller, there exists no Environmental Matter nor violation of Environmental Laws by any third party, that (i) could disrupt the operations of any facility of the Company or any Subsidiary and (ii) has material adverse consequences for the Company's Group taken as a whole; and

(G) [note: intent is to draft language around provisions in

insurance policy and applications, which language is to be agreed prior to Closing with reference to the Environmental Insurance Policy and applications].2

For the avoidance of doubt, the Seller's liability to the Purchaser under this Article 6.11.12 shall not be subject to the provisions of Articles 6.1 through 6.9., except for Article 6.6(i)(a). For purposes of Article 6.11.12, knowledge shall have the meaning in Schedule 4 (i).

2-Warranty to deal with the provision of information to the insurers

Claims under Article 6.11.12 (B) , (C), (D), (E) and (F) shall be subject to cost sharing with the Purchaser being responsible for 30% and the Seller being responsible for 70% of the amount of each such claim. Claims under Article 6.11.12 (A) and (G) shall not be subject to cost sharing and the Seller shall be responsible for each entire claim.

6.11.13 The Purchaser shall not be entitled to claim against the Seller under this Article 6.11 unless the Seller has been given notice of such claim under this Article 6.11 on or before the 10th annual anniversary date of the Closing Date. For avoidance of doubt, for any claims under Article 6.11 properly noticed within such ten (10) year period , Environmental Costs and other damages and expenses may be recovered from the Seller even though incurred after the 10th annual anniversary of the Closing Date, provided legal proceedings under Article 14.2 have been commenced by the Purchaser against the Seller with regard to such claim within six (6) months after the 10th annual anniversary date.

6.11.14 No claims by the Purchaser under Article 6.11 shall be made against the Seller unless such claim is in excess of US$ 5,000 for all amounts caused by the same fact or facts, provided that, once the US$ 5,000 threshold has been satisfied, then all qualified Environmental Costs shall be subject to reimbursement as provided in Article 6.11. Such minimum amount for claims shall also apply when claims are to be taken into account for the purpose of determining whether the US$ 10 million limit referred to in Article 6.11.6 has been reached.

6.11.15 In determining the Environmental Costs for the purposes of reimbursement under Article 6.11 such amounts shall be reduced by the positive effect, if any, of Tax refunds or reductions actually received, provided that such Tax refunds or reductions are caused by the same fact or facts which gives or give rise to the claim in relation to the Environmental Costs and provided further that there will be no such reduction of any Environmental Costs to the extent that receipt of any reimbursement for such Environmental Costs would be taxable income for the Purchaser.

ARTICLE 7 PRE-CLOSING COVENANTS

7.1 Conduct of Business

The Seller agrees and will take measures to ensure that until the Closing Date the Company and/or any of the Subsidiaries will not without the prior written consent of the Purchaser, in so far as the Industrial Packaging Division is concerned:

(i) enter into any material agreement or assume any material obligation or liability relating to their assets, their business and/or their financial condition other than in the ordinary course of business as the same has been conducted prior to the date of this Agreement;

(ii) enter into any transaction or take any action which, if effected or performed prior to the date of this Agreement, would constitute a material breach of the Seller's Representations and Warranties; whereby for the purpose of this Article 7.1 "material" should be interpreted taking into account the Company's Group as a whole; or

(iii) enter into any transaction or take any action that would result in or create a redundancy or severance liability or obligation for the Company or the Subsidiaries that is not satisfied in full prior to the Closing except in the ordinary

course of business and except with the prior written consent of the Purchaser; provided however if any litigation ensues regarding such liability or obligation and is not resolved with all redundancy or severance amounts and related legal and other costs paid prior to the Closing, the Seller shall indemnify the Purchaser and hold the Purchaser harmless against any direct damage (including reasonable costs and expenses including attorneys fees but excluding lost profits and consequential damages) incurred by the Purchaser and/or the Company's Group as the result of the foregoing.

Any agreement, obligation, liability, transaction or action relating to the direct or indirect transfer of the Consumer Packaging Division and the Excluded Assets by the Company to the Seller or any group company of the Seller (other than the Company's Group) and/or relating to the transfer of the Included Assets and Subsidiary Shares not yet held by the Company's Group into the Company's Group is explicitly excluded from this Article 7.1.

7.2 Reorganisation

Prior to the Closing, the Seller shall cause the following actions to be taken (collectively, the "Reorganisation"):

(a) cause the Company and its Subsidiaries to contribute and transfer to other legal entities owned or controlled by the Seller (other than entities within the Company's Group) all right, title and interest in and to any and all Excluded Assets, whether tangible or intangible and whether fixed, contingent or otherwise, including but not limited to all of the capital stock of the Company's subsidiaries that are not Subsidiaries, to the extent that any of the foregoing is not held legally and beneficially by such other entities and to assume or cause such other entities to assume any and all liabilities included in the Excluded Assets of every kind whatsoever, whether absolute, known, unknown, fixed, contingent or otherwise; and

(b) cause the Seller and its subsidiaries, excluding the Company's Group, to contribute and transfer to the Company's Group all right, title and interest in and to any and all of the Included Assets, whether tangible or intangible and whether fixed, contingent or otherwise, and the Subsidiary Shares, to the extent any of the foregoing is not yet held legally and beneficially by the Company's Group and cause the Company and the Subsidiaries to assume any and all liabilities included in the Included Assets of every kind whatsoever, whether absolute, known, unknown, fixed, contingent or otherwise.

A description of the Reorganisation is attached as Schedule 8 (i). The Seller and the Purchaser will negotiate in good faith in order to reach agreement as soon as practicable but ultimately before Closing on the details of the implementation of the Reorganisation in the USA, France and Brazil and in such other countries where a re-evaluation of the proposed scheme may become desirable for both Parties. The Seller will exercise its reasonable best efforts to cause the transfer of the Consumer Packaging Division and the Excluded Assets by the Company or the relevant Subsidiary to other legal entities within the group of the Seller (excluding the Company's Group) and to transfer the Included Assets (including the Subsidiary Shares) not yet held by the Company's Group to the Company's Group as described above under (a) and (b) before the Closing Date. To the extent this shall not have been completed on or before the Closing, the Company shall, as from Closing, have beneficial title ("economische gerechtigdheid") to all such Included Assets and Subsidiary Shares, legal title ("juridische gerechtigdheid") of which has not yet been transferred to the Company's Group, and the Seller shall, as from Closing, have beneficial title to the Consumer Packaging Division and all Excluded Assets, legal title of which has not yet been transferred by the Company or the relevant Subsidiary to the Seller's group (excluding the Company's Group), and the Seller and the Purchaser shall jointly co-operate to achieve the transfer of such legal title in the most expeditious and effective manner. To that effect and to provide for arrangements as to liabilities which are to be transferred in accordance with this Article 7.2 but from which the transferor has not yet been released by any relevant third party, the Parties shall on the Closing Date sign an agreement substantially in the

form as set out in Schedule 9. 3

As from the Closing, the Seller will indemnify and keep the Purchaser and any member of the Company's Group harmless from and against any liability, costs or damages relating to or constituting any of the Excluded Assets or resulting from the Reorganisation (other than liabilities transferred as Included Assets pursuant to the Reorganisation), including but not limited to any Tax liability caused by, resulting from or attributable to the Reorganisation or the Consumer Packaging Division save (i) for the avoidance of doubt, to the extent these amounts have been taken into account for the establishment of the Purchase Price pursuant to Articles 3 and 4 hereof (i.e. led to a reduction of the Provisional Purchase Price) or as a result of any claim(s) under the Seller's Representations and Warranties and (ii) save in relation to the Reorganisation steps as set out in Schedule 8 (ii). Without prejudice to the Purchaser's rights under the Seller's Representations and Warranties and other indemnities pursuant to this Agreement , as from the Closing, the Purchaser will indemnify and keep the Seller and any of the members of the Seller's group (excluding the Company's Group) harmless from and against any liability relating to or constituting any of the Included Assets, including but not limited to any Tax liability attributable to the Industrial Packaging Division. For the avoidance of doubt, it is explicitly agreed that the liability of the Seller or the Purchaser pursuant to this Clause 7.2 is not subject to the provisions of Article 6.1 through 6.7.

The Purchaser shall procure that the Seller, upon the Seller's reasonable request, shall at all times after the Closing have access to and obtain copies of all books and records relating to the Consumer Packaging Division.

3- The Excluded Assets shall include the rights and obligations of the Company of the agreement between it and Illinois Tool Works, Inc. ("ITW") dated as of August 7,2000 pursuant to which the the Company sold VLF Holding, Van Leer Flexibles N.V. and Van Leer Flexibles (Tx) Inc. to ITW. Seller shall cause this agreement to be assigned to itself or a company in the Consumer Packaging Division and use its best efforts to have ITW consent thereto and release the Company from any obligations thereunder.

7.3 Access to Information and Properties

Between the date of this Agreement and the Closing Date, the Seller will upon reasonable advance notice (i) give the Purchaser and its authorised representatives reasonable access, during regular business hours, to the main offices and other main facilities of the Company and the Significant Subsidiaries used in connection with the Industrial Packaging Division and permit the Purchaser to make such reasonable inspections of such offices and facilities as it may require; and (ii) allow the Purchaser and its authorised representatives reasonable access to the key management of the Company and the Significant Subsidiaries. The Seller will cause the Company's Group to fully co-operate in connection with the foregoing activities.

7.4 Belgian Coordination Center

The Parties agree that Van Leer Coordination Center N.V. will as at signing of this Agreement remain on Annex 6 (i); however, the Seller shall use its reasonable best efforts to transfer this company to the Consumer Packaging Division prior to Closing. If such transfer shall not have occurred prior to Closing, the Seller shall hold the Purchaser harmless against all costs actually incurred by the Purchaser in connection with the closing down of this company.

7.5 Supervisory Board Van Leer Netherlands B.V.

At Purchaser's request, the Seller shall use its reasonable best efforts prior to Closing to obtain the resignations of the supervisory directors of Van Leer Netherlands B.V..

ARTICLE 8 CONDITIONS PRECEDENT

8.1 Conditions Precedent to the Obligations of both Parties

The obligations of the Purchaser and the Seller to proceed with Closing in order to complete the transactions contemplated by this Agreement shall be subject to the satisfaction or to the waiver by

the Purchaser and the Seller on or prior to the Closing Date of each of the following conditions:

(a) (i) all material approvals, licences, exemptions, clearances and permissions from national, international or supra-national authorities or other public authorities in any juridiction required in connection with the transactions contemplated by this Agreement and the related change of control over the Company's Group have been obtained while (ii) neither any national, international or supra-national authority nor any other public authority in any jurisdiction will have implemented or announced steps which could materially impede the transactions contemplated by this Agreement and the related change of control over the Company's Group or which could in any other way have material adverse consequences for the Purchaser and/or the Company's Group and/or the Seller and (iii) all such waiting periods as apply pursuant to applicable legislation will have expired during which national, international or supra-national authorities or other public authorities in any jurisdiction may implement or announce such steps as referred to above or during which any such authorities may raise objections against the transactions contemplated by this Agreement and the related change of control over the Company's Group;

(b) no action or proceeding by or before any court of law or arbitral tribunal or any governmental, provincial or municipal administrative body or authority or otherwise has been taken or instituted against the Purchaser or the Company's Group or the Seller, which may restrain, prohibit, invalidate or otherwise affect the transactions contemplated by this Agreement or which may have such a material influence on the assets, the business and/or the financial position of the Company's Group or the Seller that the Purchaser or the Seller, as the case may be, should such action or proceeding have been taken or instituted or threatened on or before the date hereof, would not have entered into this Agreement on the same or similar conditions.

(c) the Stichting Van Leer Group Foundation (the "Foundation") shall have failed to exercise, or shall have notified the Seller unconditionally and irrevocably that it does not invoke or that it waives, its right of first refusal to purchase the Industrial Packaging Division of the Company, and the Foundation shall have transferred to the Company legal and beneficial title to its share ownership interest in the special purpose B.V. company holding legal title to the Van Leer trademark, logo and related intellectual property rights (collectively, the "Stichting Right of First Refusal");

(d) the Environmental Insurance Policy referred to in Article 6.11 will have entered into force to provide the insurance cover required under Article 6.11 as from the Closing Date;

(e) a detailed pension plan arrangement (per Article 9.4) shall have been agreed upon; and

(f) the Parties shall have reached agreement on the implementation of the Reorganisation as referred to in Article 7.2.

8.2 Conditions Precedent to the Purchaser's Obligations

The obligations of the Purchaser to proceed with Closing in order to complete the transactions contemplated by this Agreement shall be subject to the satisfaction or to the waiver by the Purchaser on or prior to the Closing Date of each of the following conditions:

(a) all actions, corporate or otherwise, required to be taken by the Seller prior to the completion of the transactions contemplated by this Agreement have been taken;

(b) the Purchaser shall have received a legal opinion in the form as attached as Schedule 10 (i) relating to the Seller.

8.3 Conditions Precedent to the Seller's Obligations

The obligations of the Seller to proceed with Closing in order to complete the transactions contemplated by this Agreement shall be

subject to the satisfaction or to the waiver by the Seller on or prior to the Closing Date of each of the following conditions:

(a) all actions, corporate or otherwise, required to be taken by the Purchaser prior to the completion of the transactions contemplated by this Agreement have been taken;

(b) the Seller shall have received a legal opinion in the form as attached as Schedule 10 (ii) relating to the Purchaser.

8.4 Fulfilment of Conditions Precedent

The Seller and the Purchaser will, from the date hereof to the Closing Date, each use their reasonable best efforts to cause the conditions precedent referred to in this Article 8 to be satisfied. Without limiting the generality of the foregoing, the Seller and the Purchaser will use their respective reasonable best efforts to obtain all consents, waivers and clearances of all third parties and governmental or regulatory authorities or otherwise which are necessary or advisable to complete and make effective the transactions contemplated by this Agreement.

8.5 Material Breach

If at any time prior to Closing:

(a) a material breach of the Seller's Representations and Warranties, having occurred prior to the date of this Agreement, shall come to the notice of the Purchaser; or

(b) there shall occur any act or event after the date of this Agreement which upon Closing would or might reasonably be expected to result in a material breach of any of the Seller's Representations and Warranties; or

(c) there is any material breach or non-fulfilment by the Seller of any of its covenants or other obligations under this Agreement,

which in any such case is incapable of remedy or, if capable of remedy, is not remedied by the Seller by the Closing Date or (if earlier) within five (5) days after notice thereof from the Purchaser requiring the same to be remedied, then in any such case (a "Termination Event") the Purchaser shall be entitled to elect by notice to the Seller not to proceed with Closing, in which event this Agreement shall terminate and Article 12.2 shall apply.

For the purposes of this clause 8.5 only a "material" breach means a breach representing a value, when calculated in monetary terms, in excess of US$ 62,000,000 (sixty two million US dollars).

If the Purchaser is entitled under this Article 8.5 to elect not to proceed with Closing but it elects that it will proceed with Closing, it will notify the Seller as soon as possible of such election. If in that event the Purchaser does not confirm to the Seller in its notification that it waives its rights to claim any Indemnification Amount in respect of the relevant Termination Event, the Seller shall be entitled to elect by notice to the Purchaser not to proceed with Closing, in which event this Agreement shall terminate and Article 12.2 shall apply and in which event the Seller shall, if the facts and circumstances that have caused such Termination Event were within the sole control of the Seller, pay to the Purchaser in immediately available funds all of Purchaser's out-of-pocket costs and expenses incurred in connection with the transactions contemplated by this Agreement, not to exceed US$ 5 million.

ARTICLE 9 CLOSING

9.1 Place of Closing

The Closing shall take place on the Closing Date at the offices of NautaDutilh at Prinses Irenestraat 59, 1077 WV Amsterdam as of 10.00 a.m. or such other time as agreed between the Parties.

9.2 Settlement of intercompany debt

On or before the Closing Date, the Seller will undertake to cause the full settlement of all loans to the Consumer Packaging Division from the Company's Group (for a matter of reference the loans which are in the categories "Loans to HVL consumer

companies" and "Loans to HVL consumer companies relating to separation of consumer" in note (3) of the Pro Forma Accounts), and all loans from the Consumer Packaging Division to the Company's Group (for a matter of reference the loans which are in the categories "Loans from HVL consumer companies" and "Loans from HVL consumer companies relating to separation of consumer" in note (7) of the Pro Forma Accounts) except for any such intercompany debt between the Company on the one side and the Seller and/or Huhtamaki Finance Oy on the other side as referred to in the hypothetical calculations II and III of Schedule 19, and further except the Mexico related loan provided for in Schedule 18. Any non-trade intercompany debts and receivables will be included in the settlement of intercompany debt as provided for in this Article 9.2.

The Purchaser or, as the case may be, the Seller shall cause to be settled at Closing the intercompany debt between the Company on the one side and the Seller and/or Huhtamaki Finance Oy on the other side as referred to in the hypothetical calculations II and III of Schedule 19.

9.3 Release of guarantees and indemnity

The Purchaser acknowledges that the Seller will cause to be released or withdrawn as from Closing or, in respect of statements of joint liability issued under Article 403 of Book 2 of the Netherlands Civil Code, as soon as possible thereafter, any guarantees, indemnities, letters of comfort or Encumbrances issued or incurred by the Seller or any of its group companies (excluding the Company's Group) for the benefit of any company belonging to the Industrial Packaging Division (including any such 403 statements). The Purchaser shall, if necessary, assume or take over from the Seller or such group company of the Seller all obligations pursuant to any such guarantees, indemnities, letters of comfort or Encumbrances. The Parties shall in reasonableness co-operate with each other in order to cause the release, withdrawal or assumption, as the case may be, of any such guarantees, indemnities, letters of comfort or Encumbrances issued or incurred by the Seller or such group company of the Seller. Without prejudice to the Purchaser's rights under the Seller's Representations and Warranties and other indemnities pursuant to this Agreement, the Purchaser will indemnify and keep the Seller and any of its group companies (excluding the Company's Group) harmless from and against any liability, resulting from such guarantees, indemnities, letters of comfort or Encumbrances for the period preceding their release, withdrawal or assumption, as the case may be (including but not limited to any residual liability pursuant to Article 404 of Book 2 of the Netherlands Civil Code).

The Seller acknowledges that the Purchaser will cause to be released or withdrawn as from Closing or, in respect of statements of joint liability issued under Article 403 of Book 2 of the Netherlands Civil Code, as soon as possible thereafter, any guarantees, indemnities, letters of comfort or Encumbrances issued or incurred by the Company's Group for the benefit of any company belonging to the Consumer Packaging Division (including any such 403 statements). The Seller shall, if necessary, assume or take over from such company of the Company's Group all obligations pursuant to any such guarantees, indemnities, letters of comfort or Encumbrances. The Parties shall in reasonableness co-operate with each other in order to cause the release, withdrawal or assumption, as the case may be, of any such guarantees, indemnities, letters of comfort or Encumbrances issued or incurred by the Company's Group. The Seller will indemnify and keep the Purchaser and any of the companies of the Company's Group harmless from and against any liability, resulting from such guarantees, indemnities, letters of comfort or Encumbrances for the period preceding their release, withdrawal or assumption, as the case may be (including but not limited to any residual liability pursuant to Article 404 of Book 2 of the Netherlands Civil Code).

9.4 Pensions

Schedule 14 hereto lists the enterprise pension funds in Australia, the United Kingdom, the United States of America, South Africa, Nigeria, Kenya and Zimbabwe (the "Industrial Pension Funds") which presently provide for the pensions of (former) employees in the Industrial Packaging Division and of (former) employees in the Consumer Packaging Division. After the Closing the Industrial Pension Funds will remain with the

Industrial Packaging Division and after a transitional period (the "Transitional Period") which will commence at Closing and end ultimately on the date falling six months after the Closing Date the Industrial Pension Funds will cease to provide for the pensions of active employees in the Consumer Packaging Division. Furthermore, Schedule 15 lists the active employees who are a member of the Industrial Pension Funds and who are presently employed by the Consumer Packaging Division in Australia, the United Kingdom, the United States of America, South Africa, Nigeria, Kenya and Zimbabwe, hereinafter referred to as the "Consumer Employees"). Benefits which become due and payable to Consumer Employees during the Transitional Period will be paid by the Industrial Pension Fund, and the Seller will make contributions to the Industrial Pension Fund equal to the normal cost of such plans for all Consumer Employees for the Transitional Period, as determined by the actuary to the Industrial Pension Fund appointed by the Purchaser in accordance with the local country laws and practices ("Plan Actuary"). Consumer Employees will cease being plan members at the end of the Transitional Period.

The parties agree that a value transfer ("waardeoverdracht") from the Industrial Pension Funds in respect of the Consumer Employees shall take place, which value shall be calculated as of the Closing Date as if the Consumer Employees would leave the employment of their employer as per such date, but increased by the Seller's contributions for Consumer Employees for the Transitional Period, and decreased by benefits paid and expenses and insurance premiums incurred during the Transitional Period for Consumer Employees, and then adjusted for interest at a rate determined by the Plan Actuary to reflect investment performance of the plan during the Transitional Period. Furthermore, the calculation of the amounts of the value transfer shall be on the basis of the actuarial and accounting practices and principles consistently applied by the relevant Industrial Pension Fund and in accordance with the rules of the relevant Industrial Pension Fund and local legislation. The Purchaser shall cause the relevant Industrial Pension Funds to transfer the amounts thus established to a pension fund and/or an insurer to be designated by the Seller within six months from the Closing.

Prior to Closing the parties hereto shall agree to a more detailed arrangement regarding the foregoing value transfer, which arrangement shall be based on the principles set forth in this Article 9.4.

9.5 Service Agreement

On the Closing Date the Parties shall sign a Service Agreement substantially in the form as attached hereto as Schedule 5.

9.6 Insurance Policies

For the avoidance of doubt, the Parties acknowledge that the insurance policies as listed on Schedule 11 will terminate in respect of the Industrial Packaging Division as per Closing. The Seller and the Purchaser will use their reasonable best efforts to agree prior to Closing on a suitable transition period arrangement together with the insurers with the objective of the least possible disruption to the operations of the Company's Group. Any claims arising out of events occurring prior to Closing will be the responsibility of the Seller and Seller will have to provide the required run-off insurance coverage. The Seller and the Purchaser will use their best efforts to agree on the best approach to implement these objectives in a timely manner.

9.7 Resignation of Directors

The Seller shall procure that at Closing, all persons acting on behalf of the Seller on any of the boards of the Company or any of the Subsidiaries will resign and the Purchaser shall procure that such resignations are accepted and that (without prejudice to the Purchaser's rights against Seller under the Seller's Representations and Warranties and other indemnities pursuant to this Agreement) such persons will be discharged at Closing for the performance of their duties up until Closing.

9.8 Custody Agreement

At Closing, the Parties and the Civil Law Notary shall sign a custody agreement in the form as attached as Schedule 26 (the

"Custody Agreement") governing the terms and conditions upon which the Due Diligence Information will be given into the custody of the Civil Law Notary.

9.9 Further Closing actions to be taken

At the Closing the Parties shall further take such actions and shall sign and execute such documents and agreements as shall be required to be taken, signed or executed, in order to complete the transactions contemplated by this Agreement, and as will be listed in a separate Closing agenda that shall be signed by all Parties as evidence of all actions referred to therein having been taken and all documents and agreements listed therein having been duly signed and executed in the consecutive order set forth in such Closing agenda.

ARTICLE 10 NON-COMPETITION AND CONFIDENTIALITY

10.1 Non-Competition Seller

The Seller hereby agrees and undertakes that it will not:

(a) in any of the jurisdictions set forth in Schedule 12 without the prior written consent of the Purchaser for a period of three (3) years from the Closing Date as principal, consultant, sales representative, agent, distributor, shareholder, partner or in any other capacity whatsoever, either directly or indirectly solicit, endeavour to solicit, be engaged in or concerned with the conduct of any business involving the production of or the trading in any products, produced or traded, or the provision of services provided by the Industrial Packaging Division as produced, traded or provided as at Closing;

(b) for a period of three years from the Closing persuade, cause or attempt to persuade any employee or any sales representative or agent of the Company's Group to terminate his or her or their relationship with the Company's Group; or

(c) persuade, cause or attempt to persuade any customer, supplier of or other company or enterprise doing business with the Company's Group to terminate its relationship with the Company's Group or take any action that may result in the impairment of such relationship.

Notwithstanding anything to the contrary in this Article 10.1 the Seller shall not be deemed to have violated the terms of this Article 10.1 as a result of (i) ownership by the Seller directly or indirectly of less than ten percent (10 %) of the outstanding shares of capital stock of any publicly traded company with one or more classes of capital stock listed on a national securities exchange or publicly traded market, or (ii) the purchase by the Seller directly or indirectly of any business which primarily is engaged in activities that do not fall under the scope of this Article 10.1, but which business is engaged for a lesser part of its business in activities that do fall under the scope of this Article 10.1, provided that the Seller first offers to the Purchaser the right to acquire such competitive business on terms and conditions and at the allocable share of the price paid pursuant to the Seller's acquisition thereof.

10.2 Non-Solicitation Purchaser

The Purchaser hereby agrees and undertakes that it will not for a period of three years from the Closing persuade, cause or attempt to persuade any employee or any sales representative or agent of the Consumer Packaging Division to terminate his or her or their relationship with the Consumer Packaging Division.

10.3 Confidentiality

Without prejudice to the provisions of the Confidentiality Agreement the Parties undertake not at any time subsequent to this Agreement to divulge or communicate to any company, person or entity (other than to the other Party or the Company's Group, as the case may be, or to any of their directors or employees who need to acquire such knowledge in the performance of their duties or as directed or approved by the other Party in writing) any confidential information or information of an apparently confidential nature whatsoever concerning the business, affairs, accounts, dealings, transactions, customers, suppliers or business

relations of the Industrial Packaging Division by the Seller and the Consumer Packaging Division by the Purchaser or, to the extent it has learned such information in negotiating this Agreement, of the other Party, except:

(a) to the extent required by applicable law or stock exchange rules or by any competent authority but in that case only after consultation with the other Party about the timing and content of such disclosure;

(b) to its professional advisers under conditions of confidentiality and only to the extent necessary for advising such Party; or

(c) to the extent that such information is at the date hereof or hereafter becomes public knowledge other than through improper disclosure by any person.

10.4 Name Van Leer and Huhtamaki

The Seller shall exercise its reasonable efforts to cease the use of the name "Van Leer" by itself and its subsidiaries (excluding the Company's Group) within a reasonable period after Closing not to exceed nine months, during which the Seller and its subsidiaries shall be allowed to continue to use the name "Van Leer". The name "HVL", wherever used (including in any domain name) shall remain with the Seller. The Seller shall forward to the Purchaser all e-mails and other correspondence that concern the Industrial Packaging Division and that are received by the Seller (or any of its subsidiaries, excluding the Company's Group) in the period two months following the Closing Date.

The Purchaser shall exercise its reasonable efforts to cease the use of the names "Huhtamaki" and "Huhtamaki" by itself and the Company's Group within a reasonable period after Closing not to exceed 9 months during which the Purchaser and the Company's Group shall be allowed to continue to use the names " Huhtamaki" and "Huhtamaki". The Purchaser shall forward to the Seller all e-mails and other correspondence that concern the Consumer Packaging Division and that are received by the Purchaser or any of its subsidiaries in the period two months following the Closing Date.

ARTICLE 11 ANNOUNCEMENT

11.1 Disclosure

No Party shall make any disclosure to any third party about this Agreement, its contents or any other agreement referred to in this Agreement without the prior consent of the other Party except:

(a) to the extent required by applicable law or stock exchange rules or by any competent authority but in that case only after consultation with the other Party about the timing and content of such disclosure; or

(b) to its professional advisers under conditions of confidentiality and only to the extent necessary for advising such Party.

11.2 Press release

Upon signing of this Agreement, the Parties shall issue separate press releases in the form as attached as Schedule 13.

ARTICLE 12 TERMINATION

12.1 Termination

This Agreement may only be terminated and the transactions contemplated hereby may be abandoned as follows:

(a) at any time prior to Closing by mutual written agreement of the Parties; or

(b) by each Party if the Closing is not completed on or before six months from the date of this Agreement other than as a result of a breach of this Agreement by the terminating Party; or

(c) by the Purchaser or the Seller, as the case may be, in the situation referred to in Article 8.5; or

(d) (i) by the Purchaser or the Seller at any time after (x) the Stichting Right of First Refusal is invoked or exercised by Stichting Van Leer Group Foundation prior to expiration of its period of validity and in accordance with its terms and (y) the Seller has entered into a binding share purchase agreement with the Stichting Van Leer Group Foundation or (ii) by the Purchaser if the Seller and the Stichting Van Leer Group Foundation have failed to enter into such an agreement by the 45th day after the invocation or exercise of the Stichting Right of First Refusal.

12.2 Effect of Termination

In the event of this Agreement being terminated pursuant to the provisions of this Article 12, this Agreement (with the exception of Article 10.3 (Confidentiality), Article 11 (Announcements), this Article 12 (Termination) and Articles 13 (Miscellaneous) and 14 (Governing Law and Disputes), which shall survive any termination of this Agreement indefinitely) shall become null and void and have no effect and the transactions contemplated under this Agreement shall be abandoned, without any liability on the part of any Party and/or the directors, shareholders, heirs, assigns or personal representatives of any party in respect of this Agreement, other than:

(a) the liability on the part of each Party for its own expenses incurred in connection with the preparation of the transactions contemplated by this Agreement; and

(b) the liability of either Party to the other Party for damages and/or costs incurred by such other Party as a result of this Agreement being terminated due to or in connection with the liable Party failing to fulfil any of its obligations contemplated in this Agreement; and

(c) solely with respect to termination pursuant to Section 12.1(d) (i) or (ii), within fifteen (15) days after any such termination the Seller shall pay to the Purchaser in immediately available funds US$ 10 million plus all of the Purchaser's out-of-pocket costs and expenses incurred in connection with the transactions contemplated by this Agreement, not to exceed US$ 5 million.

ARTICLE 13 MISCELLANEOUS

13.1 Entire Agreement

This Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby. This Agreement supersedes any and all earlier and/or contemporaneous agreements and understandings, either verbally or in writing, between the Parties except for the Confidentiality Agreement. The English version of this Agreement is binding and any translation thereof will not be taken into account for the purpose of interpreting or construing this Agreement.

13.2 Further Assurance

If at any time after the Closing Date any further action is necessary or desirable in order to carry out the purposes of and give full effect to this Agreement and to secure to each Party the full power of the rights and remedies conferred upon it in this Agreement, the proper directors or other representatives of the Purchaser or the Seller, as the case may be, shall execute and deliver any further instruments or documents and take all such necessary action that may reasonably be requested from any of them.

13.3 Changes

Changes to this Agreement can only be validly made and shall come into force only when agreed upon in writing between the Parties and when duly signed by all Parties. Waivers of any rights or claims can only be validly made when confirmed in writing by the waiving Party in accordance with the provisions of Article 13.9 hereof.

13.4 Invalid Provisions

In the event that any of the provisions contained herein shall be deemed invalid or unenforceable, then the remaining provisions shall remain valid and enforceable and be construed as if any such invalid or unenforceable provision was not contained herein; and the Parties shall forthwith replace any such invalid and unenforceable provision by a provision which as closely as possible meets the intention of the Parties when agreeing upon the original provision.

13.5 Descriptive Headings

The descriptive headings of this Agreement are for the sake of convenience only and shall not control or affect the meaning, construction or interpretation of any provision of this Agreement.

13.6 Expenses

Except as provided herein, each Party will bear its own expenses incurred in connection with the negotiation and preparation of this Agreement and the transactions contemplated thereby.

13.7 No Implied Waivers

No failure or abstention whatsoever of either Party to take any action in the event of a breach of any of the provisions of this Agreement by the other Party and/or in the event of the occurrence of events enabling the Purchaser to make a claim under any of the Seller's Representations and Warranties or the Seller to make a claim under the Purchaser's Representations and Warranties shall be considered to constitute a waiver by such Party of any rights it may have under this Agreement or applicable law.

13.8 No Rescission

The Parties hereby waive their rights under Sections 6:265 ff. of the Netherlands Civil Code to claim rescission ("ontbinding") of this Agreement and their rights to claim annulment ("vernietiging") of this Agreement unless such rescission is claimed pursuant to Article 12.1.

13.9 Notices

Any notice or communication required to be delivered to either Party pursuant to or in connection with this Agreement shall be delivered by hand or be given by registered mail with acknowledgement of receipt or by facsimile (and with copy per mail) to the addresses set forth below:

If to the Purchaser:

Greif Bros. Corporation
425 Winter Road
Delaware, Ohio 43015
U.S.A.
Attn: William Sparks
Fax number: ++ 1 740 549-6101

With copy to:

Baker & Hostetler LLP
Capitol Square, Suite 2100
65 East State Street
Columbus, Ohio 43215-4260
U.S.A.
Attn: Daniel J. Gunsett
Fax number: ++ 1 614 462-2616

If to the Seller:
Huhtamaki Van Leer Oyj - Finland
Lansituulentie 7
Espoo 02100
Finland
Attn.: Juha Salonen
Fax: ++ 358-9-660 622

With copy to:
NautaDutilh
Prinses Irenestraat 59
1077 WB AMSTERDAM
The Netherlands

Attn.: Hein Hooghoudt
Fax: ++ 31 20 541 4548

or to such other address or representative as either Party may designate by means of a written notice to be sent to the other Party from time to time.

13.10 Assignment

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assignees. This Agreement and each Party's respective rights and obligations hereunder may not be assigned by either Party without the prior written approval of the other Party, except that up to the Closing Date:

(a) without the consent of the Seller, the Purchaser may assign any or all of its rights and interests hereunder to one or more of its wholly-owned subsidiaries or designate one or more of its wholly-owned subsidiaries to perform its obligations hereunder; provided that the Purchaser nonetheless shall continue to remain responsible, in that case jointly and severally with such assignee, for the performance of all of its obligations hereunder; and

(b) without the consent of the Purchaser, the Seller may assign this Agreement to one of its wholly-owned subsidiaries, subject to the requirements of Article 2.1.

13.11 Civil Law Notary

The Purchaser has knowledge of the fact that the Civil Law Notary works with NautaDutilh, the firm that has advised the Seller in this transaction. With reference to article 10 of the Guidelines regarding Co-operation between Advocates and Notaries ("Richtlijnen met betrekking tot de samenwerking van notarissen onderling en met advocaten"), as determined by the board of the Dutch Royal Organisation of Notaries, the Purchaser herewith explicitly agrees that the Seller is assisted by NautaDutilh in relation to this Agreement and any agreements that may be concluded and any disputes that may arise in connection therewith.

13.12 Counterparts

This Agreement may be executed in any number of counterparts which together shall constitute one agreement. Any Party may enter into this Agreement by executing a counterpart and this Agreement shall not take effect until it has been executed by all Parties.

ARTICLE 14 GOVERNING LAW AND DISPUTES

14.1 Governing Law

This Agreement shall be construed in accordance with and be governed exclusively by the laws of the Netherlands.

14.2 Disputes

Any disputes arising out of or in connection with this Agreement and/or any other agreement related to this Agreement which cannot be settled by the Parties through amicable settlement, shall be resolved in accordance with this Article 14.2. If and to the extent that any dispute concerns Open Issues as referred to in Article 4.3 (Closing Balance Sheet) then, if the Parties so agree, such dispute will be resolved in accordance with the binding advice procedure of Article 4.4. If the Parties cannot so agree and in respect of all other disputes, any such dispute will be finally and exclusively settled by arbitration in accordance with the rules of arbitration of the Netherlands Arbitration Institute ("Nederlands Arbitrage Instituut"), provided however that if and to the extent any dispute specifically concerns the establishing of the actuarial assumptions as referred to in Article 4.3, then such dispute will be resolved in accordance with the binding advice procedure set forth in said Article 4.3. The arbitration proceedings and all documents delivered to or by the arbitrators shall be in the English language and the arbitrators shall make their award in accordance with the rules of law. The venue for the proceedings shall be Amsterdam. Notwithstanding the foregoing, nothing in this Article 14.2 shall preclude either Party from applying for injunctive relief in summary proceedings ("kort

geding") to the competent District Court in the Netherlands.

Thus agreed and signed in two original copies in Amsterdam on 27 October 2000.

HUHTAMAKI VAN LEER OYJ	GREIF BROS. CORPORATION
/s/ Juha Salonen	/s/ Michael J. Gasser
By: Juha Salonen	By: Michael J. Gasser
Title: group general counsel	Title: chairman and CEO
/s/ Evert Ariens	
By: Evert Ariens	
Title: group finance manager	

FIRST AMENDMENT TO THE

SHARE PURCHASE AGREEMENT DATED 27 OCTOBER 2000

between

HUHTAMAKI VAN LEER OYJ

as the Seller

and

GREIF BROS. CORPORATION

as the Purchaser

for the acquisition by the Purchaser
of the entire issued share capital of
Royal Packaging Industries Van Leer N.V.

NAUTADUTILH
Amsterdam

Place: Amstelveen/Espoo
Date: 5 January 2001

THE UNDERSIGNED:

(1) HUHTAMAKI VAN LEER OYJ, a company duly incorporated and validly existing under the laws of Finland, established and having its principal office in Espoo as the seller (the "Seller"); and

(2) GREIF BROS. CORPORATION, a corporation organised under the laws of the State of Delaware, USA, having its principal offices at 425 Winter Road, Delaware, Ohio, USA as the purchaser (the "Purchaser");

WHEREAS:

A. The Purchaser and the Seller have entered into an agreement dated 27 October 2000 regarding the sale and transfer of all shares in the capital of Royal Packaging Industries Van Leer N.V. (the "Agreement");

B. The earnings before interest and taxes ("EBIT") of the Industrial Packaging Division since the Pro Forma Accounts Date through 30 November 2000 and the prospects in respect of EBIT for the remaining part of the year 2000 deviate negatively from the EBIT of the Industrial Packaging Division which was estimated for such periods as per the date of signing of the Agreement (such deviation the "Negative Deviation"). Schedule A attached hereto purely for

identification purposes contains the following information in respect of the Negative Deviation: (a) the actual EBIT of the Industrial Packaging Division for the period from 1 January 2000 through 30 November 2000; and (b) the estimate of EBIT of the Industrial Packaging Division for the period 1 January 2000 through 31 December 2000. The outlook for EBIT of the Industrial Packaging Division for 2001 deviates negatively from the outlook for EBIT of the Industrial Packaging Division which was estimated for 2001 as per the date of signing the Agreement (such deviation the "Reduced Outlook"). In consideration for the Negative Deviation and the Reduced Outlook, the Parties to the Agreement have agreed to a reduction of the Purchase Price;

C. The Parties wish to record their amendment to the Agreement in this Amendment Agreement;

NOW HEREBY AGREE AS FOLLOWS:

ARTICLE 1 DEFINITIONS

Capitalised terms used in this Amendment Agreement and not otherwise defined herein shall have the meanings set forth in the Agreement.

ARTICLE 2 PURCHASE PRICE

The Parties hereto hereby agree that Article 3.2, third and fourth paragraph, of the Agreement is hereby amended and shall read as follows:

"The Provisional Purchase Price shall be a sum equal to US$ 555,000,000 (five hundred and fifty five million US dollars) minus the Estimated Net Outstanding Indebtedness, if it represents a negative amount, or plus the Estimated Net Outstanding Indebtedness, if it represents a positive amount, and shall be increased, if the Estimated Net Working Capital is higher than the Pro Forma Accounts Net Working Capital, or shall be decreased, if the Estimated Net Working Capital is lower than the Pro Forma Accounts Net Working Capital, by the difference between the Estimated Net Working Capital and the Pro Forma Accounts Net Working Capital.

If the Provisional Purchase Price for the shares would exceed US$ 555,000,000 (five hundred and fifty five million US dollars), the Seller will cause the Company to declare a dividend payable to the Seller in an amount which is equal to the lower of (i) such excess and (ii) the amount of the distributable reserves of the Company in order to reduce the Provisional Purchase Price with the amount of such dividend. The Seller and/or Huhtamaki Finance Oy will make a loan to the Company to the extent there is not sufficient cash in the Company's Group to pay the aforementioned dividend. The amount of such loan will be taken into account by the Seller in calculating and estimating the Estimated Net Outstanding Indebtedness."

ARTICLE 3 ACKNOWLEDGEMENT AND WAIVER

The Purchaser hereby expressly confirms and agrees that from and after the date hereof it shall have no claim whatsoever under the Agreement, including but not limited to the Seller's Representations and Warranties or any indemnities of the Seller thereunder, due to or as a result of the Negative Deviation, the Reduced Outlook, or the actual EBIT of the Industrial Packaging Division for 2001 up to Closing. In particular, and without prejudice to the Seller's position that these Articles are not applicable anyway, the Purchaser confirms that it has no claim under Article 8.5 of the Agreement or under Section 7.1 of the Seller's Representations and Warranties with respect to the Negative Deviation, the Reduced Outlook, or the actual EBIT of the Industrial Packaging Division for 2001 up to Closing. If and to the extent that the Purchaser could nevertheless be said to have any such claim under the Agreement, including but not limited to the Seller's Representations and Warranties, it hereby expressly waives in favour of the Seller all of its rights in respect of any such claim.

ARTICLE 4 MISCELLANEOUS

4.1 If and to the extent there is a material adverse change in

the Negative Deviation which occurs and becomes known to the Parties before Closing, then, only with respect to such excess deviation from the Negative Deviation, Article 3 hereof shall not apply and the Seller and the Purchaser shall not be prejudiced in any of their respective other rights under the Agreement and this Amendment Agreement, provided, however, that no write-offs or other non-recurring items, whether already stated in item (b) of Schedule A or included in the year to date 30 November 2000 results or otherwise, will for the purposes hereof be taken into account in respect of the determination of the actual results for the entire year 2000.

4.2 Articles 1.2, 10.3, 11, 13 and 14 of the Agreement apply mutatis mutandis to this Amendment Agreement and are considered to be repeated and included herein.

Thus agreed and signed in two original copies on 5 January 2001.

HUHTAMAKI VAN LEER OYJ	GREIF BROS. CORPORATION
/s/ Juha Salonen	/s/ Michael J. Gasser
By: Juha Salonen	By: Michael J. Gasser
Title: Group General Counsel	Title: Chairman and CEO

/s/ Timo Salonen
By: Timo Salonen
Title: Chief Financial Officer

SECOND AMENDMENT TO THE

SHARE PURCHASE AGREEMENT DATED 27 OCTOBER 2000

between

HUHTAMAKI VAN LEER OYJ

as the Seller

and

GREIF BROS. CORPORATION

as the Purchaser

for the acquisition by the Purchaser
of the entire issued share capital of
Royal Packaging Industries Van Leer N.V.

NAUTADUTILH
Amsterdam

Place: Amsterdam
Date: 28 February 2001

SECOND AMENDMENT TO THE SHARE PURCHASE AGREEMENT

DATED 27 OCTOBER 2000

THE UNDERSIGNED:

(1) HUHTAMAKI VAN LEER OYJ, a company duly incorporated and validly existing under the laws of Finland, established and having its principal office in Espoo as the seller (the "Seller"); and

(2) GREIF BROS. CORPORATION, a corporation organised under the laws of the State of Delaware, USA, having its principal

offices at 425 Winter Road, Delaware, Ohio, USA as the purchaser (the "Purchaser");

WHEREAS:

A. The Purchaser and the Seller have entered into an agreement dated 27 October 2000 regarding the sale and transfer of all shares in the capital of Royal Packaging Industries Van Leer N.V. (the "Agreement");

B. The Parties have entered into a First Amendment to the Agreement on 5 January 2001;

C. Article 4.3 and certain other Articles of the Agreement provide that the Parties will reach further agreement in respect of certain matters prior to Closing;

D. The Parties have reached agreement on such matters as referred to in Article 4.3 and such other Articles of the Agreement;

E. The Parties wish to record their agreement in respect of such matters mentioned in recital (D) hereof in this Second Amendment Agreement;

NOW HEREBY AGREE AS FOLLOWS:

ARTICLE 1 DEFINITIONS

Capitalised terms used in this Second Amendment Agreement and not otherwise defined herein shall have the meanings set forth in the Agreement.

ARTICLE 2 SEPARATE CLOSING AND PURCHASE PRICE ALLOCATION

2.1 Separate Closing

The Agreement provides that the shares in the capital of Royal Packaging Industries Van Leer N.V. (the "Company") will be transferred to the Purchaser on the Closing Date. In deviation from such provision, the Parties agree that, in addition to the transfer of the shares in the Company, certain shares in certain companies, as listed below, shall be transferred at the Closing Date on the same terms and conditions as are contained in the Agreement, but by way of separate transfers under applicable local law:

(i) France

a. Van Leer France Investments Holding B.V. will transfer 437,496 shares in the capital of Van Leer France Holding S.A.S. to Greif France Holding S.A.S., resident in France.

b. Van Leer France Investments B.V. will transfer 4 shares in the capital of Van Leer France Holding S.A.S. to Greif France Holding S.A.S., resident in France.

c. The 437,500 shares in the capital of Van Leer France Holding S.A.S. referred to immediately above currently constitute, and on the Closing Date will constitute, all of the issued and outstanding shares in the capital of Van Leer France Holding S.A.S.

d. Van Leer France Holding S.A.S. shall be and hereby is added to the list of Subsidiaries of Annex 6 of the Agreement.

(ii) Germany

4 P Verpackungsgruppe B.V. & Co. Holding KG has transferred all issued and outstanding shares with a nominal value of 50 DM each held by it in the capital of Van Leer Grundstucksverwaltungs GmbH to the Company. The transfer tax due in respect of this transfer shall be paid by the Purchaser, provided, however, that if the Purchaser or any of its Group Companies will be assessed twice for transfer tax in respect of Van Leer Grundstucksverwaltungs GmbH, the Seller shall reimburse the Purchaser for such second tax assessment.

(iii) United States of America

a. Van Leer Holding Inc. will transfer all issued and

outstanding shares in the capital of American Flange & Manufacturing Company Inc. ("Flange & Manufacturing") to the Purchaser.

b. Van Leer Holding Inc. will transfer all issued and outstanding shares in Van Leer Containers Inc. ("Van Leer Containers") to the Purchaser.

c. The Parties agree that they shall jointly make (i) elections pursuant to Section 338(h)(10) of the Internal Revenue Code of 1986 with respect to the purchase and sale of the shares in Flange & Manufacturing and Van Leer Containers and the deemed purchase and sale of subsidiaries of either corporations and (ii) all comparable elections under state and local Tax law, both as further to be recorded in the US Stock Purchase agreement in respect of those sales and transfers.

d. The Parties agree that no private letter ruling shall be sought from the tax authorities in the United States of America with respect to the tax basis of the assets of Flange & Manufacturing and Van Leer Containers on the Closing Date.

e. The Parties agree that a restructuring liability in the amount of USD 9,100,000 (nine million and one hundred thousand US Dollar) shall be included in the Closing Balance Sheet in respect of the tax consequences for the Purchaser of the election mentioned sub (c) above.

(iv) Brazil

a. Feldreus Investments B.V. will transfer all but one of the issued shares in the capital of Huhtamaki Holding Ltda. to Greif Netherlands Holdings B.V. The one remaining share in the capital of Huhtamaki Holding Ltda. shall continue to be held by Mr. Signorelli.

b. Huhtamaki Holding Ltda. and Van Leer Holding S.A. shall be and hereby are added to the list of Subsidiaries of Annex 6 to the Agreement.

2.2 Discrepancies

In case of any conflict or discrepancy between the terms of the local agreements regarding the transactions mentioned in Article 2.1 hereof and the Agreement, including the First Amendment Agreement and this Second Amendment Agreement, the provisions of the Agreement, including the First Amendment Agreement and this Second Amendment Agreement, shall prevail.

2.3 Purchase Price Allocation

The amounts to be paid as purchase price for the shares which will be transferred separately in accordance with Article 2.1 hereof, are included in the amount of the Purchase Price as defined in the Agreement.

The Parties agree that the parts of the Purchase Price allocable to the shares mentioned in Article 2.1 in respect of USA, France and Brazil, are set out in Schedule AII.1 hereto.

The final consideration amounts paid in connection with the transactions in respect of the Reorganisation are listed in Schedule AII.2 hereto. The Purchaser's acknowledgement of such amounts shall have no effect on its right under Article 7.2 of the Agreement, including Seller's indemnity of the Purchaser contained therein.

The Parties undertake that they shall prepare all of their respective tax returns (belasting aangiften) in the respective countries in accordance with the allocation as contained in such Schedules AII.1 and AII.2.

2.4 Annex 6 and Schedules 8 (i) and 8(ii)

The Parties agree that there have been some changes in respect of the Subsidiaries since the date of the Agreement. Consequently, the Parties have agreed to update Annex 6 to the Agreement, which updated Annex 6 is attached to this Second Amendment Agreement and shall replace Annex 6 as attached to the Agreement.

The Parties agree that the Reorganisation has been carried out in the manner as set forth in the revised Schedule 8 (i), a copy of which is attached hereto and which revised Schedule 8 (i) will replace the Schedule 8 (i) as attached to the Agreement.

The Parties have further agreed to certain changes to Schedule 8 (ii) as set out in Schedule AII. 3 attached hereto.

2.5 Closing Balance Sheet Date

The Parties hereby agree that the Closing Balance Sheet Date shall be 28 February 2001.

ARTICLE 3 ENVIRONMENT

3.1 Third Party Claims Relating to Known Conditions Excluded from Insurance

The Parties were unable to obtain insurance coverage under the Environmental Insurance Policy for third party claims related to Environmental Matters identified in the Known Conditions Schedule, Endorsement 6 to the Environmental Insurance Policy. The Parties hereby amend the Agreement and agree that such third party claims shall not be subject to the Purchaser's obligation in Article 6.11.6(a) and shall be subject to immediate cost sharing under Article 6.11.6(b).

3.2 Seller's Representation - Article 6.11.12.G

The following provision shall be deemed to have been inserted in Clause 6.11.12 (G) of the Agreement:

"The Seller has not made any material misrepresentation, which affects the insurability of the risk, towards the insurers under the Environmental Insurance Policy. The statements contained in the Declarations (as defined in the Environmental Insurance Policy) and any other supplemental materials and information submitted to ECS Underwriting, Inc. as a part of the application process or with the application, for the Environmental Insurance Policy are the Seller's agreements and representations. The statements and facts set forth in the application, including the supplemental materials and information, for the Environmental Insurance Policy towards ECS Underwriting, Inc. and relied on by all insurers are true and no material facts have been suppressed or misstated therein."

ARTICLE 4 ARTICLE 4.3 OF THE AGREEMENT

4.1 Working capital amount in the Pro Forma Accounts

The Parties have acknowledged that there was a mistake in the Pro Forma Accounts which has an effect on the Pro Forma Accounts Net Working Capital and the Parties wish to correct such mistake. Consequently, the Parties hereby agree that the amount of the Pro Forma Accounts Net Working Capital as included in the Pro Forma Accounts shall be revised on the amount of EUR 205,344,000 (two hundred and five million and three hundred and forty four thousand Euro).

4.2 United States of America

(i) Split dollar life statement

The Parties agree that the "Provisions for liabilities and other charges" in the Closing Balance Sheet will include the full liability for post-retirement benefits without netting out the value of the US cash surrender value life ("split dollar life") insurance policies, which are an asset of Van Leer Containers. As a consequence, the Estimated Net Outstanding Indebtedness is increased by USD 4,000,000 (four million US Dollar).

(ii) Post retirement benefits statement

For the establishment of the Closing Balance Sheet medical inflation percentages shall be used for the United States of America of 7.25%, grading down 0.5% each year to an ultimate rate of 4.75%, using a discount rate of 7.5%. As a consequence, the Estimated Net Outstanding Indebtedness is increased by USD 2,000,000 (two million US Dollar).

4.3 The Netherlands, France and Germany

(i) Back service pension liabilities in the Netherlands

The Parties acknowledge that the liability for unfunded back service pension liabilities in the Netherlands as of 31 December 1999 has been duly included in the Pro Forma Accounts.

(ii) Funding of liabilities France

The Parties agree that the liability in France relating to the provision for medical and life insurance benefits for former employees between early retirement and age 65 and the liability in France relating to the benefits arising from the early retirement convention shall not be included under "Provisions for liabilities and other charges" in the Closing Balance Sheet.

(iii) Funding of liabilities Germany

The Seller hereby represents and warrants to the Purchaser that the reserve in the Germany local accounts as at 31 December 1999 of DM 15,225,615 (fifteen million and two hundred and twenty five thousand and six hundred and fifteen German Mark) relates entirely to re-insurance assets. In reliance on the foregoing, the Purchaser agrees that the Pro Forma Accounts do not understate the pension liabilities in Germany as of 31 December 1999.

4.4 Full Agreement

The Parties acknowledge and agree that they have now reached full agreement on all issues which pursuant to Article 4.3 of the Agreement have to be agreed upon prior to Closing.

ARTICLE 5 PENSION

Article 9.4 of the Agreement provides that prior to Closing the parties shall agree on a more detailed arrangement regarding the value transfers mentioned in such Article 9.4 in respect of the Consumer Employees (as listed on Schedule 15). Such more detailed arrangement is set forth below and will be in addition to the mechanics already provided for in Article 9.4 of the Agreement:

(i) United States of America

The Parties have meanwhile agreed that Ken Andre will remain with the Industrial Packaging Division.

Steve Murphy has already left the relevant Industrial Pension Fund.

Brad Kerle and Theo Kalifatidis are both expatriated Australians who have remained within the Australian pension fund. They shall be deemed to have been added to the Australia Chapter of the list of Consumer Employees (Schedule 15 to the Agreement).

Based on the above circumstances, the Parties agree that no value transfer has to take place in respect of Consumer Employees in the United States of America.

(ii) United Kingdom

All Consumer Employees listed on Schedule 15 under the heading "United Kingdom" will cease to be active members and become deferred members of the relevant Industrial Pension Funds as per the Closing Date, in accordance with the rules for leaving service of the relevant Industrial Pension Fund, being either the Van Leer (UK) Staff Pension Scheme or the Van Leer (UK) Works Pension Scheme. As per the Closing Date, these members will be entitled to take a transfer from their scheme on the normal cash equivalent basis in force at the date they transfer, which amount will be no less than the cash equivalent as at the date of transfer as defined in the Pension Schemes Act 1993. A value transfer ("waardeoverdracht") as provided for in Article 9.4, second paragraph, of the Agreement from the relevant Industrial Pension Funds shall take place in accordance with such provision.

(iii) Australia

The Consumer Employees in Australia are members of the Van Leer Australia Salaried Staff Superannuation Plan ("VLASSSP"). Under the governing superannuation legislation (Superannuation Industry Supervision (SIS) Regulation 6.29), a transfer of a member's benefits from one fund to another must be with the consent of the member or the new fund must be a Successor Fund. A Successor Fund approach has been adopted by the Seller. The benefits of the Consumer Employees in Australia will be transferred to the Oceana Superannuation Fund ("OSF"). A deed of amendment to the VLASSSP trust deed was signed on 20 October 2000 to allow the trustee of the VLASSSP to transfer members to another fund if satisfied that the new fund can be regarded as a Successor Fund.

The OSF trust deed provides equivalent benefits for the transferring employees from VLASSSP. As a result, the Seller hereby warrants that members' accrued benefits in the VLASSSP can be transferred to the OSF as a Successor Fund without individual member consent being required.

The amount to be transferred to the OSF in respect of the transferring members will be the equitable share of the total defined benefit assets in the VLASSSP as at the date of transfer, including a share of any surplus. Assets representing members' Voluntary Contribution Accounts and Surcharge Offset Accounts are specifically allocated to individual members and would not form part of the equitable share calculation (but would be transferred in addition).

(iv) South Africa

The two Consumer Employees listed on Schedule 15 under the heading "South Africa", i.e. A.J. Jardine and C.A. Reynecke, have both left the relevant Industrial Pension Fund since the date of the Agreement.

A.J. Jardine has retired and C.A. Reynecke has been transferred to an outside pension fund; a value transfer in respect of C.A. Reynecke has already taken place.

Based on the above circumstances, the Parties agree that no value transfer has to take place in respect of Consumer Employees in South Africa.

ARTICLE 6 VAN LEER COORDINATION CENTRE

The Parties confirm that the transfer of Van Leer Coordination Center N.V. (the "VLC Center") to the Consumer Packaging Division, as referred to in Article 7.4 of the Agreement, has not taken place on the date hereof and will not take place prior to Closing. The Purchaser agrees that it shall not close down VLC Center before 1 August 2001 but that it shall close down VLC Center as soon as practicable thereafter. Until closing down is completed, the Purchaser will procure that VLC Center will be run in its ordinary course of business consistent with the period before Closing. The Seller shall hold the Purchaser harmless against and shall reimburse the Purchaser upon its first request for all costs actually incurred by VLC Center or the Purchaser's Group of Companies in connection with (a) the operational costs of VLC Center, other than the salary costs of the employees listed in Annex AII.4 attached hereto (the "Industrial Employees") and (b) the closing down of VLC Center, provided that the Seller shall only be liable for dismissal costs up until 1 August 2002 and only in relation to the employees who (i) are employed by VLC Center as at Closing and are not Industrial Employees and (ii) following their dismissal, are not employed within Purchaser's group of companies. For the avoidance of doubt, the Purchaser shall have no obligation to employ, or offer employment to, within the Purchaser's group of companies, any employee who is currently employed by VLC Center.

ARTICLE 7 INSURANCE

Article 9.6 of the Agreement provides that the Seller and the Purchaser will use their reasonable best efforts to agree prior to Closing on a suitable transition period arrangement with respect to the insurance policies as listed on Schedule 11 which will terminate in respect of the Industrial Packaging Division as per Closing. The Parties hereby agree that no such arrangement is necessary and that consequently neither Party has any further obligation pursuant to such Article 9.6. except that

any claims arising out of events occurring prior to Closing that would otherwise be covered by such terminated insurance policies, will be the responsibility of the Seller whether or not it obtains run-off insurance coverage.

ARTICLE 8 KENTUCKY REAL ESTATE

The Parties acknowledge that the fact that the Purchaser is aware of a potential problem in connection with the lease of the plant in Florence, Kentucky, will not prejudice the rights of the Purchaser under the Seller's Representations and Warranties or the indemnities as contained in the Agreement

ARTICLE 9 MISCELLANEOUS

Articles 1.2, 10.3, 13 and 14 of the Agreement apply mutatis mutandis to this Amendment Agreement and are considered to be repeated and included herein.

Thus agreed and signed in two original copies in Amsterdam on 28 February 2001.

HUHTAMAKI VAN LEER OYJ	GREIF BROS. CORPORATION
/s/ Timo Salonen	/s/ Michael J. Gasser
By: Timo Salonen	By: Michael J. Gasser
Title: chief financial officer	Title: chairman and CEO

/s/ Juha Salonen
By: Juha Salonen
Title: group general counsel

EXHIBIT 99.1

Greif Bros. Corporation
425 Winter Road
Delaware, Ohio 43015

News Release

Greif Bros. Corporation Announces Completion of Van Leer Industrial Acquisition

Greif Closes Purchase of Van Leer Industrial for $555 Million

Acquisition Makes Greif the Global Leader in Industrial Packaging Products and Shipping Solutions

DELAWARE, OH (March 2, 2001) - Greif Bros. Corporation (NASDAQ: GBCOA/GBCOB) today announced completion of its purchase of the Van Leer Industrial packaging division from Huhtamaki Van Leer Oyj of Espoo, Finland (HEX: HVL1V) for $555 million, which includes the assumption of debt and other obligations. Greif and Huhtamaki announced the signing of a definitive purchase agreement for Van Leer Industrial on October 30, 2000 and an amendment on January 26, 2001.

With the purchase of Van Leer Industrial, Greif nearly doubles its revenue base and becomes the global leader in the industrial packaging products business, with approximately 200 locations, 11,000 employees and 19,000 customers in more than 40 countries.

"Combining Greif and Van Leer Industrial creates a stronger company focused on providing a wide range of packaging solutions for global as well as regional customers," said Michael J. Gasser, Greif chairman and chief executive officer. "Our first priority continues to be the acceleration of our historical growth rates by taking advantage of favorable opportunities in international markets."

Greif's Expanded Industrial Shipping Containers Business
Before the acquisition, Greif was the leading supplier of industrial shipping containers in North America. The Van Leer Industrial acquisition expands Greif's markets to Europe, Africa, Asia, Australia and Latin America. Greif anticipates that approximately 80% of net sales for the combined Company will be from North America and Europe and 20% from the remaining regions.

The product line for Greif's Industrial Shipping Containers business segment includes steel drums, fibre drums, plastic drums, intermediate bulk containers, plastic bottles, steel pails and drum closure systems. In addition, the Company provides various packaging-related services.

(more)

Greif also has two other lines of business in the United States market: Containerboard & Corrugated Products and Timber. For the year ended October 31, 2000, Greif reported net sales of $929.9 million, which included $476.3 million for the Company's Industrial Shipping Containers segment, $408.9 million for the Containerboard & Corrugated Products segment and $44.7 million for the Timber segment.

"The Greif-Van Leer Industrial combination is a revolutionary step in a mature, consolidating industry and is an important part of our plan for creating additional value and opportunities for our customers, shareholders and employees," Mr. Gasser said. "While there will be cost savings resulting from the integration process, the Van Leer Industrial acquisition reflects Greif's customer-driven growth strategy."

This growth strategy is based on:
* The broadest product and service offering in the industrial packaging products industry
* Increased ability to respond to global packaging needs of multinational customers
* Global market and leadership position for industrial packaging
* Balanced, globally diversified revenue mix
* Meaningful synergies through improved operating efficiencies,

purchasing economies and cross-selling opportunities
* Leveraging a global infrastructure to provide more products to more customers

As previously reported, the Company expects the Van Leer Industrial acquisition to be accretive to earnings per share within one year from closing.

Experienced Worldwide Packaging Leadership
William B. Sparks, Jr., Greif's president and chief operating officer, will continue to lead the Company's Industrial Shipping Containers business. In addition, Francisco de Miguel, president of Van Leer Industrial and a 33-year employee, will be responsible for overall management of the industrial packaging business in Europe, Asia, Australia and Africa, as well as the drum closures business.

"We are extremely pleased that Francisco de Miguel, along with a large majority of Van Leer Industrial executives, will remain with the international operations and actively participate in the management of the Company to ensure continued quality service to our customers," Mr. Gasser stated. "With these experienced individuals along with the solid Greif management team, we are confident in a smooth transition and positive future."

The Industrial Shipping Containers business will operate in seven geographic regions within the Company's global markets. Van Leer Industrial managers have been appointed to manage six regions, and a Greif manager will direct the North America region. Tri-Surer, the Company's drum closure systems business, will operate as a separate unit within the Industrial Shipping Containers business.

(more)

Mr. Gasser said that integration teams were formed earlier this year and are working in all key locations to implement best practices, identify new marketing opportunities and explore manufacturing and purchasing efficiencies.

Financing
As previously reported, the Company is financing the acquisition through $900 million of Senior Secured Credit Facilities arranged by Merrill Lynch & Co., Inc. with a syndicate of lenders. Proceeds will be used to complete the acquisition of Van Leer Industrial and to refinance the Company's existing debt, and the remaining amounts will be available for working capital and general corporate purposes.

Standard & Poor's and Moody's Investors Service have assigned "BB" and "Ba3" ratings, respectively, to the Company's new $900 million credit facilities. Both rating agencies stated positive outlooks. The credit facilities consist of two term loans, a $350 million five-year term loan A and a $400 million seven-year term loan B, as well as a $150 million multi-currency revolving credit facility.

Financial Overview
The Company will complete pro forma financial statements in accordance with accounting principles generally accepted in the United States and will file them with the U.S. Securities and Exchange Commission within 75 days after closing. The excess amount of the purchase price over net asset value, prior to purchase accounting and post-closing adjustments and translation to accounting principles generally accepted in the United States, is expected to be approximately $80 million. The following financial information is for reference only, and addition of the stated amounts is not indicative of the pro forma results of the combined Company.

Historical Income Statement Information

	Greif Bros. Corporation (US $ Million)	Van Leer Industrial(a) (US$ Million) (b)
For the Year Ended	October 31, 2000	December 31, 2000
Net sales	929.9	951.0
EBIT before special charges	112.3	41.9 (c)

EBITDA before special charges	157.5	78.7 (c)

(a) Unaudited and before synergies
(b) Based on convenience translation, numbers converted from Euro currency as of 12/31/00 at .925 to the US dollar.
(c) Excludes special charges or non-recurring expenses of approximately US $9 million.

(more)

About Greif Bros. Corporation
Greif, which is headquartered in Delaware, Ohio, has been a packaging company since its inception in 1877. The Company provides a broad variety of industrial shipping containers (which include fibre drums, plastic drums, steel drums, intermediate bulk containers, steel pails, drum closures and plastic water bottles) and containerboard and corrugated products (which include semichemical and recycled medium, recycled linerboard, corrugated boxes, corrugated honeycomb products and multiwall packaging) as well as manages timber properties. Greif has approximately 11,000 employees in more than 40 countries. Additional information is on the company's web site at www.greif.com.

Some of the information in this press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The words "believe," "expect," "anticipate," "project," and similar expressions, among others, identify forward-looking statements. Forward-looking statements speak only as of the date the statement was made. Such forward-looking statements are subject to certain risks and uncertainties that could cause the Company's actual results to differ materially from those projected, including the statements that the combination of Greif and Van Leer Industrial creates a stronger company focused on providing a wide range of packaging solutions for global as well as regional customers, and the Company's first priority continues to be the acceleration of its historical growth rates by taking advantage of the favorable opportunities in international markets (paragraph three), the Greif-Van Leer Industrial combination is a revolutionary step in a mature, consolidating industry and is an important part of the Company's plan for creating additional value and opportunities for its customers, shareholders and employees (paragraph seven), there will be cost savings resulting from the integration process (paragraph seven), the Company expects the Van Leer Industrial acquisition to be accretive to earnings per share within one year from closing (paragraph nine), the following financial information is for reference purposes only and the addition of the results of both companies is not indicative of the pro forma results of the combined company (paragraph sixteen). Risks and uncertainties that might cause a difference include, but are not limited to, changes in general business and economic conditions and litigation or claims against the Company. These and other risks and uncertainties that could materially affect the financial results of the Company are further discussed in the Company's Annual Report on Form 10-K for the year ended October 31, 2000. All forward-looking statements made in this announcement are based on information presently available to the management of the Company. The Company assumes no obligation to update any forward-looking statement.

For Additional Information:

Media Inquiries:
Krista Heins
Director, Communications
Greif Bros. Corporation
740-549-6074
klheins@greif.com

Anita Bose
Robinson Lerer & Montgomery
212-484-7699
abose@rlmnet.com

(more)

Shareholder/Analyst/Investor Inquiries:
Robert Lentz
Robert A. Lentz and Associates
614-876-2000
rlentz@investquest.com

Anita Bose
Robinson Lerer & Montgomery
212-484-7699
abose@rlmnet.com

EXHIBIT 99.2

U.S. $900,000,000

SENIOR SECURED CREDIT AGREEMENT

Dated as of March 2, 2001

among

GREIF BROS. CORPORATION,
as U.S. Borrower,

GREIF SPAIN HOLDINGS, S.L.,
as Subsidiary Borrower,

MERRILL LYNCH & CO.,
as Sole Lead Arranger, Sole Book-Runner and Administrative Agent,

KEYBANK NATIONAL ASSOCIATION,
as Syndication Agent,

ABN AMRO BANK N.V,
as Co-Documentation Agent,

NATIONAL CITY BANK,
as Co-Documentation Agent,

THE BANK OF NOVA SCOTIA,
as Paying Agent,

and

THE OTHER FINANCIAL INSTITUTIONS
PARTY HERETO FROM TIME TO TIME

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ANNEXES

SCHEDULES

SENIOR SECURED CREDIT AGREEMENT

This SENIOR SECURED CREDIT AGREEMENT is entered into as of March 2, 2001, among GREIF BROS. CORPORATION, a Delaware corporation (together with its successors, "U.S. Borrower"); GREIF SPAIN HOLDINGS, S.L., a Sociedad limitada en formacion incorporated under the laws of Spain and pending its registration in the relevant commercial registry ("Subsidiary Borrower" and, together with U.S. Borrower, the "Borrowers"); the several financial institutions listed on the signature pages hereto as "Lenders" or from time to time made party to this Agreement pursuant to Section 11.8 (collectively, the "Lenders"; individually, each a "Lender"); MERRILL LYNCH & CO., MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED, as sole Lead Arranger (together with its successors in such capacity, the "Lead Arranger"), as sole Book-Runner and as Administrative Agent (together with its successors in such capacity, the "Administrative Agent"); KEYBANK NATIONAL ASSOCIATION, as Syndication Agent (together with its successors in such capacity, the "Syndication Agent"); ABN AMRO BANK N.V., as Co-Documentation Agent (together with its successors in such capacity, a "Co-Documentation Agent"); NATIONAL CITY BANK, as Co-Documentation Agent (together with its successors in such capacity, a "Co-Documentation Agent"); and THE BANK OF NOVA SCOTIA, as Paying Agent (together with its successors in such capacity, the "Paying Agent").

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties agree as follows:

ARTICLE I

DEFINITIONS, ETC.

1.1. Certain Defined Terms. The following terms have the following meanings:

ABR Loan means a Loan or an L/C Advance that bears interest based on the Alternate Base Rate. ABR Loans may only be made in U.S. Dollars.

Account means any account (as that term is defined in

Section 9-106 of the UCC) of any Company arising from the sale or lease of goods or rendering of services.

Acquisition means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of any business or division of a Person, (b) the acquisition of in excess of 50% of the capital stock, partnership interests, membership interests or equity of any Person, or otherwise causing any Person to become a Subsidiary, or (c) a merger or consolidation or any other combination with another Person.

Additional Collateral - see Section 7.15.

Adjusted Working Capital means the remainder of: (a) (i) the consolidated current assets of the Companies, less (ii) the amount of Cash and Cash Equivalents included in such consolidated current assets; less (b) (i) consolidated Current Liabilities of the Companies, less (ii) the amount of short-term Indebtedness (including Revolving Loans and current maturities of long-term Indebtedness) of the Companies included in such consolidated Current Liabilities.

Administrative Agent - see the introduction to this Agreement.

Administrative Fee Letter - see subsection 2.11(a).

Affected Lender - see Section 4.8.

Affiliate means, as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with such Person. A Person shall be deemed to control another Person if the controlling Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, including through the ownership of voting securities or membership interests or by contract.

Agent's Payment Office means (i) in respect of payments by the Borrowers in U.S. Dollars, 600 Peachtree Street, Suite 2700, Atlanta, Georgia 30308 or such other address as the Paying Agent may from time to time specify in accordance with Section 11.2 and (ii) in the case of payments by the Borrowers in any Offshore Currency, as set forth in Annex A or such other address as the Paying Agent may from time to time specify in accordance with Section 11.2.

Agents means the Lead Arranger, the Administrative Agent, the Syndication Agent and the Paying Agent; and Agent means any of them.

Aggregate Outstanding Revolving Credit means, as to any Revolving Lender at any time, an amount equal to the sum of (a) the aggregate unpaid principal Dollar Equivalent amount at such time of all Revolving Loans made by such Lender, (b) such Lender's Pro Rata Share of the Effective Amount of all outstanding L/C Obligations at such time, and (c) such Lender's Pro Rata Share of the aggregate amount of all outstanding Swing Line Loans.

Agreed Alternative Currency - see subsection 2.5(e).

Agreement means this Senior Secured Credit Agreement, as amended and in effect from time to time.

Agreement Currency - see Section 11.17.

Alternate Base Rate means, for any day, with respect to all ABR Loans, a fluctuating rate of interest per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) equal to the higher of: (a) 0.50% per annum above the latest U.S. Federal Funds Rate; and (b) the Corporate Base Rate of interest announced by the Paying Agent from time to time, changing effective on the date of announcement of said Corporate Base Rate change.

Amortization Payments means, as to any Term Loan Facility, the scheduled repayments of the Term Loans of such Term Loan Facility as set forth in subsections 2.9(a) and (b), and

Amortization Payment means any such scheduled repayment.

Applicable Borrower means, with respect to any Term Loan, U.S. Borrower, and, with respect to any Revolving Loan, U.S. Borrower or Subsidiary Borrower, as applicable, that is the Borrower to whom such Loan was, or is to be, made.

Applicable Commitment Fee Percentage means (i) on and after the Effective Date and prior to the Trigger Date, 0.500%, and (ii) thereafter, the percentage per annum set forth in the grid below opposite the Total Leverage Ratio at the end of the most recent fiscal quarter:

Total Leverage Ratio	Applicable Commitment Fee Percentage
> 3.0 to 1.0	0.500%
< 3.0 to 1.0 and > 2.5 to 1.0	0.500%
< 2.5 to 1.0 and > 2.0 to 1.0	0.375%
< 2.0 to 1.0	0.375%

Any change in the Total Leverage Ratio shall result in the adjustment of the Applicable Commitment Fee Percentage as of the date of receipt by the Paying Agent of the Interest Rate Certificate most recently delivered pursuant to subsection 7.2(b) to the level applicable to such new Total Leverage Ratio (and if not delivered when due, the Total Leverage Ratio shall be presumed to be greater than 3.0 to 1.0 until delivered).

Applicable Currency means, as to any particular payment or Loan, U.S. Dollars or the Offshore Currency in which it is denominated or is payable.

Applicable Margin means for each category of Loan (i) on and after the Effective Date and prior to the Trigger Date, with respect to such Loan category specified below, the percentage per annum set forth opposite the Total Leverage Ratio of greater than 3.0 to 1.0 for such category of Loan in the grid below, and (ii) thereafter, with respect to such Loan category specified below, is as set forth below, the percentage per annum set forth in the grid below opposite the Total Leverage Ratio at the end of the most recent fiscal quarter:

	LIBOR Loans		ABR Loans	
Total Leverage Ratio	Revolving Loans and Term A Loans	Term B Loans	Revolving Loans and Term A Loans	Term B Loans
> 3.0 to 1.0	2.75%	3.25%	1.75%	2.25%
< 3.0 to 1.0 and > 2.5 to 1.0	2.50%	3.25%	1.50%	2.25%
< 2.5 to 1.0 and > 2.0 to 1.0	2.25%	3.00%	1.25%	2.00%
< 2.0 to 1.0	2.00%	3.00%	1.00%	2.00%

Any change in the Total Leverage Ratio shall result in the adjustment of the Applicable Margin as of the date of receipt by the Paying Agent of the Interest Rate Certificate most recently delivered pursuant to subsection 7.2(b) to the level applicable to such new Total Leverage Ratio (and if not delivered when due, the Total Leverage Ratio shall be presumed to be greater than 3.0:1.0 until delivered).

Approved Fund means, as to any Lender, any entity described in the last sentence of "Eligible Assignee."

Asset Sale means any sale, issuance, conveyance, transfer, lease or other disposition (including by sale-

leaseback, merger, consolidation or otherwise) by any Company, in one or a series of related transactions, of: (a) any Equity Interests of any Company (other than U.S. Borrower) or any other Equity Interests of any other Person owned by any Company; (b) all or substantially all of the properties and assets of any Company; (c) any payment, liquidation or realization on any Investment permitted by subsection 8.4(d); or (d) other than inventory or timber in the ordinary course of business, any properties or assets of any Company. For the purposes of this definition, the term "Asset Sale" shall not include (i) any such transaction by any Company to any Domestic Loan Party or by any Foreign Loan Party to any Foreign Loan Party, (ii) Asset Sales not resulting in total consideration in the aggregate for all Companies of more than the Dollar Equivalent amount of U.S. $5,000,000 in any fiscal year of U.S. Borrower (in each case calculated at the time of consummation thereof), (iii) any sale, issuance, conveyance, transfer, lease or other disposition of properties or assets of any Company permitted by Section 8.2 (other than subsection (d), (l), (m), (n) or (o) thereof), (iv) Takings or Destructions or loss of title to any Collateral or Intercompany Collateral, (v) any Lien permitted by Section 8.1, (vi) any Investment permitted by Section 8.4, and (vii) any Restricted Payment permitted by Section 8.13.

Assignee - see subsection 11.8(a).

Assignment and Acceptance - see subsection 11.8(b).

Attorney Costs means and includes all reasonable fees, disbursements and other charges of any law firm or other external counsel.

Available Revolving Commitment means, as to any Revolving Lender at any time, an amount equal to the excess, if any, of (a) the amount of such Lender's Revolving Commitment at such time, over (b) the sum of (i) the aggregate unpaid principal Dollar Equivalent amount at such time of all Revolving Loans made by such Lender, (ii) such Lender's Pro Rata Share of the Effective Amount of all outstanding L/C Obligations at such time, and (iii) such Lender's Pro Rata Share of the aggregate amount of all outstanding Swing Line Loans.

Balance Sheet - see Section 6.9.

Beneficial Owner shall have the meaning assigned thereto in Rule 13d-3 of the SEC under the Exchange Act as in effect on the date hereof.

Benefitted Lender - see Section 2.15.

Board of Directors means, as to any Person, the Board of Directors of such Person or a designated committee thereof.

Borrowers - see the introduction to this Agreement.

Borrowing means a borrowing hereunder consisting of Loans of the same Facility and Type and in the same Applicable Currency made to a Borrower on the same day by one or more Lenders under Article II and, other than in the case of ABR Loans or Swing Line Loans, having the same Interest Period.

Borrowing Date means any day on which a Borrowing occurs under Section 2.3 or 2.17.

Business Day means any day other than a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to close and (i) with respect to disbursements and payments in U.S. Dollars relating to LIBOR Loans, a day on which dealings are carried on in the applicable offshore U.S. Dollar interbank market, and (ii) with respect to disbursements and payments in and calculations pertaining to any Offshore Currency, a day on which commercial banks are open for foreign exchange business in London, England, and on which dealings in the relevant Offshore Currency are carried on in the applicable offshore foreign exchange interbank market in which disbursement of or payment in such Offshore Currency will be made or received hereunder.

Capital Adequacy Regulation means, in respect of any Lender, any guideline, request or directive of any central bank or other Governmental Authority, or any other law, rule or

regulation, whether or not having the force of law, in each case, regarding capital adequacy of such Lender or of any corporation controlling such Lender which is generally applicable to banks or corporations controlling banks in any applicable jurisdiction (and not applicable to such Lender or the corporation controlling such Lender solely due to the financial or regulatory condition of such Lender or such corporation).

Capital Expenditures means all expenditures which, in accordance with GAAP, would be required to be capitalized and shown on the consolidated balance sheet of U.S. Borrower, but excluding (i) expenditures made in connection with the replacement, substitution or restoration of assets to the extent financed (x) from insurance proceeds (or other similar recoveries) paid on account of the loss of or damage to the assets being replaced or restored or (y) with awards of compensation arising from the taking by eminent domain, expropriation or condemnation of the assets being replaced, (ii) the Van Leer Acquisition, and (iii) acquisitions of Timber Assets made in accordance with subsection 8.2(l).

Capital Lease, as applied to any Person, shall mean any lease of any property (whether real, personal or mixed) by that Person as lessee which, in conformity with GAAP, is accounted for as a capital lease on the balance sheet of that Person.

Cash means money, currency or a credit balance in a deposit account.

Cash Collateralize means to pledge and deposit with or deliver to the Paying Agent, for the benefit of the Paying Agent and the Revolving Lenders, as collateral for the L/C Obligations, Cash pursuant to documentation in form and substance reasonably satisfactory to the Paying Agent and the L/C Lender (which documents are hereby consented to by the Lenders). Derivatives of such term shall have corresponding meanings. The Borrowers hereby grant to the Paying Agent, for the benefit of the Paying Agent, the L/C Lender and the Revolving Lenders, a security interest in all such Cash. Cash collateral shall be maintained in an L/C sub-account of the Collateral Account established in accordance with the provisions of Section 9.2 of the U.S. Borrower Guarantee and Security Agreement and the Domestic Guarantee and Security Agreement. The Collateral Account shall be the property of U.S. Borrower and shall be pledged to the Paying Agent pursuant to the Security Documents; the investment of all such cash collateral shall be directed by U.S. Borrower (but only in Cash Equivalents), and all income thereon shall be the property of U.S. Borrower (subject to the reasonable fees of The Bank of Nova Scotia relating to the administration of such account).

Cash Equivalents means (i) any security, maturing not more than one year after the date of acquisition, issued by the United States of America or an instrumentality or agency thereof and guaranteed fully as to principal, premium, if any, and interest by the United States of America; (ii) any certificate of deposit, time deposit or bankers' acceptance (or, with respect to non-U.S. banking institutions, similar instruments), maturing not more than one year after the day of acquisition, issued by any commercial banking institution that is a member of the U.S. Federal Reserve System or a commercial banking institution organized and located in a country recognized by the United States of America, in each case, having combined capital and surplus and undivided profits of not less than U.S. $500 million (or the foreign currency equivalent thereof), whose short-term debt has a rating, at the time as of which any investment therein is made, of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P; (iii) commercial paper maturing not more than one year after the date of acquisition issued by a corporation (other than an Affiliate or Subsidiary of either Borrower) with a rating, at the time as of which any investment therein is made, of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P; (iv) any money market deposit accounts issued or offered by a commercial banking institution that is a member of the U.S. Federal Reserve System or a commercial banking institution organized and located in a country recognized by the United States of America, in each case, having combined capital and surplus in excess of U.S. $500 million (or the foreign currency equivalent thereof); and (v) other short-term investments util-

ized by Foreign Subsidiaries in accordance with normal investment practices for cash management not exceeding a Dollar Equivalent amount of U.S. $10.0 million in aggregate principal amount outstanding at any time.

CERCLA - see subsection 6.12(a)(iii).

Change in Law means the introduction of any Requirement of Law, or any change in any Requirement of Law or in the interpretation or administration of any Requirement of Law.

Change of Control means the occurrence at any time of any of the following events: (a) the Permitted Investors collectively cease to own at least 40% of the voting power with respect to the election of directors of all then outstanding voting Equity Interests of U.S. Borrower or at least 25% of the economic interests of the then outstanding Equity Interests of U.S. Borrower, such calculation to be based on the proportionate interest held in the net worth of U.S. Borrower (other than as a result of a public primary registered equity offering by U.S. Borrower of new shares issued by U.S. Borrower in such offering); or (b) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) (other than the Permitted Investors) is or becomes (as a result of the acquisition or issuance of securities, by merger or otherwise) the Beneficial Owner, directly or indirectly, of more than 35% of the voting power with respect to the election of directors of all then outstanding voting Equity Interests of U.S. Borrower (other than as a result of a public primary registered equity offering by U.S. Borrower of new shares issued by U.S. Borrower in such offering); or (c) during any consecutive two-year period, individuals who at the beginning of such period constituted the Board of Directors of U.S. Borrower (together with any new directors whose election by such board or whose nomination for election by the shareholders of U.S. Borrower was approved by the Permitted Investors or by a vote of 66-2/3% of the directors then still in office who were either directors at the beginning of such period or whose election as directors or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors of U.S. Borrower then in office.

Closing Date - see Section 5.2.

Co-Agents means the Agents and the Co-Documentation Agents; and Co-Agent means any of them.

Code means the United States Internal Revenue Code of 1986, as amended.

Co-Documentation Agent - see the introduction to this Agreement.

Collateral means all of the U.S. Borrower Security Agreement Collateral, Domestic Security Agreement Collateral, the Foreign Security Agreement Collateral, the Domestic Mortgaged Property, the Foreign Mortgaged Property, all other property and assets pledged as collateral under any Security Document or, prior to the date of the Contribution, any Intercompany Security Document. Collateral shall in no event include Timber Assets, Equity Interests in Soterra LLC and CorrChoice and the property and assets of Soterra LLC and CorrChoice.

Collateral Account shall have the meaning assigned to such term in the U.S. Borrower Guarantee and Security Agreement.

Commitment, as to each Lender, means its Dollar Term A Commitment, Euro Term A Commitment, Term B Commitment, Revolving Commitment or Swing Line Commitment.

Commitment Fee - see subsection 2.11(b).

Company means U.S. Borrower or any of its Subsidiaries, and Companies means U.S. Borrower and all of its Subsidiaries collectively.

Compliance Certificate means a certificate substantially in the form of Exhibit C and delivered by the Borrowers pursuant to subsection 7.2(a).

Computation Amount - see subsection 3.8(a).

Computation Date means any date on which the Paying Agent determines the Dollar Equivalent amount of any Offshore Currency Loans pursuant to subsection 2.5(a) or 2.8(b).

Confidential Memorandum shall mean the Confidential Memorandum dated February 2001, and all written supplemental material thereto prepared by or on behalf of the Loan Parties and transmitted to the Lenders prior to the Closing Date.

Consolidated Net Income means, for any period, the consolidated net income of the Companies for such period; provided, however, that there shall be excluded therefrom (i) the income of any Person which is not a Subsidiary (but any dividends or other distributions received in cash by any Company from such Person shall be included in Consolidated Net Income), (ii) unrealized gains or losses in respect of Swap Contracts, and (iii) unrealized foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person and permitted by Section 8.5.

Consolidated Net Worth means at the date of determination thereof, the sum of all items which in conformity with GAAP would be classified as stockholders' equity on a consolidated balance sheet of U.S. Borrower at such date.

Contingent Obligation means, as to any Person, any direct or indirect liability of such Person, whether or not contingent, with or without recourse, (a) with respect to any Indebtedness, Lease, dividend, letter of credit or other obligation (the "primary obligations") of another Person (the "primary obligor"), including any obligation of such Person (i) to purchase, repurchase or otherwise acquire such primary obligations or any security therefor, (ii) to advance or provide funds for the payment or discharge of any such primary obligation, or to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet item, level of income or financial condition of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (iv) otherwise to assure or hold harmless the holder of any such primary obligation against loss in respect thereof (each of (i) - (iv), a "Guaranty Obligation"); (b) with respect to any Surety Instrument (other than any Letter of Credit) issued for the account of such Person or as to which such Person is otherwise liable for reimbursement of drawings or payments; (c) to purchase any materials, supplies or other property from, or to obtain the services of, another Person if the relevant contract or other related document or obligation requires that payment for such materials, supplies or other property, or for such services, shall be made regardless of whether delivery of such materials, supplies or other property is ever made or tendered, or such services are ever performed or tendered; or (d) in respect of any Swap Contract, but Contingent Obligations exclude guarantees of obligations of Subsidiaries which do not constitute Indebtedness, customary contractual indemnification obligations entered into in the ordinary course of business on ordinary business terms and obligations to adjust the purchase price relating to any disposition of assets. The amount of any Contingent Obligation shall (x) in the case of a Guaranty Obligation, be deemed equal to the stated or determinable amount of the primary obligation in respect of which such Guaranty Obligation is made or, if not stated or if indeterminable, the maximum reasonably anticipated liability by the applicable Person in respect thereof, and (y) in the case of other Contingent Obligations, be equal to the maximum reasonably anticipated liability in respect thereof.

Contractual Obligation means, as to any Person, any term, covenant, provision or condition of any security issued by such Person or of any agreement, undertaking, contract, indenture, mortgage, deed of trust or other instrument, document or agreement to which such Person is a party or by which it or any of its property or assets are bound.

Contribution - see Section 8.26.

Conversion/Continuation Date means any Business Day on which either Borrower (i) converts Loans of a Facility from one Type to the other Type or (ii) continues as Loans of the same Type, but with a new Interest Period, Loans of a Facility having Interest Periods expiring on such date.

Corporate Base Rate means the rate of interest announced by the Paying Agent as its "corporate base rate," as such rate is changed by the Paying Agent from time to time. The Corporate Base Rate is not necessarily the lowest rate charged by the Paying Agent to its customers.

CorrChoice means CorrChoice, Inc., an Ohio corporation established pursuant to the Joint Venture Agreement between U.S. Borrower, RDJ Holdings, Inc. and a minority shareholder of a subsidiary of Ohio Packaging Corporation, on November 1, 1998.

Covered Taxes means any and all Taxes other than, in the case of each Lender or Co-Agent, Taxes of any jurisdiction (or any political subdivision thereof) that are imposed on or measured by such Lender's or such Co-Agent's net income or net profits (including any franchise Taxes imposed thereon) and that arise by reason of a former, present or future connection between such Lender or Co-Agent and such jurisdiction (in-cluding, without limitation, a connection arising from such Lender or Co-Agent being or having been a citizen or resident of such jurisdiction, or having been organized or engaged in a trade or business in such jurisdiction, or having or having had a permanent establishment or fixed place of business in such jurisdiction, but excluding a connection arising solely from such Lender or Co-Agent having executed, delivered or performed its obligations or having received a payment under this Agreement). For the avoidance of doubt, Covered Taxes shall include any deductions or withholdings by a Borrower on account of any Taxes from payments made under this Agreement or any other Credit Document.

Credit Documents means this Agreement, each Note, the Administrative Fee Letter, the Fee Letter, the L/C-Related Documents, each Security Document, the Soterra Guarantee and all other documents delivered to any Creditor in connection herewith.

Credit Extension means and includes (a) the making of any Loan hereunder and (b) the Issuance of any Letter of Credit hereunder.

Credit Facilities means the Revolving Facility and the Term Loan Facilities.

Creditor means (i) each Co-Agent, (ii) each L/C Lender, (iii) each Lender, and (iv) each party to a Swap Contract relating to the Loans if at the date of entering into such Swap Contract such Person was a Lender or an Affiliate of a Lender.

Current Liabilities means, at any time, all amounts which, in accordance with GAAP, would be included as current liabilities on a consolidated balance sheet of the Companies at such time, excluding current maturities of Indebtedness.

Destruction means any and all damage to, or loss or destruction of, all or any portion of the Collateral.

Dollar Equivalent means, at any time, (a) as to any amount denominated in U.S. Dollars, the amount thereof at such time, and (b) as to any amount denominated in any Offshore Currency, the equivalent amount in U.S. Dollars as determined by the Paying Agent at such time on the basis of the Spot Rate for the purchase of U.S. Dollars with such Offshore Currency on the most recent Computation Date provided for in subsection 2.5(a) or such other date as is specified herein.

Dollar Term A Commitment means a Lender's commitment to make a Dollar Term A Loan hereunder.

Dollar Term A Facility means the term loan facility in an aggregate principal amount of U.S. $150,000,000.

Dollar Term A Lender means a lender having a Dollar

Term A Loan.

Dollar Term A Loan - see subsection 2.1(a)(i).

Dollar Term A Note or Dollar Term A Notes - see subsection 2.2(d).

Domestic Guarantee and Security Agreement means the guarantee and security agreement substantially in the form of Exhibit D entered into and delivered by each Domestic Guarantor.

Domestic Guarantor means (i) each Domestic Subsidiary listed in Schedule 5.2(a)(vi) that executes and delivers the Domestic Guarantee and Security Agreement on the Closing Date and Soterra LLC and (ii) each other Domestic Subsidiary that shall after the Effective Date execute and deliver a joinder agreement substantially in the form of Exhibit 3 to the Domestic Guarantee and Security Agreement pursuant to subsections 7.13(a) and (b).

Domestic Loan Parties means U.S. Borrower and the Domestic Guarantors.

Domestic Mortgage means a term loan and revolving credit fee or leasehold mortgage or deed of trust, assignment of leases and rents, security agreement and fixture filing creating and evidencing a Lien on a Domestic Mortgaged Property, which shall be (i) substantially in the form of Exhibit I, containing such schedules and including such additional provisions and other deviations from such exhibit as shall be necessary to conform such document to applicable local law or as shall be required or customary under local law or shall otherwise be reasonably required by the Paying Agent or the Lead Arranger and (ii) dated as of the date of delivery thereof and (iii) made by the owner of the Domestic Mortgaged Property described therein for the benefit of the Paying Agent for the benefit of the secured parties described therein, as mortgagee (grantee or beneficiary), assignee and secured party, as the same may at any time be amended, modified or supplemented in accordance with the terms thereof and hereof.

Domestic Mortgaged Property means (i) each Real Property designated on Schedule 1.1(a)(i) as to which the Paying Agent shall be granted a Lien pursuant to a Domestic Mortgage in accordance with the provisions of (a) Section 5.2 in the case of the Domestic Mortgaged Properties in which the Domestic Loan Parties hold a fee interest (as indicated in Schedule 1.1(a)(i)) and (b) Section 7.22 in the case of the Domestic Mortgaged Properties in which the Domestic Loan Parties hold a leasehold interest (as indicated in Schedule 1.1(a)(i)) and (ii) each additional Real Property as to which the Paying Agent shall be granted a Lien pursuant to a Domestic Mortgage delivered pursuant to Section 7.15.

Domestic Security Agreement Collateral means all "Pledged Collateral" as defined in the Domestic Guarantee and Security Agreement, excluding for all purposes the Equity Interests in CorrChoice and Soterra, LLC and all property and assets of CorrChoice and Soterra, LLC.

Domestic Security Documents means each of the U.S. Borrower Guarantee and Security Agreement, the Domestic Guarantee and Security Agreement, the Domestic Mortgages and any other documents utilized to pledge to the secured parties contemplated thereby any other property as collateral to secure the obligations of the Domestic Loan Parties party thereto.

Domestic Subsidiary means a Subsidiary that is incorporated under the laws of any State of the United States or Puerto Rico or the District of Columbia and that is a direct Subsidiary of (i) U.S. Borrower or (ii) another Domestic Subsidiary.

Downgrade Date - see subsection 7.24(a).

Dutch Holdco means Greif Netherlands Holdings B.V., a private company with limited liability organized under the laws of The Netherlands and a direct wholly-owned Subsidiary of U.S. Holdco.

EBITDA means, for any period, the sum of:

(a) Consolidated Net Income of U.S. Borrower for such period excluding, to the extent reflected in determining such Consolidated Net Income, (i) extraordinary gains and losses for such period, (ii) any gain or loss associated with the sale or write-down of assets not in the ordinary course of business, (iii) any deferred financing costs for such period written off, or premiums paid, in connection with the early extinguishment of Indebtedness hereunder, (iv) any other non-cash or non-recurring items of income or expense (other than any non-cash item of expense requiring an accrual or reserve for future cash expense) and (v) any amount of gains from the sale of timber lands in excess of U.S. $40,000,000 for any such period, plus

(b) to the extent deducted in determining Consolidated Net Income for such period, Interest Expense, income tax, deferred tax expense and capital tax expense, depreciation, depletion and amortization expense for such period.

Subject to the last sentence hereof, prior to such time as four full fiscal quarters of financial information of U.S. Borrower after the Closing Date are available pursuant to this Agreement, EBITDA shall be calculated on a pro forma basis in accordance with Regulation S-X under the United States Securities Act of 1933, as amended (the "Securities Act"), as if the Van Leer Acquisition had been consummated at the beginning of the relevant period. EBITDA for any period shall be calculated on a pro forma basis in accordance with Regulation S-X under the Securities Act to give pro forma effect to any material acquisition or disposition as if it had occurred at the beginning of such period. In addition, EBITDA for each period ending at a date set forth below shall be increased by the amounts set forth below opposite such date (and not by the amount set forth opposite any other date):

Fiscal quarter ended April 30, 2001	U.S. $14,000,000
Fiscal quarter ended July 31, 2001	12,900,000
Fiscal quarter ended October 31, 2001	9,600,000
Fiscal quarter ended January 31, 2001	6,000,000
Fiscal quarter ended April 30, 2002	2,500,000

Effective Amount means with respect to any outstanding L/C Obligations on any date, the aggregate Dollar Equivalent amount of such L/C Obligations on such date after giving effect to any Issuances of Letters of Credit occurring on such date and any other changes in the aggregate Dollar Equivalent amount of the L/C Obligations as of such date, including as a result of any reimbursement of outstanding unpaid drawings under any Letter of Credit or any reduction in the maximum amount available for drawing under any Letter of Credit taking effect on such date.

Effective Date - see Section 5.1.

Eligible Assignee means (i) a commercial bank organized under the laws of the United States, or any state thereof, and having a combined capital and surplus of at least U.S. $100.0 million; (ii) a commercial bank organized under the laws of any other country that is a member of the Organization for Economic Cooperation and Development (the "OECD"), or a political subdivision of any such country, and having a combined capital and surplus in a Dollar Equivalent amount of at least U.S. $100.0 million; provided, however, that such bank is acting through a branch or agency located in the country in which it is organized or another country which is also a member of the OECD; (iii) an insurance company, mutual fund or other financial institution organized under the laws of the United States, any state thereof, any other country that is a member of the OECD or a political subdivision of any such country with assets, or assets under management, in a Dollar Equivalent amount of at least U.S. $100.0 million; (iv) any Affiliate of a Lender; (v) any other entity (other than a natural person) that

is an "accredited investor" (as defined in Regulation D under the United States Securities Act of 1933, as amended) that extends credit or buys loans as one of its businesses or investing activities including, but not limited to, insurance companies, mutual funds and investment funds; and (vi) any other entity consented to by the Lead Arranger, the Syndication Agent and U.S. Borrower; provided, however, that no Person shall be an Eligible Assignee in respect of any Revolving Commitment unless, at the time of the proposed assignment to such Person, such Person is able to make the Revolving Loans in U.S. Dollars and Euros. With respect to any Lender that is a fund or commingled investment vehicle that invests in loans, any other fund or commingled investment vehicle that invests in loans and is managed or advised by the same investment advisor of such Lender or by an Affiliate of such investment advisor shall be treated as a single Eligible Assignee.

Environmental Approvals means any approval, determination, order, consent, authorization, certificate, license, permit, franchise, concession or validation of, or exemption or other action by, or filing, recording or registration with, or notice to, any Governmental Authority pursuant to or required under any Environmental Law.

Environmental Claims means all claims, however asserted, by any Governmental Authority or other Person alleging potential liability under, or responsibility for violation of, any Environmental Law on the part of any Company.

Environmental Laws means all applicable federal, state, local and foreign laws, common law or regulations, treaties, orders, decrees, permits, licenses, authorizations, judgments or injunctions issued, promulgated, approved or entered thereunder, now or hereafter in effect in each case relating to pollution or protection of employee health or safety or the environment (including, without limitation, ambient and indoor air, surface water, groundwater, soil, land surface or subsurface, and natural resources such as wetlands, flora and fauna) including, without limitation, laws relating to (a) emissions, discharges, releases or threatened releases of Hazardous Materials into the environment and (b) the manufacture, processing, distribution, use, generation, treatment, storage, disposal, transport or handling of Hazardous Materials.

Equity Interests means, with respect to any Person, any and all shares, interests, participations or other equivalents, including membership interests (however designated, whether voting or non-voting), of capital of such Person, including, if such Person is a partnership, partnership interests (whether general or limited) and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, such partnership, whether outstanding on the date hereof or issued after the Effective Date.

ERISA means the United States Employee Retirement Income Security Act of 1974, as amended.

ERISA Entity means any member of an ERISA Group.

ERISA Event means (a) any "reportable event," as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Pension Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Pension Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived, the failure to make by its due date a required installment under Section 412(m) of the Code with respect to any Pension Plan or the failure to make any required contribution to a Multiemployer Plan; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Pension Plan; (d) the incurrence by any ERISA Entity of any liability under Title IV of ERISA with respect to the termination of any Pension Plan; (e) the receipt by any ERISA Entity from the PBGC or a plan administrator of any notice relating to an intention to terminate any Pension Plan or to appoint a trustee to administer any Pension Plan, or the occurrence of any event or condition which would reasonably be

expected to constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (f) the incurrence by any ERISA Entity of any liability with respect to the withdrawal or partial withdrawal from any Pension Plan or Multiemployer Plan; (g) the receipt by any ERISA Entity of any notice, or the receipt by any Multiemployer Plan from any ERISA Entity of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA; (h) the making of any amendment to any Pension Plan which would reasonably be expected to result in the imposition of a lien or the posting of a bond or other security; or (i) the occurrence of a nonexempt prohibited transaction (within the meaning of Section 4975 of the Code or Section 406 of ERISA) which would reasonably be expected to result in liability to a Loan Party.

ERISA Group means a Loan Party and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with a Loan Party, are treated as a single employer under Section 414 of the Code.

Euro and (symbol) each mean lawful money of the European Union.

Euro Term A Commitment means a Lender's commitment to make a Euro Term A Loan hereunder.

Euro Term A Facility means the term loan facility denominated in Euros in an aggregate principal amount at the Closing Date of Euro 214,961,306.94.

Euro Term A Lender means a Lender having a Euro Term A Loan.

Euro Term A Loan - see subsection 2.1(a)(ii).

Euro Term A Note or Euro Term A Notes - see subsection 2.2(d).

Event of Default means any of the events or circumstances specified in Section 9.1.

Excess Cash Flow means, for any period, the remainder of

(a) the sum, without duplication, of
(i) Consolidated Net Income for such period (calculated by (x) excluding any gains or losses on the sale or other disposition of assets (other than sales of inventory in the ordinary course of business), (y) adding back the non-cash component of all extraordinary or non-recurring items of expense and (z) deducting the non-cash component of all extraordinary or non-recurring items of income, in each case to the extent taken into account in the calculation of such Consolidated Net Income), plus (ii) all depreciation and amortization of assets (including goodwill and other intangible assets), non-cash interest expense and all other non-cash charges of the Companies deducted in determining Consolidated Net Income for such period, plus (iii) any net decrease in Adjusted Working Capital (as reflected on the audited consolidated statement of cash flows in accordance with FAS 52) during such period (exclusive of decreases in working capital associated with asset sales), plus (iv) all federal, state, local and foreign income or capital taxes (whether paid or deferred) of the Companies deducted in determining Consolidated Net Income for such period, minus

(b) the sum, without duplication, of (i) regularly scheduled installment payments of principal of Term Loans pursuant to Section 2.9, voluntary prepayments of the Term Loans pursuant to subsection 2.7(g), prepayments of principal of Revolving Loans pursuant to Section 2.8, the aggregate principal amount of permanent principal payments with respect to any other Indebtedness of the Companies, prepayments of the Revolving Loans to the extent of any concurrent permanent reduction in the Revolving Commitments and the portion of any regularly scheduled payments with respect to Capital Leases allocable to principal, in each case made during such period (in any

such case other than to the extent any such prepayment or payment is made from the proceeds of any capital contribution to any Company or from any proceeds from the issuance or sale of Equity Interests of any Company, any incurrence of Indebtedness by any Company or from the proceeds of any sale or other disposition of assets by any Company or insurance proceeds (other than sales of inventory in the ordinary course of business)), plus (ii) Capital Expenditures for such period and cash paid in connection with any Acquisition during such period (in any such case other than to the extent made from any capital contribution to any Company or from any proceeds from the issuance or sale of Equity Interests of any Company, any incurrence of Indebtedness by any Company or from the proceeds of any sale or other disposition of assets by any Company or insurance proceeds (other than sales of inventory in the ordinary course of business)), plus (iii) all federal, state, local and foreign income or capital taxes paid by the Companies during such period, plus (iv) non-cash charges added back in any previous period pursuant to item (a)(ii) above to the extent such charge has become a cash item in the current period, plus (v) any net increase in Adjusted Working Capital (as reflected on the audited consolidated statement of cash flows in accordance with FAS 52) during such period (exclusive of increases in working capital associated with asset sales), plus (vi) any earnings included in EBITDA for such period of a Receivables Co. to the extent the terms of any Permitted Receivables Transaction prohibit the distribution thereof to any Loan Party, plus (vii) Restricted Payments made pursuant to subsections 8.13(d) and (e).

Exchange Act means the United States Securities Exchange Act of 1934, as amended.

Existing Letters of Credit means the Letters of Credit listed in Schedule 1.1(b).

Facility means any of the Dollar Term A Facility, Euro Term A Facility, Term B Facility or the Revolving Facility.

Fee Letter - see subsection 2.11(a).

Financial Maintenance Covenants means the covenants set forth in Sections 8.10, 8.11, 8.12 and 8.18.

FIRREA means the United States Financial Institutions Reform, Recovery & Enforcement Act of 1989, as amended from time to time, and any successor statute.

Fixed Charge Coverage Ratio means, for any Test Date, the ratio of: (a) EBITDA for the four fiscal quarters ending on such Test Date to (b) Fixed Charges for the four fiscal quarters ending on such Test Date.

Fixed Charges means, for any period, the sum of (a) Interest Expense for such period to the extent paid or payable in cash during such period (which Interest Expense shall be calculated on a pro forma basis for the Transactions as if they had occurred at the beginning of the relevant four quarter period for any Test Date prior to April 30, 2002), plus (b) the sum of all scheduled principal payments on any Indebtedness of the Companies (including, without duplication, any lease payments in respect of Capital Leases of the Companies attributable to the principal component thereof for such period but excluding any prepayment of a type contemplated by Section 2.7 and excluding any such payments or Indebtedness between or among any two or more Companies), plus (c) all cash income tax expense actually paid to any Governmental Authority by the Companies for such period (other than taxes related to Asset Sales or other dispositions of property not in the ordinary course of business), plus (d) Capital Expenditures during such period (in any such case other than to the extent made from any capital contribution to any Company or from any proceeds from the issuance or sale of Equity Interests of any Company, any incurrence of Indebtedness by any Company or from the proceeds of any sale or other disposition of assets by any Company or insurance proceeds (other than sales of inventory in the ordinary course of business)).

Foreign Guarantee means each guarantee with respect to the Obligations of Subsidiary Borrower executed and delivered by each Foreign Loan Party in accordance with the requirements of this Agreement and in form and substance reasonably satisfactory to the Agents and the Required Lenders and conforming to the requirements of applicable foreign law.

Foreign Guarantor means each Foreign Subsidiary that executes and delivers a Foreign Guarantee and a Foreign Security Agreement that are in full force and effect.

Foreign Loan Parties means Subsidiary Borrower and the Foreign Guarantors and Foreign Loan Party means any of them.

Foreign Mortgage means each mortgage, deed of trust, deed to secure debt, deed of hypothecation, debenture, charge, assignment of leases, security agreement, fixture filing or other instrument creating and evidencing a Lien on a Foreign Mortgaged Property, which shall (i) be in form and substance reasonably satisfactory to the Agents and the Required Lenders, containing such schedules and including such provisions as shall be necessary to conform such document to applicable foreign law or as shall be required under foreign law and (ii) be dated as of the date of delivery thereof and made by the owner of the Foreign Mortgaged Property described therein in favor of or for the benefit of the Paying Agent for the benefit of the secured parties described therein, as mortgagee (grantee or beneficiary), assignee and secured party, as the same may at any time be amended, modified or supplemented from time to time in accordance with the terms thereof and hereof.

Foreign Mortgaged Property means (i) each Real Property designated on Schedule 1.1(a)(ii) as to which the Paying Agent shall be granted a Lien pursuant to a Foreign Mortgage in accordance with the provisions of (a) Section 7.22 in the case of the Foreign Mortgaged Properties in which the Foreign Loan Parties hold a fee interest (as indicated in Schedule 1.1(a)(ii)) and (b) Section 7.22 in the case of the Foreign Mortgaged Properties in which the Foreign Loan Parties hold a leasehold interest (as indicated in Schedule 1.1(a)(ii)) and (ii) each additional Real Property required to be subject to a Foreign Mortgage pursuant to Section 7.15.

Foreign Plan means any employee benefit plan, program, policy, arrangement or agreement maintained or contributed to by, or entered into with, a Company with respect to employees employed outside the United States.

Foreign Security Agreement means each security agreement executed and delivered by each Foreign Loan Party in accordance with the requirements of this Agreement and in form and substance reasonably satisfactory to the Agents and the Required Lenders and conforming to the requirements of applicable foreign law.

Foreign Security Agreement Collateral means all property and assets pledged as collateral, or in respect of which a security interest or other Lien is granted or attaches, under the Foreign Security Agreements.

Foreign Security Documents means each of the Foreign Guarantees, the Foreign Security Agreements, the Foreign Mortgages and any other documents utilized to pledge to the secured parties contemplated thereby any other property as collateral to secure the obligations of the pledgor thereunder.

Foreign Subsidiary means a direct or indirect Subsidiary of U.S. Borrower that is not a Domestic Subsidiary.

FRB means the Board of Governors of the U.S. Federal Reserve System, and any Governmental Authority succeeding to any of its principal functions.

GAAP means United States generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of

comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination, subject to Section 1.3(a).

Governmental Authority means any nation or government, any state, province, canton or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof (or any central bank or similar monetary or regulatory authority created under the Treaty of Rome (being the treaty establishing the European Economic Community signed in Rome, Italy on 25 March 1957, as amended) or created by any group of nations, governments or states), the NAIC, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

Guarantees means the guarantee obligations of the Domestic Guarantors under the Domestic Guarantee and Security Agreement and each Foreign Guarantee and each Intercompany Guarantee.

Guarantors means each of the Domestic Guarantors and the Foreign Guarantors.

Guaranty Obligation - see the definition of Contingent Obligation.

Hazardous Materials means any pollutant, contaminant, toxic, hazardous or extremely hazardous substance, constituent or waste, or any other constituent, waste, material, compound or substance including, without limitation, petroleum (including crude oil or any fraction thereof) or any petroleum product, subject to regulation, or which can give rise to liability, under any Environmental Law.

Honor Date - see subsection 3.3(b).

Indebtedness of any Person means, without duplication, (a) all indebtedness for borrowed money of such Person; (b) all obligations issued, undertaken or assumed by such Person as the deferred purchase price of property or services (other than trade payables and accrued expenses entered into in the ordinary course of business on ordinary terms); (c) all non-contingent reimbursement or payment obligations of such Person with respect to Surety Instruments (such as, for example, unpaid reimbursement obligations in respect of a drawing under a letter of credit); (d) all obligations of such Person evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses; (e) all indebtedness of such Person created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property) and all obligations and indebtedness under any synthetic lease or similar transaction; (f) all obligations of such Person with respect to Capital Leases; (g) all net obligations of such Person with respect to Swap Contracts (such obligations to be equal at any time to the aggregate net amount that would have been payable by such Person at the most recent fiscal quarter end in connection with the termination of such Swap Contracts at such fiscal quarter end if terminated during or at the end of that fiscal quarter); (h) all indebtedness of other Persons referred to in clauses (a) through (g) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including accounts and contracts rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness; and (i) all Guaranty Obligations of such Person in respect of indebtedness or obligations of others of the kinds referred to in clauses (a) through (h) above. Indebtedness shall not include (x) accounts extended by suppliers in the ordinary course on normal trade terms in connection with the purchase of goods and services, (y) any Indebtedness created by the sale or discount of receivables permitted by Section 8.20 or (z) or obligations in

respect of insurance policies or performance or surety bonds which themselves are not guarantees of Indebtedness (nor drafts, acceptances or similar instruments evidencing the same or obligations in respect of letters of credit supporting the payment of same). For purposes of Section 8.12, Indebtedness will be defined as above except that all non-U.S. Dollar borrowings, including U.S. Dollar borrowings converted to another currency via forward exchange contracts, will be converted to U.S. Dollars at the average exchange rate of the previous twelve months.

Indemnified Person - see Section 11.4.

Independent Auditor - see subsection 7.1(a).

Insolvency Proceeding means, with respect to any Person, (a) any case, action or proceeding with respect to such Person before any court or by or before any other Governmental Authority relating to bankruptcy, insolvency, reorganization, liquidation, receivership, dissolution, sequestration, conservatorship, winding-up or relief of debtors (or the convening of a meeting or the passing of a resolution for or with a view to any of the foregoing), or (b) any assignment for the benefit of creditors, composition, marshalling of assets for creditors, or other similar arrangement in respect of such Person's creditors generally or any substantial portion of its creditors.

Intellectual Property - see Section 6.15.

Intercompany Borrower means any Company that is the borrower of an Intercompany Loan.

Intercompany Collateral means all of the Intercompany Security Agreement Collateral, Intercompany Mortgaged Property and any other property and assets pledged as collateral, or in respect of which a security interest or other Lien is granted or attaches, under any Intercompany Security Document.

Intercompany Guarantee means each guarantee with respect to the Intercompany Loans providing for a guarantee with respect to the Intercompany Loans executed and delivered by each Foreign Loan Party in accordance with the requirements of this Agreement and in form and substance satisfactory to the Agents and the Required Lenders and conforming to the requirements of applicable foreign law.

Intercompany Guarantor means each Foreign Subsidiary that executes and delivers an Intercompany Guarantee and Intercompany Security Agreement that is in full force and effect.

Intercompany Indebtedness - see subsection 8.4(c).

Intercompany Loan means the loans made by U.S. Borrower to certain of its Subsidiaries on the Closing Date from the proceeds of any Loan hereunder set forth on Schedule 5.2(a)(vii) and evidenced by notes or other documentation (the "Intercompany Notes") in form and substance reasonably satisfactory to the Lead Arranger and conforming to the requirements of applicable local or foreign law.

Intercompany Loan Documents means each Intercompany Note, each Intercompany Security Document and all other documents delivered to any Company in connection therewith.

Intercompany Mortgage means each mortgage, deed of trust, deed to secure debt, deed of hypothecation, debenture, charge, assignment of leases, security agreement, fixture filing or other instrument creating and evidencing a Lien on an Intercompany Mortgaged Property, which shall be in form and substance reasonably satisfactory to the Agents and the Required Lenders, containing such schedules and including such provisions as shall be necessary to conform such document to applicable foreign or local law or as shall be required under foreign or local law and which shall be dated as of the date of delivery thereof and made by the owner of the Intercompany Mortgaged Property described therein for the benefit of the lender under the applicable Intercompany Loan, as mortgagee (grantee or beneficiary), assignee and secured party, as the same may at any time be amended, modified or supplemented in ac-

cordance with the terms thereof and hereof.

Intercompany Mortgaged Property means each Real Property designated on Schedule 1.1(a)(iii) as to which the party which is the creditor under any Intercompany Loan shall be granted a Lien pursuant to an Intercompany Mortgage in accordance with the provisions of Section 7.22 and each additional Real Property as to which such creditor shall be granted a Lien pursuant to an Intercompany Mortgage delivered pursuant to Section 7.15.

Intercompany Notes-see the definition of Intercompany Loan.

Intercompany Security Agreement means each security agreement providing for a pledge of property with respect to the Intercompany Loans executed and delivered by each Foreign Loan Party in accordance with the requirements of this Agreement and in form and substance reasonably satisfactory to the Agents and the Required Lenders and conforming to the requirements of local law.

Intercompany Security Agreement Collateral means all property and assets pledged as collateral, or in respect of which a security interest or other Lien is granted or attaches, under the Intercompany Security Agreements.

Intercompany Security Documents means each of the Intercompany Guarantees, the Intercompany Security Agreements, the Intercompany Mortgages and any other documents utilized to pledge to the secured parties contemplated thereby any other property as collateral to secure the obligations of the pledgor thereunder.

Interest Coverage Ratio means, for any Test Date, the ratio of: (a) EBITDA for the four fiscal quarters ending on such Test Date to (b) Interest Expense for the four fiscal quarters ending on such Test Date (which Interest Expense shall be calculated on a pro forma basis for the Transactions as if they had occurred at the beginning of the relevant four quarter period for any Test Date prior to April 30, 2002).

Interest Expense means, for any period, the consolidated interest expense of the Companies for such period on Indebtedness (including all imputed interest on Capital Leases, capitalized interest, fees, charges and commissions on letters of credit and net costs under Swap Contracts, but excluding (i) amortization of fees and expenses in connection with this Agreement and the transactions contemplated by the foregoing, (ii) amortization in connection with Swap Contracts, (iii) expenses relating to the sale or discount of receivables permitted by Section 8.20, (iv) interest expense on deferred compensation or customer deposits and (v) in the event of the consummation of a Permitted Receivables Transaction, an amount equal to the interest (or other fees in the nature of interest or discount accrued and paid or payable in cash for such period) on such Permitted Receivables Transaction); provided, however, that interest expense shall give effect to any currency exchange agreements which have the effect of converting the currency in which the related Loan is payable.

Interest Payment Date means (a) as to any ABR Loan, the last Business Day of each fiscal quarter and (b) as to any LIBOR Loan, the last day of each Interest Period applicable to such Loan; provided, however, that if any Interest Period for a LIBOR Loan exceeds three months, the date that falls each successive three months after the beginning of such Interest Period also shall be an Interest Payment Date.

Interest Period means, as to any LIBOR Loan, the period commencing on the Borrowing Date of such Loan or on the Conversion/Continuation Date on which such Loan is converted into or continued as a LIBOR Loan, as applicable, and ending on the date one, two, three or six months thereafter as selected by the Applicable Borrower in its Notice of Borrowing or Notice of Conversion/Continuation, as the case may be; provided, however, that:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the following Business Day unless, in the case of a LIBOR Loan, the result of such extension would

be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the preceding Business Day;

(ii) any Interest Period for a LIBOR Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(iii) no Interest Period for any Revolving Loan shall extend beyond the scheduled Termination Date and no Interest Period with respect to any Term Loan shall extend beyond the date when principal is due with respect to such Term Loan unless, after giving effect thereto, the aggregate principal amount of the Term Loans having Interest Periods that end after such date shall be equal to or less than the aggregate principal amount of the Term Loans scheduled to be outstanding after giving effect to the payments of principal required to be made on such date.

Interest Rate Certificate means an officers' certificate substantially in the form of Exhibit J, delivered pursuant to subsection 7.2(b), demonstrating in reasonable detail the calculation of the Total Leverage Ratio as of the last day of the subject period.

Inventory means all of the inventory of the Companies, whether now existing or existing in the future, including, without limitation: (i) all raw materials, work in process, parts, components, assemblies, supplies and materials used or consumed in their business, (ii) all goods, wares and merchandise, finished or unfinished, held for sale or lease or leased or furnished or to be furnished under contracts of service, and (iii) all goods returned or repossessed by any Company.

Investment - see Section 8.4.

IRS means the United States Internal Revenue Service, and any Governmental Authority succeeding to any of its principal functions under the Code.

Issuance Date - see subsection 3.1(a).

Issue means, with respect to any Letter of Credit, to issue or to extend the expiry of, or to renew or increase the amount of, such Letter of Credit; and the terms Issued, Issuing and Issuance have corresponding meanings.

Judgment Currency - see Section 11.17.

L/C Advance means each L/C Lender's participation in any L/C Borrowing in accordance with its Pro Rata Share.

L/C Amendment Application means an application form for amendment of outstanding standby or commercial documentary letters of credit as shall at any time be in use by the applicable L/C Lender, as the L/C Lender shall request.

L/C Application means an application form for issuances of standby or commercial documentary letters of credit as shall at any time be in use by the applicable L/C Lender, as the L/C Lender shall request.

L/C Borrowing means an extension of credit resulting from a drawing under any Letter of Credit which shall not have been reimbursed on the date when made nor converted into a Borrowing of Revolving Loans under subsection 3.3(b).

L/C Commitment means the commitment of the L/C Lender to Issue Letters of Credit from time to time Issued or outstanding under Article III, in an aggregate Dollar Equivalent amount not to exceed on any date an amount equal to the lesser of U.S. $20,000,000 and the amount of the combined Commitments of all L/C Lenders; it being understood that the L/C Commitment is a part of the combined Revolving Commitments of all L/C Lenders, rather than a separate, independent commitment.

L/C Lender means (i) other than with respect to the

Existing Letters of Credit, The Bank of Nova Scotia or such other Lender or Lenders selected by the Paying Agent and reasonably satisfactory to U.S. Borrower who agree to act in such capacity to issue Letters of Credit and (ii) with respect solely to the Existing Letters of Credit, KeyBank National Association.

L/C Obligations means at any time the sum of (a) the aggregate undrawn Dollar Equivalent amount of all Letters of Credit then outstanding, plus (b) the Dollar Equivalent amount of all outstanding L/C Borrowings.

L/C-Related Documents means the Letters of Credit, the L/C Applications, the L/C Amendment Applications and any other document relating to any Letter of Credit, including any of the applicable L/C Lender's standard form documents for letter of credit issuances.

Lead Arranger - see the introduction to this Agreement.

Lease means any lease, sublease, franchise agreement, license (excluding licenses of personal property), occupancy or concession agreement.

Lender - see the introduction to this Agreement; Lender shall include the L/C Lender and the Swing Line Lender.

Lending Office means, as to any Lender, the office or offices of such Lender (or, in the case of any Offshore Currency Loan, of an Affiliate of such Lender) specified to the Paying Agent and the Borrowers as its "Lending Office" or "Domestic Lending Office" or "Offshore Lending Office," as the case may be.

Letter of Credit means (i) other than with respect to the Existing Letters of Credit, any letter of credit (whether a standby letter of credit or a commercial documentary letter of credit) Issued by an L/C Lender pursuant to Article III and (ii) the Existing Letters of Credit.

LIBO Rate shall mean, with respect to any LIBOR Loan for any Interest Period therefor, the rate per annum determined by the Paying Agent to be the arithmetic mean (rounded to the nearest 1/100th of 1%) of the offered rates for deposits in the Applicable Currency of such Loan with a term comparable to such Interest Period that appears on the Dow Jones Market Screen 3750 (as defined below) at approximately 11:00 a.m., London, England time, on the second full Business Day preceding the first day of such Interest Period (as adjusted for maximum statutory reserves (if applicable)); provided, however, that (i) if no comparable term for an Interest Period is available, the LIBO Rate shall be determined using the weighted average of the offered rates for the two terms most nearly corresponding to such Interest Period and (ii) if there shall at any time no longer exist a Dow Jones Market Screen 3750, "LIBO Rate" shall mean, with respect to each day during each Interest Period pertaining to LIBOR Loans comprising part of the same borrowing, the rate per annum equal to the rate at which the Paying Agent is offered deposits in such Applicable Currency at approximately 11:00 a.m., London, England time, two Business Days prior to the first day of such Interest Period in the London interbank market for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to its portion of the amount of such LIBOR Loan to be outstanding during such Interest Period. "Dow Jones Market Screen 3750" shall mean the display designated as Page 3750 on the Dow Jones Market Service (or such other page as may replace such page on such service for the purpose of displaying the rates at which U.S. Dollar deposits are offered by leading banks in the London interbank deposit markets).

LIBOR Loan means any Loan that bears interest based on the LIBO Rate.

Lien means any security interest, mortgage, deed of trust, deed to secure debt, deed of hypothec, debenture, pledge, claim, hypothecation, assignment for security, charge or deposit arrangement, preferential arrangement in the nature of security or lien (statutory or other), or other encumbrance of any kind in respect of any property (including those created

by, arising under or evidenced by any conditional sale or other title retention agreement).

Loan means a Credit Extension by a Lender to either Borrower under Article II or Article III, which may be a Term Loan, a Revolving Loan, a Swing Line Loan or an L/C Advance.

Loan Parties means the Domestic Loan Parties and the Foreign Loan Parties.

Losses means as to any Person, the losses, liabilities, claims (including those based upon negligence, strict or absolute liability and liability in tort), damages, expenses, obligations, penalties, actions, judgments, Liens, penalties, fines, suits, costs or disbursements of any kind or nature whatsoever (including Attorney Costs in connection with any Proceeding commenced or threatened, whether or not such Person shall be designated a party thereto) at any time (including following the payment of the Obligations and/or the termination of the Commitments hereunder) incurred by, imposed on or asserted against such Person.

Margin Stock means "margin stock" as such term is defined in Regulation T, U or X of the FRB.

Material Adverse Change means, with respect to any Person, a material adverse change or any condition or event that would reasonably be expected to result in a material adverse change in the business, operations, financial condition, liabilities (contingent or otherwise) or prospects of such Person, together with its Subsidiaries taken as a whole.

Material Adverse Effect means, as of any date of determination, (a) any event, circumstance, occurrence or condition which has caused (or would reasonably be expected to cause) a material adverse effect, or any condition or event that has resulted or could reasonably be expected to result in a material adverse effect, on the business, operations, financial condition, liabilities (contingent or otherwise) or prospects of the Companies taken as a whole, (b) any event, circumstance, occurrence or condition which has caused (or would reasonably be expected to cause) a material adverse effect on the ability of the Loan Parties to consummate in a timely manner the Transactions or to perform any of their material obligations under any Credit Document or (c) any event, circumstance, occurrence or condition which has caused (or would reasonably be expected to cause) a material adverse effect on the legality, binding effect or enforceability of any Credit Document or any of the material rights and remedies of any Creditor thereunder or the legality, priority or enforceability of the Liens granted under the Security Documents on a material portion of the Collateral or the value of the Collateral.

Minimum Loan means, in respect of Loans comprising part of the same Borrowing, or to be converted or continued under Section 2.4, (a) in the case of ABR Loans, U.S. $10,000,000 or a higher integral multiple of U.S. $1,000,000; (b) in the case of LIBOR Loans that are Dollar Term A Loans or Term B Loans, U.S. $10,000,000 or a higher integral multiple of U.S. $1,000,000; (c) in the case of LIBOR Loans that are Euro Term A Loans, Euro 10,000,000 or a higher integral multiple of Euro 1,000,000; (d) in the case of Revolving Loans that are LIBOR Loans (other than Revolving Loans made in Euros), a minimum Dollar Equivalent amount of U.S. $10,000,000 or a higher integral multiple of the Dollar Equivalent amount of U.S. $1,000,000; (e) in the case of Revolving Loans made in Euros, a minimum of Euro 10,000,000 and an integral multiple of Euro 1,000,000; and (f) in the case of Revolving Loans made in any Applicable Currency other than U.S. Dollars or Euros, a minimum of 10,000,000 of the applicable unit and an integral multiple of 1,000,000 of the applicable unit.

Moody's means Moody's Investors Service, Inc. and its successors.

Mortgage means any Domestic Mortgage, Foreign Mortgage or Intercompany Mortgage.

Mortgaged Property means each Domestic Mortgaged

Property, Foreign Mortgaged Property or Intercompany Mortgaged Property.

Multiemployer Plan means a multiemployer plan within the meaning of Section 4001(a)(3) of ERISA (i) to which any ERISA Entity is then making or accruing an obligation to make contributions, (ii) to which any ERISA Entity has within the preceding five plan years made contributions, including any Person which ceased to be an ERISA Entity during such five year period, or (iii) with respect to which a Company could incur liability.

NAIC means the National Association of Insurance Commissioners.

Net Award means the proceeds of any condemnation award or payment payable in respect of any Taking, less the amount of any expenses incurred in litigating, arbitrating, compromising or settling any claim arising out of such taking.

Net Cash Proceeds means

(a) with respect to any Asset Sale, the aggregate cash proceeds (including cash proceeds received by way of deferred payment of principal pursuant to a note, installment receivable, liquidation or payment of any Investment permitted by subsection 8.4(d), reserve for adjustment or otherwise, but only as and when received) received by any Company pursuant to such Asset Sale, net of (i) the direct and indirect costs relating to such Asset Sale (including sales commissions and legal, accounting and investment banking fees), (ii) taxes, fees, impositions and recording charges paid or payable as a result thereof (after taking into account any tax credits or deductions taken in connection with such Asset Sale and any tax sharing arrangements), (iii) amounts applied to the repayment of any Indebtedness secured by a Lien on the asset subject to such Asset Sale (other than the Obligations), (iv) liabilities of the entity, or relating to the business or assets, sold, transferred or otherwise disposed of which are retained by any Company, (v) amounts required to be paid to any Person (other than any Company) owning a beneficial interest in the assets subject to the Asset Sale, (vi) appropriate amounts to be provided by any Company as a reserve required in accordance with GAAP against any liabilities associated with such Asset Sale and retained by any Company after such Asset Sale (but upon reversal of such reserve, any amount so reserved shall thereupon be Net Cash Proceeds), and (vii) in the case of any Permitted Receivables Transaction, any escrowed or pledged cash proceeds which effectively secure, or are required to be maintained as reserves by the applicable Receivables Co. for, the obligations of any Company under such Permitted Receivables Transaction;

(b) with respect to any issuance of equity securities or Indebtedness, the aggregate cash proceeds (including cash proceeds received by way of deferred payment of principal pursuant to a note, installment receivable, reserve for adjustment or otherwise, but only as and when received) received by U.S. Borrower or any of its Subsidiaries pursuant to such issuance, net of the direct costs relating to such issuance (including sales and underwriter's commissions and legal, accounting and investment banking fees) and net of, in the case of any Permitted Receivables Transaction, any escrowed or pledged cash proceeds which effectively secure, or are required to be maintained as reserves by the applicable Receivables Co. for, the Indebtedness of any Company in respect of such Permitted Receivables Transaction; and

(c) with respect to any Taking, Destruction, or loss of title to all or a portion of any Mortgaged Property, the Net Award, Net Proceeds or title insurance proceeds (net of any reasonable costs incurred to recover such title insurance proceeds), as applicable, resulting therefrom, to be applied as Net Cash Proceeds under this Agreement pursuant to the provisions of the Mortgages; provided, however, such amounts have not been applied to restore or rebuild the Mortgaged Property so Taken or Destroyed as permitted or required by the applicable Mortgage and this Agreement.

If any Company receives Net Cash Proceeds in currency other than U.S. Dollars, the Dollar Equivalent amount thereof shall be determined as of the earlier of (i) the date on which such Net Cash Proceeds are required to be applied to prepayments under Section 2.7 and (ii) the date on which such Net Cash Proceeds are converted into the currency in which any such prepayment will be required.

Net Proceeds means the proceeds of any insurance payable in respect of any Destruction, less the amount of any expenses incurred in litigating, arbitrating, compromising or settling any claim arising out of such Destruction.

Non-Bank Certificate - see subsection 4.1(e)(i).

Notes means the Revolving Notes, the Swing Line Notes and the Term Notes, and Note means any of them.

Notice of Borrowing means a notice in substantially the form of Exhibit A.

Notice of Conversion/Continuation means a notice substantially in the form of Exhibit B.

Obligations means all advances, debts, liabilities, obligations, guarantees, covenants and duties arising under (i) any Credit Document or (ii) any Swap Contract which relates to the Loans if such Swap Contract was entered into with a Lender or an Affiliate of a Lender, owing by any Loan Party to any Lender, any Co-Agent or any Indemnified Person, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, or now existing or hereafter arising.

Officers' Certificate shall mean, as applied to any corporation, a certificate executed on behalf of such corporation by its Chairman of the Board (if an officer) or its President or one of its Vice Presidents and by its Chief Financial Officer or its Treasurer or, in the case of Foreign Subsidiaries, officers or persons performing comparable functions. Each Officers' Certificate with respect to the compliance with a condition precedent or agreement hereunder shall include (i) a statement that the signers have read such condition or agreement and any definitions or other provisions contained in this Agreement relating thereto, (ii) a statement that, in the opinion of the signers, they have made or have caused to be made such examination or investigation as is reasonably necessary to enable them to express an opinion as to whether or not such condition or agreement has been complied with, and (iii) a statement as to whether, in the opinion of the signers, based upon such examination or investigation, such condition or agreement has been complied with.

Offshore Currency means at any time Euros, pounds sterling or any Agreed Alternative Currency.

Offshore Currency L/C Obligation means any L/C Obligation denominated in an Offshore Currency.

Offshore Currency Letter of Credit means any Letter of Credit denominated in an Offshore Currency.

Offshore Currency Loan means any LIBOR Loan denominated in an Offshore Currency.

Offshore Currency Revolving Loan means any Revolving Loan denominated in an Offshore Currency.

Offshore U.S. Dollar Loan means any LIBOR Loan denominated in U.S. Dollars.

Organization Documents means (i) for any corporation, the certificate or articles of incorporation or association, the bylaws, any unanimous shareholder agreement or declaration, any certificate of determination or instrument relating to the rights of preferred shareholders of such corporation, any shareholder rights agreement or voting trust agreement, and all applicable resolutions of the Board of Directors (or any committee thereof) of such corporation and all other documents of a comparable nature, (ii) for any partnership, its partner-

ship agreement, its certificate of partnership and all other documents of the nature previously described in clause (i) as to a corporation and (iii) for any other entity, its organizational or governing documents and all other documents of the nature previously described in clause (i) as to a corporation.

Other Taxes - see subsection 4.1(g).

Overnight Rate means, for any Loan for any day, the rate of interest per annum at which overnight deposits in the Applicable Currency, in an amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by the Paying Agent's London Branch to major banks in the London or other applicable offshore interbank market. The Overnight Rate for any day which is not a Business Day shall be the Overnight Rate for the preceding Business Day.

Participant - see subsection 11.8(d).

Paying Agent - see the introduction to this Agreement.

PBGC means the United States Pension Benefit Guaranty Corporation or any successor thereto.

Pension Plan means an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code or Section 302 of ERISA and is maintained or contributed to by any ERISA Entity or with respect to which a Company could incur liability.

Permitted Investors means (i) All Life Foundation, John C. Dempsey Trust, Naomi A. Coyle Trust, Michael H. Dempsey, Michael H. Dempsey Living Trust, Naomi C. Dempsey Charitable Lead Annuity Trust, Naomi C. Dempsey, Naomi C. Dempsey Living Trust, Patricia M. Dempsey, Patricia M. Dempsey Living Trust, Judith D. Hook, Judith D. Hook Living Trust, Mary T. McAlpin, Mary T. McAlpin Living Trust, Mary T. McAlpin Charitable Remainder Annuity Trust, John McNamara, Virginia D. Ragan and Virginia D. Ragan Living Trust; (ii) the spouses, heirs, legatees, descendants and blood relatives to the third degree of consanguinity of any person in clause (i); (iii) the executors and administrators of the estate of any such person, and any court appointed guardian of any person in clause (i) or (ii); and (iv) any trust, family partnership or similar investment entity for the benefit of any such person referred to in the foregoing clause (i) or (ii) or any other persons (including for charitable purposes), so long as one or more members of the group consisting of the Permitted Investors have the exclusive or a joint right to control the voting and disposition of securities held by such trust, family partnership or other investment entity.

Permitted Liens - see Section 8.1.

Permitted Receivables Transaction means any transaction providing for the sale or financing of Accounts (other than between the Companies); provided, however, that any such transaction shall be consummated (a) on terms reasonably acceptable to the Required Lenders, and (b) pursuant to documentation in form and substance reasonably satisfactory to the Required Lenders, as evidenced by their written approval thereof.

Person means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or Governmental Authority.

Plan means an employee benefit plan (as defined in Section 3(3) of ERISA) that is maintained or contributed to by any ERISA Entity or with respect to which a Company could incur liability.

Pledged Securities means all the Equity Interests described in Schedule 1.1(d), and each additional Equity Interest as to which the Paying Agent is granted a Lien pursuant to any Security Document.

Prior Liens means Liens which pursuant to the provisions of any Security Document are or may be superior to the Liens of such Security Document.

Proceeding means any claim, action, judgment, suit, dispute, hearing, governmental investigation, arbitration (to the extent binding on any Company) or proceeding (to the extent known to any Company), including by or before any Governmental Authority.

Pro Rata Share means as to any Lender in respect of any Facility at any time, the percentage equivalent (expressed as a decimal, rounded to the ninth decimal place) at such time of (a) prior to termination of the Commitments in such Facility, (i) such Lender's Commitment in such Facility divided by (ii) the combined Commitments of all Lenders in such Facility, or (b) after termination of the Commitments in such Facility, (i) the aggregate outstanding principal Dollar Equivalent amount of such Lender's Loans under such Facility, plus (in the case of the Revolving Facility) (without duplication) the participation of such Lender in the aggregate Effective Amount of all L/C Obligations and the outstanding amount of all Swing Line Loans, divided by (ii) the aggregate Dollar Equivalent of the principal amount of all Loans outstanding under such Facility, plus (in the case of the Revolving Facility) (without duplication) the Effective Amount of all L/C Obligations.

Qualified Subsidiary means any Domestic Loan Party other than U.S. Holdco and Soterra LLC.

Rating Date means the date on which the Credit Facilities achieve a rating of not less than BBB- by S&P and not less than Baa3 by Moody's for purposes of Section 7.24(b).

Real Property means all right, title and interest of any Company (including, without limitation, any leasehold estate) in and to any and all parcels of or interests in real property owned, leased or operated by any Company together with, in each case, all buildings, structures, fixtures and improvements located or erected thereon from time to time, easements, hereditaments and appurtenances incident, belonging or pertaining thereto.

Real Property Disclosure Requirements means any federal, state, local or foreign laws requiring notification of the buyer or mortgagee of real property, or notification, registration or filing to or with any Governmental Authority, prior to the sale or mortgage of any real property or transfer of control of an establishment, of the actual or threatened presence or Release into the environment, or the use, disposal or handling of Hazardous Materials on, at, under or near the real property to be sold or mortgaged or the establishment of which control is to be transferred.

Receivables Co. means any special purpose Wholly-Owned Subsidiary of U.S. Borrower organized after the Effective Date (or such other Person reasonably agreed to by the Required Lenders) that purchases Accounts generated by any Company in connection with a Permitted Receivables Transaction.

Refinanced Indebtedness means the Indebtedness of the Loan Parties outstanding as of the Effective Date immediately before giving effect to the Refinancing and set forth on Schedule 1.1(e).

Refinancing means the repayment by the Loan Parties of the Refinanced Indebtedness.

Register - see Section 7.20.

Reimbursement Obligations shall mean, at any time, the obligations of the Borrowers then outstanding, or that may thereafter arise in respect of all Letters of Credit then outstanding, to reimburse amounts paid by the applicable L/C Lender in respect of any drawings under a Letter of Credit issued for the account of such Borrower.

Release means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting,

escaping, leaching, dumping or disposing into the indoor or outdoor environment.

Replacement Lender - see Section 4.8.

Reports - see subsection 6.12(b).

Required Lenders means (a) at any time prior to the Termination Date, Lenders then holding more than 50% of the sum of (i) the then aggregate unused amount of the Commitments of the Lenders, plus (ii) the then aggregate unpaid Dollar Equivalent principal amount of the Loans of the Lenders, plus (iii) (without duplication) the then aggregate Effective Amount of the L/C Obligations of the Lenders, and (b) otherwise, Lenders then holding more than 50% of the sum of (i) the then aggregate unpaid Dollar Equivalent principal amount of the Loans of the Lenders, plus (ii) (without duplication) the then aggregate Effective Amount of the L/C Obligations of the Lenders. For purposes of clauses (a) and (b), (x) the principal amount of each Revolving Lender's Loans shall be deemed to be (i) in the case of any Revolving Lender other than the Swing Line Lender, increased by such Revolving Lender's participations in the Swing Line Loans pursuant to Section 2.19 (whether funded or unfunded), except to the extent such Revolving Lender shall not have funded such participations as required pursuant to Section 2.19, and (ii) in the case of the Swing Line Lender, decreased by the amount of the participations of all other Revolving Lenders in its Swing Line Loans (whether funded or unfunded), except to the extent any such other Revolving Lender shall not have funded such participations as required pursuant to Section 2.19) and (y) the Effective Amount of the L/C Obligations of each Revolving Lender shall be the amount of the participation of such Lender in aggregate Effective Amount of all L/C Obligations. For purposes of determining whether the Required Lenders have approved any amendment, waiver or consent or taken any other action hereunder, the Dollar Equivalent amount of all Offshore Currency Loans shall be calculated on the date immediately preceding the date such amendment, waiver or consent is to become effective or such action is to be taken.

Required Lenders of the Affected Tranche means (i) at any time prior to the Closing Date, Lenders holding more than 50% of the aggregate amount of the Commitments of the Lenders of the applicable Term Loan Facility which would be adversely affected by any amendment, waiver or consent contemplated by clause (6)(x) of the proviso to subsection 11.1(a)(v), and (ii) at any time after the Closing Date, Lenders holding more than 50% of the aggregate amount of the outstanding Loans of the Lenders of the applicable Term Loan Facility which would be adversely affected by any amendment, waiver or consent contemplated by clause (6)(x) of the proviso to subsection 11.1(a)(v).

Required Revolving Lenders means (a) at any time prior to the Termination Date, Revolving Lenders then holding more than 50% of the sum of (i) the then aggregate Available Revolving Commitments of all Revolving Lenders, plus (ii) the then Aggregate Outstanding Revolving Credit of all Revolving Lenders, and (b) otherwise, Revolving Lenders then holding more than 50% of the then Aggregate Outstanding Revolving Credit of all Revolving Lenders. For purposes of determining whether the Required Revolving Lenders have approved any amendment, waiver or consent or taken any other action hereunder, the Dollar Equivalent amount of all Offshore Currency Loans shall be calculated on the date immediately preceding the date such amendment, waiver or consent is to become effective or such action is to be taken.

Requirement of Law means, as to any Person, any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or of a Governmental Authority, in each case applicable to or binding upon the Person or any of its property or to which the Person or any of its property is subject.

Responsible Officer means the chief executive officer, the chief financial officer, the president or any vice-president of the Applicable Borrower, or any other officer having substantially the same authority and responsibility; or, with respect to compliance with financial covenants, the chief

financial officer, the treasurer or controller of the Applicable Borrower, or any other officer having substantially the same authority and responsibility.

Restoration has the meaning assigned to that term in each Mortgage.

Restricted Payment - see Section 8.13.

Revolving Commitment - see subsection 2.1(b).

Revolving Facility means the revolving multicurrency credit facility in an aggregate principal amount equal to the Dollar Equivalent of U.S. $150,000,000 with a letter of credit subfacility and a swing line subfacility provided hereunder as set forth in Sections 2.16 and 3.1.

Revolving Lender means a lender having a Revolving Commitment or a Swing Line Commitment or holding a Revolving Loan or a participation in an L/C Advance.

Revolving Loan - see subsection 2.1(b).

Revolving Loan Maturity Date means February 28, 2006.

Revolving Note or Revolving Notes - see subsection 2.2(d).

Same Day Funds means (i) with respect to disbursements and payments in U.S. Dollars, immediately available funds, and (ii) with respect to disbursements and payments in an Offshore Currency, same day or other funds as may be determined by the Paying Agent to be customary in the place of disbursement or payment for the settlement of international banking transactions in the relevant Offshore Currency.

SEC means the United States Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

Secured Parties has the meaning specified in the Security Documents.

Security Documents means each of the Domestic Security Documents, the Foreign Security Documents, all UCC or other financing statements or instruments of perfection required by this Agreement or any other security document described in this definition to be filed and any other documents utilized to pledge to the Paying Agent, for the benefit of the secured parties contemplated thereby, any other property as collateral for the Obligations and prior to the date of Contribution, the Intercompany Security Documents.

S&P means Standard & Poor's Ratings Group, a division of McGraw-Hill, Inc., and its successors.

Significant Subsidiary means, at any date of determination, (a) any Subsidiary that, together with its Subsidiaries (i) for the most recent fiscal quarter of U.S. Borrower accounted for more than 5.0% of the consolidated revenues of U.S. Borrower and its Subsidiaries or (ii) as of the end of such fiscal quarter, owned more than 5.0% of the consolidated assets of U.S. Borrower and its Subsidiaries, all as set forth on the consolidated financial statements of U.S. Borrower for such quarter prepared in conformity with GAAP and (b) any Subsidiary which, when aggregated with all other Subsidiaries that are not otherwise Significant Subsidiaries and as to which any event described in clause (e), (f) or (g) of Section 9.1 has occurred, would constitute a Significant Subsidiary under clause (a) of this definition.

Solvent and Solvency means, for any Person on a particular date, that on such date (a) the fair value of the Property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will,

incur debts and liabilities beyond such Person's ability to pay as such debts and liabilities mature, (d) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's Property would constitute an unreasonably small capital and (e) such Person is able to pay its debts as they become due and payable.

Soterra LLC means Soterra LLC, a Delaware limited liability company and a Wholly-Owned Subsidiary of U.S. Borrower.

Soterra Guarantee means the guarantee agreement substantially in the form of Exhibit N entered into and delivered by Soterra LLC.

Specified Company and Specified Companies - see subsection 9.1(e).

Spot Rate means, with respect to any Applicable Currency, at any date of determination thereof, the spot rate of exchange with respect to U.S. Dollars for such date in London that appears on the display page applicable to such Applicable Currency on the Telerate System Incorporated Service (or such other page as may replace such page on such service for the purpose of displaying the spot rate of exchange in London); provided, however, that if there shall at any time no longer exist such a page or a relevant spot rate is not shown on such service, the spot rate of exchange shall be determined by reference to another similar rate publishing service selected by the Paying Agent and if no such similar rate publishing service is available by reference to the published rate of the Paying Agent in effect at such date for similar commercial transactions.

Subsidiary of a Person means any corporation, association, partnership, limited liability company, joint venture, business trust or other business entity of which more than 50% of the voting stock, membership interests or other equity interests are owned or controlled directly or indirectly by such Person, or one or more of the Subsidiaries of such Person, or a combination thereof. Notwithstanding the foregoing, any joint venture or other entity which is not majority-owned by, but is controlled (by contract or otherwise) by, any Company shall be deemed to be a Subsidiary of U.S. Borrower. Unless the context otherwise clearly requires, references herein to a "Subsidiary" refer to a Subsidiary of U.S. Borrower. The term Subsidiary shall also include any Person to become a Subsidiary pursuant to the Van Leer Acquisition. In no event shall the term "Subsidiary" include CorrChoice. Any joint venture or other Person that is majority-owned, but is not controlled (by contract or otherwise), by any Company shall not be deemed to be a Subsidiary of U.S. Borrower.

Subsidiary Borrower - see the introduction to this Agreement.

Supermajority Lenders of the Affected Tranche means (i) at any time prior to the Closing Date, Lenders holding more than 66-2/3% of the aggregate amount of the Commitments of the Lenders of the applicable Term Loan Facility which would be adversely affected by any amendment, waiver or consent contemplated by clause (6)(y) of the proviso to subsection 11.1(a)(v), and (ii) at any time after the Closing Date, Lenders holding more than 66-2/3% of the aggregate amount of the outstanding Loans of the Lenders of the applicable Term Loan Facility which would be adversely affected by any amendment, waiver or consent contemplated by clause (6)(y) of the proviso to subsection 11.1(a)(v).

Substitute Lender - see Section 2.22.

Surety Instruments means all letters of credit (including standby and commercial), banker's acceptances, bank guaranties, surety bonds and similar instruments.

Survey means a survey of any Mortgaged Property (and all improvements thereon): (i) prepared by a surveyor or engineer licensed to perform surveys in the state, province or country where such Mortgaged Property is located, (ii) dated (or redated) not earlier than six months prior to the date of

delivery thereof unless there shall have occurred within the six months prior to such date (or such earlier date as shall be reasonably acceptable to the Lead Arranger) of delivery any material exterior construction on the site of such Mortgaged Property, in which event such survey shall be dated (or redated) after the completion of such construction or if such construction shall not have been completed as of such date of delivery, not earlier than 20 days prior to such date of delivery, (iii) certified by the surveyor (in a manner reasonably acceptable to the Lead Arranger) to the Paying Agent and the Title Company, and (iv) in the case of each Domestic Mortgaged Property, complying in all material respects with the minimum detail requirements of the American Land Title Association as such requirements are in effect on the date of preparation of such survey; provided, however, that such survey is in a form sufficient for the Title Company to remove all standard survey exceptions from the title insurance policy (or commitment) and issue a survey and comprehensive endorsement with respect to such Mortgaged Property and, in the case of each Foreign Mortgaged Property or Intercompany Mortgaged Property, in form and substance reasonably acceptable to the Lead Arranger.

Swap Contract means any agreement (including any master agreement and any agreement, whether or not in writing, relating to any single transaction) that is an interest rate swap agreement, basis swap, forward rate agreement, commodity swap, commodity option, equity or equity index swap or option, bond option, interest rate option, foreign exchange agreement, rate cap, collar or floor agreement, currency swap agreement, cross-currency rate swap agreement, swaption, currency option or any other, similar agreement (including any option to enter into any of the foregoing).

Swing Line Commitment means the commitment of the Swing Line Lender to make Swing Line Loans hereunder in an aggregate Dollar Equivalent amount not to exceed on any date an amount equal to the lesser of U.S. $30,000,000 and the amount of the Commitments of the Swing Line Lender, it being understood that the Swing Line Commitment is a part of the Revolving Commitments rather than a separate independent commit-ment.

Swing Line Lender means The Bank of Nova Scotia.

Swing Line Loan - see Section 2.16.

Swing Line Note or Swing Line Notes - see subsection 2.2(d).

Syndication Agent - see the introduction to this Agreement.

Taking means any taking of the Collateral or any portion thereof, in or by condemnation or other eminent domain proceedings pursuant to any Requirement of Law, general or special, or by reason of the temporary requisition of the use of the Collateral or any portion thereof, by any Governmental Authority, civil or military.

Tax Returns means all returns, declarations, reports, estimates, information returns, statements and forms or other documents (including any related or supporting information) required to be filed in respect of any Taxes.

Taxes means (i) any and all present or future income, stamp, documentary, excise, property or other taxes, levies, imposts, duties, deductions, charges, fees or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, and all liabilities with respect thereto (including any interest, penalties, additions to tax and expenses), including any present or future Taxes or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any other Credit Document and (ii) all transferee, successor, joint and several or contractual liability (including, without limitation, liability pursuant to Treas. Reg. 1.1502-6 (or any similar state, local or foreign provisions)) in respect of any items described in clause (i).

Term A Loans means the Dollar Term A Loans and the Euro Term A Loans.

Term B Commitment means a Lender's commitment to make a Term B Loan hereunder.

Term B Facility means the term loan facility in an aggregate principal amount of U.S. $400,000,000.

Term B Lender means a lender having a Term B Loan.

Term B Loan - see subsection 2.1(a)(iii).

Term B Note or Term B Notes - see subsection 2.2(d).

Term Loan Commitments means the Dollar Term A Commitments, the Euro Term A Commitments and the Term B Commitments of all the Lenders having such commitments.

Term Loan Facilities means the Dollar Term A Facility, the Euro Term A Facility and the Term B Facility.

Term Loans means the loans made under the Term Loan Facilities.

Term Notes means the Dollar Term A Notes, the Euro Term A Notes and the Term B Notes.

Termination Date means the earlier to occur of (i) the date 30 Business Days prior to the Revolving Loan Maturity Date and (ii) the date on which the Revolving Commitments are terminated or reduced to zero pursuant to Section 2.6 or Section 9.2.

Test Date means, for any Financial Maintenance Covenant, the last day of each fiscal quarter of U.S. Borrower included within any period set forth in the table for such Financial Maintenance Covenant.

Test Period means each period of four full consecutive fiscal quarters most recently ended and for which financial statements are or are required to be available.

Timber Assets means the timber and all Real Property described on Schedule 1.1(f) and any timberlands purchased solely using the proceeds from the sale of timber or the disposition of other timberlands or acquired in exchange for such Real Property, provided that "Timber Assets" shall not include timber solely for purposes of subsection 8.2(l).

Timber Sale Gains means, for any period, gains properly classified as "Gain on Timber Sales" in the audited financial statements of the Companies for the fiscal year then ended or in the unaudited financial statements for the fiscal quarter then ended;

Title Company means Chicago Title Insurance Company or such other title insurance or abstract company as shall be retained by U.S. Borrower and reasonably acceptable to the Lead Arranger.

Total Assets means at any date total assets of U.S. Borrower as shown in the most recent audited financials of U.S. Borrower prepared in conformity with GAAP.

Total Leverage Ratio means, as of the last day of any fiscal quarter, the ratio of: (a) the sum of (i) total consolidated Indebtedness of U.S. Borrower and the Subsidiaries less Cash and Cash Equivalents as of such day, plus (ii) without duplication of amounts included in clause (i), an amount equal to the aggregate cash proceeds received by any Company from an unrelated third party (net of amounts repaid) from the financing pursuant to any Permitted Receivables Transaction of Accounts which are outstanding at such Test Date, to (b) EBITDA for the Test Period ending on such day. Calculations under clause (i) or under clause (ii) of this definition shall be reduced by any escrowed or pledged cash proceeds which effectively secure the Indebtedness or the obligations of any Company under such Permitted Receivables Transaction to the extent not already deducted in the calculation of total consolidated Indebtedness.

Transaction Documents means the Van Leer Acquisition Documents, the Intercompany Loan Documents and each other document (other than the Credit Documents) relating to the Transactions including all appendices, annexes, schedules, attachments and exhibits to any such document.

Transactions means the making of the Loans hereunder on the Closing Date, the Van Leer Acquisition, the Refinancing, and the making of Intercompany Loans from the proceeds of the Loans on the Closing Date.

Trigger Date means the first date after the Closing Date on which U.S. Borrower delivers financial statements pursuant to Section 7.1 and a computation of the Total Leverage Ratio for the first fiscal quarter ended at least six months after the Closing Date pursuant to Section 7.2.

Type of Loan means an ABR Loan or a LIBOR Loan, as the case may be.

UCC means the Uniform Commercial Code as in effect in the applicable jurisdiction.

Unfunded Pension Liability means the excess of a Pension Plan's benefit liabilities under Section 4001(a)(16) of ERISA over the fair market value of such Plan's assets (including all accrued contributions required to be made to the Plan in respect of the applicable plan year), determined in accordance with the actuarial assumptions used for funding such Plan pursuant to Section 412 of the Code for the applicable plan year.

Unmatured Event of Default means any event or circumstance which, with the giving of notice, the lapse of time, or both, would (if not cured or otherwise remedied during such time) constitute an Event of Default.

U.S. Borrower - see the introduction to this Agreement.

U.S. Borrower Guarantee and Security Agreement means the guarantee and security agreement substantially in the form of Exhibit E entered into and delivered by U.S. Borrower.

U.S. Borrower Security Agreement Collateral means all "Pledged Collateral" as defined in the U.S. Borrower Guarantee and Security Agreement.

U.S. Dollars and U.S.$ each mean lawful money of the United States.

U.S. Federal Funds Rate means, for any day, the rate of interest per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, however, that (a) if the day for which such rate is to be determined is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day and (b) if such rate is not so published for any Business Day, the Federal Funds Rate for such Business Day shall be the average rate quoted to the Paying Agent on such Business Day on such transactions by three federal funds brokers of recognized standing, as determined by the Paying Agent.

U.S. Holdco means Greif US Holdings Inc., a Nevada corporation and a wholly owned Subsidiary of U.S. Borrower.

Van Leer means Royal Packaging Industries Van Leer N.V., a public company with limited liability organized under the laws of The Netherlands.

Van Leer Acquisition means the acquisition by U.S. Borrower and certain of its Subsidiaries of all the capital stock of Van Leer pursuant to the Van Leer Acquisition Agreement.

Van Leer Acquisition Agreement means the Share Purchase Agreement among Huhtamaki Van Leer Oyj, a company incorporated under the laws of Finland, as seller, and U.S. Borrower, as purchaser, dated as of October 27, 2000 and amended as of January 5, 2001 and as of February 28, 2001.

Van Leer Acquisition Documents means the documents listed in Schedule 1.1(g), in each case as in effect on the Closing Date and as amended and in effect from time to time in accordance with Section 8.18.

Van Leer Acquisition Transactions means the Van Leer Acquisition and the other transactions contemplated hereby and thereby to be effected in connection therewith on or about the Closing Date.

Wholly-Owned Subsidiary means, for any Person, any corporation in which (other than directors' qualifying shares or other shareholdings required by law) 100% of the Equity Interests of each class having ordinary voting power, and 100% of the capital stock of each other class, at the time as of which any determination is being made, are owned, beneficially and of record, by such Person, or by one or more of the other Wholly-Owned Subsidiaries, or a combination thereof.

Withdrawal Liability means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part 1 of Subtitle E of Title IV of ERISA.

1.2. Other Interpretive Provisions. (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words "hereof," "herein," "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and subsection, Section, Article, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) (i) The term "documents" includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced.

(ii) The term "including" is not limiting and means "including without limitation."

(iii) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding," and the word "through" means "to and including."

(d) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of any Credit Document, and (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

(e) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(f) This Agreement and other Credit Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms.

(g) This Agreement and the other Credit Documents are the result of negotiations among and have been reviewed by counsel to the Co-Agents, the Borrowers and the other parties, and are the products of all parties. Accordingly, they shall not be construed against the Lenders or any Co-Agent merely because of a Co-Agent's or Lender's involvement in their preparation.

(h) The words "properties" or "assets" refer to any right, title or interest in, to or under property or assets of any kind whatsoever, whether real, personal or mixed, and whether tangible or intangible and including any Equity Interests of any Person.

1.3. Accounting Principles. (a) Unless the context otherwise clearly requires, all accounting terms not expressly defined herein shall be construed, and all financial computations required under this Agreement shall be made, in accordance with GAAP, consistently applied; provided, however, that if U.S. Borrower notifies the Lead Arranger that the Borrowers wish to amend any covenant in Article VIII to eliminate the effect of any change in GAAP on the operation of such covenant (or if the Lead Arranger notifies U.S. Borrower that the Required Lenders wish to amend Article VIII for such purpose), then U.S. Borrower's compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenant is amended in a manner reasonably satisfactory to U.S. Borrower and the Re-quired Lenders.

(b) References herein to "fiscal year" and "fiscal quarter" refer to such fiscal periods of U.S. Borrower.

1.4. Currency Equivalents Generally. For all purposes of any Loan or other Credit Extension made pursuant to this Agreement (but not for purposes of the preparation of any financial statements delivered pursuant hereto), the equivalent in any Offshore Currency or other currency of an amount in U.S. Dollars, and the equivalent in U.S. Dollars of an amount in any Offshore Currency or other currency, shall be determined at the Spot Rate. For purposes of determining compliance with any restriction limited to a Dollar Equivalent amount in this Agreement (other than to the extent relating to any Loan or other Credit Extension under this Agreement), the Dollar Equivalent amount of transactions occurring prior to the date of determination shall be calculated based on the Spot Rate on the date of determination; provided, however, that if such Dollar Equivalent amount shall be exceeded, such restriction shall nonetheless be deemed not violated if such Dollar Equivalent amount of such transactions was calculated based on the relevant currency exchange rate in effect on the date of each such transaction.

ARTICLE II

THE CREDITS

2.1. Amounts and Terms of Commitments and Loans. (a) (i) Each Dollar Term A Lender severally agrees, on the terms and conditions set forth herein, to make a single loan in U.S. Dollars (each such loan, a "Dollar Term A Loan") on the Closing Date to U.S. Borrower in the amount set forth opposite such Lender's name under the heading "Dollar Term A Commitment" on Schedule 2.1.

(ii) Each Euro Term A Lender severally agrees, on the terms and conditions set forth herein, to make a single loan in Euros (each such loan, a "Euro Term A Loan") on the Closing Date to U.S. Borrower in the amount in Euros set forth opposite such Lender's name under the heading "Euro Term A Commitment" on Schedule 2.1.

(iii) Each Term B Lender severally agrees, on the terms and conditions set forth herein, to make a single loan in U.S. Dollars (each such loan, a "Term B Loan") on the Closing Date to U.S. Borrower in the amount set forth opposite such Lender's name under the heading "Term B Commitment" on Schedule 2.1.

(b) Each Revolving Lender severally agrees, on the terms and conditions set forth herein, to make loans in U.S. Dollars and Offshore Currencies to each of the Borrowers (each such loan, a "Revolving Loan") from time to time on any Business Day during the period from the Closing Date to the Termination Date in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name under the heading "Revolving Commitment" on

Schedule 2.1 (such amount, as reduced pursuant to Section 2.6 or changed as a result of one or more assignments under Section 4.8 or 11.8, such Lender's "Revolving Commitment") in such currencies as the Applicable Borrower may request pursuant to subsection 2.3(a) and subsection 2.5(e). The making of Revolving Loans shall be subject to the following limitations:

(i) Borrowings of Revolving Loans on the Closing Date shall in no event exceed the Dollar Equivalent amount of U.S. $45,000,000;

(ii) after giving effect to any Borrowing of Revolving Loans, the aggregate principal Dollar Equivalent amount of all outstanding Revolving Loans, plus the aggregate principal amount of all outstanding Swing Line Loans, plus (without duplication) the Effective Amount of all L/C Obligations shall not exceed the combined Revolving Commitments of all Revolving Lenders;

(iii) after giving effect to any Borrowing of Revolving Loans, the aggregate principal Dollar Equivalent amount of all outstanding Offshore Currency Revolving Loans, plus (without duplication) the Effective Amount of all L/C Obligations in Offshore Currencies shall not exceed U.S. $75,000,000;

(iv) the Aggregate Outstanding Revolving Credit of any Revolving Lender shall not at any time exceed such Revolving Lender's Revolving Commitment; and

(v) at no time shall the aggregate principal Dollar Equivalent amount of all outstanding Revolving Loans made to Subsidiary Borrower, plus the aggregate principal amount of all outstanding Swing Line Loans made to Subsidiary Borrower, plus (without duplication) the Effective Amount of all L/C Obligations for Letters of Credit issued for the account of Subsidiary Borrower exceed U.S. $75,000,000.

Any Revolving Loan made under Section 2.18 or Section 3.3 shall be made by each Revolving Lender in an amount equal to its Pro Rata Share of the Revolving Loan made thereunder. Within the limits of each Revolving Lender's Revolving Commitment, and subject to the other terms and conditions hereof, each Borrower may borrow under this subsection 2.1(b), prepay under subsection 2.7(g), and reborrow under this subsection 2.1(b).

(c) Amounts borrowed as Term Loans which are repaid or prepaid may not be reborrowed.

2.2. Evidence of Debt; Notes. (a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Applicable Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Paying Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the class and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Applicable Borrower to each Lender hereunder and (iii) the amount of any sum received by the Paying Agent hereunder for the account of the Lenders and each Lender's share thereof.

(c) The entries made in the accounts maintained pursuant to subsection 2.2(a) or subsection 2.2(b) shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided, however, that the failure of any Lender or the Paying Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Applicable Borrower to repay the Loans in accordance with the terms of this Agreement.

(d) Each Applicable Borrower's obligation to pay the principal of, and interest on, all the Loans made to it by each Lender shall, if requested by any Lender, be evidenced (i) if a Dollar Term A Loan, by a promissory note substantially in the form of Exhibit H-1, with blanks appropriately completed (each, a "Dollar Term A Note" and, collectively, the "Dollar Term A

Notes"), (ii) if a Euro Term A Loan, by a promissory note substantially in the form of Exhibit H-2, with blanks appropriately completed (each, a "Euro Term A Note" and, collectively, the "Euro Term A Notes"), (iii) if a Term B Loan, by a promissory note substantially in the form of Exhibit H-3, with blanks appropriately completed (each, a "Term B Note" and, collectively, the "Term B Notes"), (iv) if a Revolving Loan, by a promissory note substantially in the form of Exhibit H-4, with blanks appropriately completed (each, a "Revolving Note" and, collectively, the "Revolving Notes"), and (v) if a Swing Line Loan, by a promissory note substantially in the form of Exhibit H-5, with blanks appropriately completed (each, a "Swing Line Note" and, collectively, the Swing Line Notes"). Each such Lender shall make appropriate notations on the schedules annexed to the applicable Note of the date, amount and maturity of each applicable Loan made by it and the amount of each payment of principal made by the Applicable Borrower with respect thereto. Each such Lender is irrevocably authorized by the Applicable Borrower to make such notations on the applicable Note and each such Lender's record shall be prima facie evidence of the correctness of the notations thereon; provided, however, that the failure of a Lender to make, or an error in making, a notation on any Note with respect to any Loan shall not limit or otherwise affect the obligations of the Applicable Borrower hereunder or under such Note to such Lender.

2.3. Procedure for Borrowings. (a) Each Borrowing (other than of a Swing Line Loan) shall be made upon the Applicable Borrower's irrevocable written notice (or telephonic notice promptly confirmed in writing) delivered to the Paying Agent in the form of a Notice of Borrowing (which notice must be received by the Paying Agent prior to (i) 10:00 a.m. (London, England time), three Business Days prior to the requested Borrowing Date, in the case of Offshore Currency Loans; (ii) 10:00 a.m. (New York City time), three Business Days prior to the requested Borrowing Date, in the case of Offshore U.S. Dollar Loans; and (iii) 10:00 a.m. (New York City time), one Business Day prior to the requested Borrowing Date, in the case of ABR Loans, and in each case not more than five Business Days prior to the requested Borrowing Date) specifying:

(A) the amount of the Borrowing, which shall be in an aggregate amount not less than the Minimum Loan;

(B) the requested Borrowing Date, which shall be a Business Day;

(C) the Type of Loans comprising the Borrowing;

(D) in the case of a Borrowing of LIBOR Loans, the duration of the Interest Period therefor; and

(E) in the case of a Borrowing of Offshore Currency Loans, the Applicable Currency.

(b) The Dollar Equivalent amount of any Borrowing of Offshore Currency Revolving Loans will be determined by the Paying Agent for such Borrowing on the Computation Date therefor in accordance with subsection 2.5(a). Upon receipt of a Notice of Borrowing, the Paying Agent will promptly notify each Lender thereof and of the amount of such Lender's Pro Rata Share of the Borrowing. In the case of a Borrowing of Offshore Currency Revolving Loans, such notice will provide the approximate amount of each Lender's Pro Rata Share of the Borrowing, and the Paying Agent will, upon the determination of the Dollar Equivalent amount of the Borrowing as specified in the Notice of Borrowing, promptly notify each Lender of the exact amount of such Lender's Pro Rata Share of the Borrowing.

(c) Each Lender will make the amount of its Pro Rata Share of each Borrowing available to the Paying Agent for the account of the Applicable Borrower at the Agent's Payment Office on the Borrowing Date requested by such Applicable Borrower in Same Day Funds and in the requested currency (i) in the case of a Borrowing comprised of Loans in U.S. Dollars, by 11:00 a.m. (New York City time), and (ii) in the case of a Borrowing comprised of Offshore Currency Loans, by such time (London, England time) as the Paying Agent may specify. The proceeds of all such Loans will promptly be made available to the Applicable Borrower by the Paying Agent at the Agent's

Payment Office by crediting the account of the Applicable Borrower where requested by the Applicable Borrower with the aggregate of the amounts made available to the Paying Agent by the Lenders and in like funds as received by the Paying Agent.

(d) After giving effect to any Borrowing, there may not be more than six different Interest Periods in effect for all Dollar Term A Loans, six different Interest Periods in effect for all Euro Term A Loans, six different Interest Periods in effect for all Term B Loans and eight different Interest Periods in effect for all Revolving Loans.

(e) ABR Loans shall only be made in U.S. Dollars.

2.4. Conversion and Continuation Elections for Borrowings. (a) Either Borrower may, upon irrevocable written notice to the Paying Agent in accordance with subsection 2.4(b) with respect to Loans made to it:

(i) elect, as of any Business Day in the case of ABR Loans, or as of the last day of the applicable Interest Period, in the case of Offshore U.S. Dollar Loans, to convert any such Loans (or any part thereof in an amount not less than the Minimum Loan) into Loans in U.S. Dollars of the other Type; or

(ii) elect, as of the last day of the applicable Interest Period, to continue any Loans having Interest Periods expiring on such day (or any part thereof in an amount not less than the Minimum Loan);

provided, however, that if at any time the aggregate amount of Offshore U.S. Dollar Loans in respect of any Borrowing is reduced, by payment, prepayment or conversion of part thereof, to be less than the Minimum Loan, such Offshore U.S. Dollar Loans shall automatically convert into ABR Loans, and on and after such date the right of the Applicable Borrower to continue such Loans as, and convert such Loans into, Offshore U.S. Dollar Loans shall terminate unless and until such Loans are increased, by additional Borrowings or Conversions, to be at least the Minimum Loan.

(b) The Applicable Borrower shall deliver a Notice of Conversion/Continuation to be received by the Paying Agent not later than (i) 10:00 a.m. (London, England time), three Business Days prior to the Conversion/Continuation Date, if the Loans are to be continued as Offshore Currency Loans; (ii) 10:00 a.m. (New York City time), three Business Days prior to the Conversion/Continuation Date, if the Loans are to be converted into or continued as Offshore U.S. Dollar Loans; and (iii) 10:00 a.m. (New York City time), one Business Day prior to the Conversion/Continuation Date, if the Loans are to be converted into ABR Loans, and in each case not more than five Business Days prior to the Conversion/Continuation Date, specifying:

(A) the proposed Conversion/Continuation Date;

(B) the aggregate amount and Type of Loans to be converted or continued;

(C) the Type of Loans resulting from the proposed conversion or continuation; and

(D) other than in the case of conversions into ABR Loans, the duration of the requested Interest Period.

(c) If upon the expiration of any Interest Period applicable to Offshore U.S. Dollar Loans, the Applicable Borrower has failed to select timely a new Interest Period to be applicable to such Offshore U.S. Dollar Loans, the Applicable Borrower shall be deemed to have elected to convert such Offshore U.S. Dollar Loans into ABR Loans effective as of the expiration date of such Interest Period. If the Applicable Borrower has failed to select a new Interest Period to be applicable to Offshore Currency Loans by the applicable time on the third Business Day in advance of the expiration date of the current Interest Period applicable thereto as provided in subsection 2.4(b), the Applicable Borrower shall be deemed to have elected to continue such Offshore Currency Loans on the basis of a one month Interest Period.

(d) The Paying Agent will promptly notify each Lender of its receipt of a Notice of Conversion/Continuation pursuant to this Section 2.4, or, if no timely notice is provided by the Applicable Borrower, the Paying Agent will promptly notify each Lender of the details of any automatic conversion. All conversions and continuations shall be made ratably according to the respective outstanding principal amounts of the Loans held by each Lender with respect to which the notice was given.

(e) Unless the Required Lenders otherwise agree or otherwise as permitted hereby, during the existence of an Event of Default or Unmatured Event of Default, no Applicable Borrower may elect to have a Loan converted into an Offshore U.S. Dollar Loan or continued as a LIBOR Loan.

(f) After giving effect to any conversion or continuation of Loans, there may not be more than six different Interest Periods in effect for all Dollar Term A Loans, six different Interest Periods in effect for all Euro Term A Loans, four different Interest Periods in effect for all Term B Loans, and eight different Interest Periods in effect for all Revolving Loans.

2.5. Utilization of Commitments in Offshore Currencies. (a) The Paying Agent will determine the Dollar Equivalent amount with respect to:

(i) any Borrowing comprised of Offshore Currency Loans three Business Days prior to the requested Borrowing Date,

(ii) any Issuance of an Offshore Currency Letter of Credit for the account of any Borrower as of the requested Issuance Date,

(iii) any drawing under a Letter of Credit Issued for the account of any Borrower in an Offshore Currency as of the related Honor Date,

(iv) all outstanding Offshore Currency Loans, plus the Effective Amount of all L/C Obligations under Letters of Credit Issued for the account of any Borrower as of the last Business Day of each month and as of any other date selected by the Paying Agent,

(v) any ABR Loan to be made in lieu of an Offshore Currency Loan pursuant to subsection 2.5(b) as of the Business Day prior to the proposed Borrowing Date,

(vi) the aggregate sum (without duplication) of the amount of all Offshore Currency Loans, plus the Effective Amount of all L/C Obligations of the Borrowers, plus all Swing Line Loans, immediately prior to and after giving effect to any Revolving Loan made under Section 2.18 as of the proposed date of the making of any such Revolving Loan,

(vii) the aggregate sum of the amount of all Offshore Currency Loans, plus the Effective Amount of all L/C Obligations of the Borrowers immediately prior to and after giving effect to any Revolving Loan made under Section 3.3 as of the proposed date of the making of any such Revolving Loan,

(viii) any outstanding Offshore Currency Loan as of any redenomination date pursuant to this Section 2.5 or Section 4.5, and

(ix) all Offshore Currency Loans, plus the Effective Amount of all L/C Obligations on any date on which the Revolving Commitments are reduced pursuant to Section 2.6.

(b) In the case of a proposed Borrowing under the Revolving Facility comprised of Offshore Currency Loans, in the event that any Revolving Lender gives notice to the Paying Agent not later than 10:00 a.m. (London, England time) one Business Day prior to the proposed Borrowing Date that it is unable to fund Offshore Currency Revolving Loans at a reasonable cost to it, such Lender shall make its Pro Rata

Share of the proposed Borrowing as an ABR Loan in the Dollar Equivalent amount of the amount it otherwise would have made in such Offshore Currency; provided, however, that the Lenders shall be under no obligation to make Offshore Currency Loans in the requested Offshore Currency as part of such Borrowing if the Paying Agent has received notice from the Required Revolving Lenders by 10:00 a.m. (London, England time), two Business Days prior to the day of such Borrowing, that the Required Revolving Lenders cannot provide Loans in the requested Offshore Currency, in which event the Paying Agent will promptly give notice to the Applicable Borrower that the Borrowing in the requested Offshore Currency is not then available, and notice thereof also will be given promptly by the Paying Agent to the Lenders. If the Paying Agent shall have so notified the Applicable Borrower that, pursuant to any such notice from the Required Revolving Lenders, any such Borrowing in a requested Offshore Currency is not then available, such Borrower may, by notice to the Paying Agent not later than 10:00 a.m. (London, England time) on the Business Day prior to the requested date of such Borrowing, withdraw the Notice of Borrowing relating to such requested Borrowing. If the Applicable Borrower does so withdraw such Notice of Borrowing, the Borrowing requested therein shall not occur and the Paying Agent will promptly so notify each Lender. If the Applicable Borrower does not so withdraw such Notice of Borrowing, the Paying Agent will promptly so notify each Lender and such Notice of Borrowing shall be deemed to be a Notice of Borrowing that requests a Borrowing comprised of ABR Loans in an aggregate amount equal to the Dollar Equivalent of the amount of the originally requested Borrowing in the Notice of Borrowing (however, not in excess of the aggregate Available Revolving Commitment of all Revolving Lenders at such time); and in such notice by the Paying Agent to each Lender the Paying Agent will state such aggregate amount of such Borrowing in U.S. Dollars and such Lender's Pro Rata Share thereof.

(c) In the case of a proposed continuation of Offshore Currency Loans under the Revolving Facility for an additional Interest Period pursuant to Section 2.4, in the event that any Revolving Lender gives notice to the Paying Agent that it is unable to continue Offshore Currency Revolving Loans at a reasonable cost to it, such Lender's Loans in such Offshore Currency shall be repaid on the last day of the current Interest Period; provided, however, that the Lenders shall be under no obligation to continue such Offshore Currency Loans if the Paying Agent has received notice from the Required Revolving Lenders by 10:00 a.m. (London, England time), three Business Days prior to the day of such continuation, that such Lenders cannot continue to provide Loans in the relevant Offshore Currency, in which event the Paying Agent will promptly give notice to the Applicable Borrower that the continuation of such Offshore Currency Loans in the relevant Offshore Currency is not then available, and notice thereof also will be given promptly by the Paying Agent to the Lenders. If the Paying Agent shall have so notified the Applicable Borrower that, pursuant to such notice from the Required Revolving Lenders, any such continuation of Offshore Currency Loans is not then available, any Notice of Continuation/Conversion with respect thereto shall be deemed withdrawn and such Offshore Currency Loans shall be repaid on the last day of the Interest Period with respect to such Offshore Currency Loans.

(d) Notwithstanding anything herein to the contrary and in addition to the rights of the Lenders pursuant to Section 2.10(c), during the existence of an Event of Default, upon the request of the Required Revolving Lenders (in the case of clause (i) of this subsection), the Lenders holding more than 50% of the Dollar Term A Loans (in the case of clause (ii) of this subsection), the Lenders holding more than 50% of the Euro Term A Loans (in the case of clause (iii) of this subsection), or the Lenders holding more than 50% of the Term B Loans (in the case of clause (iv) of this subsection), (i) all or any part of any outstanding LIBOR Loans under the Revolving Facility shall be redenominated (if not Offshore U.S. Dollar Loans) and converted into ABR Loans with effect from the last day of the Interest Period with respect to such LIBOR Loans, (ii) at the end of the current Interest Period therefor, each Dollar Term A Loan shall not be continued for any Interest Period but instead shall bear interest at a rate per annum equal to the Applicable Margin for Dollar Term A Loans, plus

the Alternate Base Rate from time to time in effect, (iii) at the end of the current Interest Period therefor, each Euro Term A Loan shall not be continued for any Interest Period but instead shall bear interest at a rate per annum equal to the Applicable Margin for Euro Term A Loans, plus the Overnight Rate for Euros from time to time in effect or such other rate as may be agreed to by U.S. Borrower and the Lenders holding more than 50% of the Euro Term A Loans and specified to the Paying Agent, and (iv) at the end of the current Interest Period therefor, each Term B Loan shall not be continued for any Interest Period but instead shall bear interest at a rate per annum equal to the Applicable Margin for Term B Loans, plus the Alternate Base Rate from time to time in effect. The Paying Agent will promptly notify the Applicable Borrower of any request pursuant to the foregoing sentence.

(e) Subject to subsection 2.1(b), the Borrowers shall be entitled, in addition to requesting Revolving Loans in Euros and pounds sterling as permitted by subsection 2.1(b), to request that Revolving Loans hereunder also be permitted to be made in any other lawful currency constituting a eurocurrency that in the opinion of the Required Revolving Lenders is at such time freely traded in the offshore interbank foreign exchange markets and is freely transferable and freely convertible into U.S. Dollars (an "Agreed Alternative Currency"). The Applicable Borrower shall deliver to the Paying Agent any request for designation of an Agreed Alternative Currency not later than 10:00 a.m. (London, England time), at least ten Business Days in advance of the date of any Borrowing hereunder proposed to be made in such Agreed Alternative Currency. Upon receipt of any such request the Paying Agent will promptly notify the Revolving Lenders thereof, and each Lender will use commercially reasonable efforts to respond to such request within two Business Days of receipt thereof. If the Paying Agent has not received any response from a Revolving Lender by the end of the day four Business Days prior to the date of Borrowing to be made in such Agreed Alternative Currency, the Paying Agent shall conclusively presume the assent of such Lender. Each Revolving Lender may grant or accept such request in its sole discretion. Acceptance of the request shall require the affirmative or deemed assent of all of the Revolving Lenders. The Paying Agent will promptly notify the Applicable Borrower of the acceptance or rejection of any such request.

2.6. Reduction or Termination of Commitments.
(a) The Borrowers may, upon not less than five Business Days' prior notice to the Paying Agent, terminate the Commitments in any Facility, or permanently reduce the Commitments in any Facility by an aggregate amount equal to the Dollar Equivalent of U.S. $1,000,000 or a higher integral multiple of U.S. $1,000,000; unless, in the case of the Revolving Facility, after giving effect thereto and to any prepayments of the Revolving Loans made on the effective date of such termination or reduction, the then outstanding principal Dollar Equivalent amount of all Revolving Loans, plus (without duplication) the Effective Amount of all L/C Obligations together would exceed the amount of the combined Revolving Commitments of all Revolving Lenders then in effect. U.S. Borrower may, upon not less than five Business Days' prior notice to the Paying Agent and the Swing Line Lender, terminate or permanently reduce the Swing Line Commitment; unless, after giving effect thereto and to any prepayment of the Swing Line Loans made on the effective date of such termination or reduction, the then outstanding amount of all Swing Line Loans would exceed the amount of the Swing Line Commitment then in effect.

(b) The aggregate amount of the Revolving Commitments shall be automatically and permanently terminated on the Termination Date.

(c) Once reduced in accordance with this Section, the Commitments may not be increased or reinstated. Any reduction of the Commitments in any Facility shall be applied pro rata to each Lender's Commitment in such Facility. All accrued Commitment Fees and accrued but unpaid interest in respect of any Facility to, but not including, the effective date of any reduction or termination of Commitments in such Facility shall be paid on the effective date of such reduction or termination.

2.7. Prepayments and Mandatory Commitment Reductions.
(a) Within five Business Days after the date on which the applicable Company receives notice of collection by the Paying Agent of the applicable Net Cash Proceeds from any Taking or Destruction or loss of title to any Collateral or Intercompany Collateral delivered to it as loss payee in accordance with the provisions of the applicable Security Document or Intercompany Security Document, a Dollar Equivalent amount equal to 100% of such Net Cash Proceeds shall be applied as set forth in subsection 2.7(f); provided, however, that (i) so long as no Event of Default or Unmatured Event of Default then exists, such proceeds shall not be required to be so applied on such date to the extent that the Borrowers have delivered an Officers' Certificate to the Paying Agent on or prior to such date stating that such Net Cash Proceeds shall be used to replace or restore (in accordance with the procedures of the applicable Security Document or Intercompany Security Document) any properties or assets in respect of which such proceeds were paid or to invest in assets or property constituting Collateral (with respect to any such event regarding Collateral of any Company) or Intercompany Collateral (with respect to any such event regarding Intercompany Collateral of any Foreign Subsidiary) (in accordance with the procedures set forth in the applicable Security Document or Intercompany Security Documents and in compliance with Section 7.15) within 360 days following the date of the receipt of such proceeds (which certificate shall set forth the estimates of the proceeds to be so expended), (ii) any and all replacement or restored property and assets shall constitute Additional Collateral and shall be made subject to the Lien of the Domestic Security Documents or Foreign Security Documents or Intercompany Security Documents, as the case may be, in accordance with the provisions of Section 7.15, (iii) such Net Cash Proceeds shall be deposited and maintained in the Collateral Account and applied in the manner contemplated in the U.S. Borrower Guarantee and Security Agreement, and (iv) if all or any portion of such Net Cash Proceeds not so applied pursuant to clause (i) is not so used within such 360-day period, such remaining portion shall be applied on the last day of such period (or the next preceding Business Day if such last day is not a Business Day) as set forth in subsection 2.7(f); the Borrowers hereby covenant and agree that they shall not, and shall not cause or permit any Subsidiary to, reinvest any such Net Cash Proceeds other then as stated in such Officers' Certificate.

(b) Within 90 days after the end of each fiscal year of U.S. Borrower ending on or after October 31, 2001, a Dollar Equivalent amount equal to 50% of Excess Cash Flow for such fiscal year shall be applied as set forth in subsection 2.7(f).

(c) (i) Within five Business Days after the receipt by any Company of Net Cash Proceeds from any Asset Sale, a Dollar Equivalent amount equal to 100% of such Net Cash Proceeds shall be applied as set forth in subsection 2.7(f); provided, however, that (i) so long as no Event of Default or Unmatured Event of Default then exists, such proceeds shall not be required to be so applied on such date to the extent that the Borrowers have delivered an Officers' Certificate to the Paying Agent on or prior to such date stating that such Net Cash Proceeds shall be invested in assets or property and, if such Asset Sale is of Collateral, such asset or property acquired by such investment shall be U.S. Borrower Security Agreement Collateral, Domestic Security Agreement Collateral or Domestic Mortgaged Property, as the case may be (with respect to any Asset Sale of Collateral by any Company), or Foreign Security Agreement Collateral (with respect to any Asset Sale of Collateral by any Foreign Subsidiary) and shall be made subject to the Lien of the Domestic Security Documents, as the case may be, in accordance with Section 7.15 within 360 days following the date of such Asset Sale (which certificate shall set forth the estimates of the proceeds to be so expended) (and, in the case of any Asset Sale of Timber Assets, such reinvestment shall be limited solely to timberlands), (ii) such Net Cash Proceeds shall be deposited and maintained in the Collateral Account and applied in the manner contemplated in the U.S. Borrower Guarantee and Security Agreement, and (iii) if all or any portion of such Net Cash Proceeds not so applied pursuant to clause (i) is not so used as described in such Officers' Certificate within such 360-

day period, such remaining portion shall be applied on the last day of such period (or the next preceding Business Day if such last day is not a Business Day) as set forth in subsection 2.7(f); the Borrowers hereby covenant and agree that they shall not, and shall not cause or permit any Subsidiary to, reinvest any such Net Cash Proceeds other then as stated in such Officers' Certificate.

(ii) Within five Business Days after the receipt by any Company of any cash recovery pursuant to any purchase price adjustment or as a direct or indirect result of any action, suit, proceeding or settlement in respect of any default or breach of any provision of the Van Leer Acquisition Agreement (other than any such cash received as a result of any loss, cost or expense paid or payable by any Company to any third party in connection with such recovery), a Dollar Equivalent amount equal to 100% thereof shall be applied as set forth in subsection 2.7(f).

(d) Concurrently with the receipt of any Net Cash Proceeds from the issuance or incurrence of any Indebtedness by any Company (other than any Indebtedness permitted by Section 8.5, except subsections 8.5(i) and (m)), a Dollar Equivalent amount equal to 100% of such Net Cash Proceeds shall be applied as set forth in subsection 2.7(f) (it being understood that any issuance of any Indebtedness convertible into or exchangeable or exercisable for Equity Interests of U.S. Borrower shall be subject to this subsection 2.7(d) and not subsection 2.7(e) below).

(e) Concurrently with the receipt of any Net Cash Proceeds from any capital contribution to U.S. Borrower or from the issuance or sale of any Equity Interests of U.S. Borrower or any other direct or indirect parent of U.S. Borrower (excluding an amount not to exceed an aggregate since the Closing Date of U.S. $20,000,000 of proceeds from any such issuance and excluding the proceeds of issuances under stock option or similar plans to officers, directors, management and employees), a Dollar Equivalent amount equal to 50% of such Net Cash Proceeds shall be applied as set forth in subsection 2.7(f) (it being understood that any issuance of any Indebtedness convertible into or exchangeable or exercisable for Equity Interests of U.S. Borrower shall not be subject to this subsection 2.7(e) but instead shall be subject to subsection 2.7(d) above).

(f) The amounts required by subsections (a)-(e) of this Section 2.7 shall first be applied pro rata among the Term Loan Facilities (based on the Dollar Equivalent amount of the then remaining Loans under each such Facility) and, as to each Term Loan Facility, pro rata to the remaining Amortization Payments under such Term Loan Facility as set forth in the relevant subsection of Section 2.9. Subject to subsection 2.10(b), all prepayments of Term Loans shall be made together with all accrued interest thereon and any amounts required by Section 4.4, and all such payments shall be applied to the payment of interest and such Section 4.4 amounts before application to principal. The Revolving Commitments shall be reduced in an amount equal to the Net Cash Proceeds of any Permitted Receivables Transaction on the date of consummation thereof. Notwithstanding the foregoing, any holder of Term B Loans may, to the extent that Term A Loans are then outstanding after giving effect to any then applicable prepayment, elect not to have mandatory prepayments applied to such holder's Term B Loans, in which case the aggregate amount so declined shall be applied to the Term A Loans pro rata (based on the Dollar Equivalent amount of the then remaining Loans under each such Facility) and to the Amortization Payments remaining thereunder pro rata. To the extent that the amount to be applied to the prepayment of Term Loans exceeds the aggregate amount of Term Loans then outstanding, the Revolving Commitments shall be permanently reduced by the Dollar Equivalent amount of such excess.

(g) Subject to Section 4.4, any Applicable Borrower may, at any time or from time to time, ratably prepay, without premium or penalty, Loans under the Revolving Facility or under the Term Loan Facilities in whole or in part, in an aggregate Dollar Equivalent principal amount of at least U.S. $1,000,000 and a higher integral multiple of 1,000,000 units of the

Applicable Currency. The Applicable Borrower shall deliver a notice of prepayment in accordance with Section 11.2 to be received by the Paying Agent not later than (i) 10:00 a.m. (London, England time), three Business Days in advance of the prepayment date, if the Loans to be prepaid are LIBOR Loans, and (ii) 10:00 a.m. (New York City time), one Business Day prior to the prepayment date, if the Loans to be prepaid are ABR Loans (and in each case on not more than five Business Days' prior notice). Such notice of prepayment shall specify the date and amount of such prepayment and whether such pre-payment is of ABR Loans, LIBOR Loans, or any combination thereof, whether Revolving Loans or Term Loans are being prepaid and the Applicable Currency. Such notice shall not thereafter be revocable by the Applicable Borrower. The Paying Agent will promptly notify each Lender thereof and of such Lender's Pro Rata Share of such prepayment. If such notice is given by any Applicable Borrower, such Applicable Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein, together with accrued interest to each such date on the amount prepaid and any amounts required pursuant to Section 4.4. Each such prepayment (if a prepayment of Term Loans) shall be applied pro rata among the Term Loan Facilities (based on the Dollar Equivalent amount of the then remaining amounts of the Amortization Payments of the Term Loan Facilities) and, as to each Term Loan Facility, pro rata to the then remaining amounts of the Amortization Payments under such Term Loan Facility, subject, however, to clause (iii) of subsection 2.7(h). Notwithstanding the foregoing, any holder of Term B Loans may, to the extent that Term A Loans are then outstanding after giving effect to any then applicable prepayment, elect not to have optional prepayments applied to such holder's Term B Loans, in which case the aggregate amount so declined shall be applied to the Term A Loans pro rata (based on the Dollar Equivalent amount of the then remaining Loans under each such Facility) and to the Amortization Payments remaining thereunder pro rata.

(h) With respect to each prepayment of Loans pursuant to this Section 2.7, the Applicable Borrower may designate the Types of Loans which are to be repaid and the specific Borrowing(s) under the affected Facility pursuant to which made; provided, however, that (i) LIBOR Loans made pursuant to a specific Facility may be designated for prepayment only on the last day of an Interest Period applicable thereto unless all LIBOR Loans made pursuant to such Facility with Interest Periods ending on such date of prepayment and all ABR Loans made pursuant to such Facility have been paid in full; (ii) if any prepayment of LIBOR Loans made pursuant to a single Borrowing shall reduce the outstanding Loans made pursuant to such Borrowing to an amount less than the Minimum Loan, such Borrowing shall be immediately converted into, if such Borrowing is Offshore U.S. Dollar Loans, ABR Loans, and, if such Borrowing is Offshore Currency Loans, Offshore Currency Loans having an Interest Period of one month; and (iii) each repayment of any Loans made pursuant to a Borrowing shall be applied pro rata among such Loans, unless an Applicable Borrower shall have become obligated to make any payment pursuant to Section 4.1, in which case such Applicable Borrower may prepay the Loans held solely by the Lender or Lenders to which it is obligated to make such payment. In the absence of a designation by the Applicable Borrower as described in the preceding sentence, the Paying Agent shall, subject to the above, make such designation in its sole discretion with a view, but no obligation, to minimize funding losses owing under Section 4.4. Notwithstanding the foregoing, if the amount of any prepayment of Loans required under this Section 2.7 shall be in excess of the amount of the ABR Loans at the time outstanding, only the portion of the amount of such prepayment as is equal to the amount of such outstanding ABR Loans shall be immediately prepaid and, at the election of the Applicable Borrower, the balance of such required prepayment shall be either (i) deposited in the Collateral Account and applied to the prepayment of LIBOR Loans on the last day of the then next-expiring Interest Period for LIBOR Loans (with all interest accruing thereon for the account of U.S. Borrower (subject to the reasonable fees of The Bank of Nova Scotia relating to the administration of such account), or (ii) prepaid immediately, together with any amounts owing to the Lenders under Section 4.4. Notwithstanding any such deposit in the Collateral Account, interest shall continue to accrue on

such Loans until prepayment.

2.8. Currency Exchange Fluctuations. (a) U.S. Borrower will implement and maintain internal controls to monitor the borrowings and repayments of Loans by the Loan Parties and the issuance of and drawings under Letters of Credit, with the object of preventing any request for a Credit Extension that would result in the Aggregate Outstanding Revolving Credit with respect to all of the Revolving Lenders (including the Swing Line Lender) being in excess of the aggregate Revolving Commitments then in effect and of promptly (but in any event within 15 Business Days) identifying and remedying any circumstance where, by reason of changes in exchange rates, the Aggregate Outstanding Revolving Credit with respect to all of the Revolving Lenders exceeds the aggregate Revolving Commitments then in effect.

(b) Subject to Section 4.4, if on any Computation Date the Paying Agent shall have determined that the Aggregate Outstanding Revolving Credit of all of the Revolving Lenders exceeds the combined Revolving Commitments of all Revolving Lenders by more than the Dollar Equivalent amount of U.S. $7,500,000 due to a change in applicable rates of exchange between U.S. Dollars, on the one hand, and Offshore Currencies, on the other hand, then the Paying Agent shall give notice to the Borrowers that a prepayment of Loans (or, if no Revolving Credit Loans are outstanding, payment of unreimbursed drawings under Letters of Credit, or if none thereof, Cash Collateralization of outstanding Letters of Credit) is required under this subsection, and the Borrowers agree if such excess shall not have been prepaid within 30 days of such notice or during such 30 days such excess has not been eliminated by changes in currency exchange rates thereupon to make pre-payments (by such repayment of Loans, payment of unreimbursed drawings or Cash Collateralization) of their respective pro rata portion of such excess (determined by reference to the aggregate Dollar Equivalent amount of each Borrower's outstanding Revolving Loans, plus (without duplication) the Effective Amount of all L/C Obligations relative to the total of such amounts for each Borrower) such that, after giving effect to such prepayment (or payment or Cash Collateralization and changes in currency exchange rates), the Aggregate Outstanding Revolving Credit of all of the Revolving Lenders does not exceed the combined Revolving Commitments of all Re-volving Lenders.

2.9. Repayment. (a) U.S. Borrower shall repay the Dollar Term A Loans and the Euro Term A Loans on the Business Day immediately prior to the payment dates set forth below in the percentages of the aggregate outstanding principal amount thereof on the Closing Date set forth below:

Payment Date	Dollar Term A Loans	Euro Term A Loans
July 31, 2001	2.5%	2.5%
October 31, 2001	2.5%	2.5%
January 31, 2002	2.5%	2.5%
April 30, 2002	2.5%	2.5%
July 31, 2002	3.75%	3.75%
October 31, 2002	3.75%	3.75%
January 31, 2003	3.75%	3.75%
April 30, 2003	3.75%	3.75%
July 31, 2003	5.0%	5.0%
October 31, 2003	5.0%	5.0%
January 31, 2004	5.0%	5.0%
April 30, 2004	5.0%	5.0%
July 31, 2004	6.25%	6.25%
October 31, 2004	6.25%	6.25%
January 31, 2005	6.25%	6.25%
April 30, 2005	6.25%	6.25%
July 31, 2005	7.5%	7.5%
October 31, 2005	7.5%	7.5%
January 31, 2006	7.5%	7.5%
February 28, 2006	7.5%	7.5%

(b) U.S. Borrower shall repay the Term B Loans on the Business Day immediately prior to the payment dates set forth below in the installments set forth below:

Payment Date	Term B Loans (U.S. $)
July 31, 2001	1,000,000
October 31, 2001	1,000,000
January 31, 2002	1,000,000
April 30, 2002	1,000,000
July 31, 2002	1,000,000
October 31, 2002	1,000,000
January 31, 2003	1,000,000
April 30, 2003	1,000,000
July 31, 2003	1,000,000
October 31, 2003	1,000,000
January 31, 2004	1,000,000
April 30, 2004	1,000,000
July 31, 2004	1,000,000
October 31, 2004	1,000,000
January 31, 2005	1,000,000
April 30, 2005	1,000,000
July 31, 2005	1,000,000
October 31, 2005	1,000,000
January 31, 2006	1,000,000
April 30, 2006	1,000,000
July 31, 2006	1,000,000
October 31, 2006	1,000,000
January 31, 2007	1,000,000
April 30, 2007	1,000,000
July 31, 2007	94,000,000
October 31, 2007	94,000,000
January 31, 2008	94,000,000
February 28, 2008	94,000,000

(c) Each Amortization Payment as set forth above in subsections 2.9(a) and (b) shall be automatically adjusted upon application of any prepayment pursuant to Section 2.7.

(d) Until the Revolving Loan Maturity Date, the Borrowers shall from time to time immediately prepay the Revolving Loans (and/or provide cover for L/C Obligations as specified in subsection 2.9(e)) in such amounts as shall be necessary so that at all times the Aggregate Outstanding Revolving Credit of all of the Revolving Lenders shall not (other than as a result of a change in currency exchange rates) exceed the Revolving Commitments of all of the Revolving Lenders, such amount to be applied, first, to Revolving Loans outstanding and, second, as cover for L/C Obligations outstanding as specified in subsection 2.9(e).

(e) In the event that the Borrowers shall be required pursuant to subsection 2.9(d) to provide cover for L/C Obligations, the Borrowers shall effect the same by paying to the Paying Agent immediately available funds in an amount equal to the required amount (which amount shall be held in the Collateral Account), which funds shall be retained by the Paying Agent pursuant to the Collateral Account as collateral security in the first instance for the L/C Obligations until such time as all Letters of Credit shall have been terminated and all of the L/C Obligations paid in full.

(f) All outstanding Revolving Loans (including Swing Line Loans) shall be repaid in full on the Revolving Loan Maturity Date.

2.10. Interest. (a) Each Loan (other than any Swing Line Loan) shall, except as otherwise provided herein, bear interest on the outstanding principal amount thereof from the applicable Borrowing Date at a rate per annum equal to the LIBOR Rate or the Alternate Base Rate, as the case may be (and subject to the Applicable Borrower's right to convert to the other Type of Loans under Section 2.4), plus the Applicable Margin. Each Swing Line Loan shall bear interest at the rate per annum equal to the then applicable Alternate Base Rate for Revolving Loans, plus the Applicable Margin for Revolving Loans that are ABR Loans.

(b) Interest on each Loan shall be paid in arrears on each Interest Payment Date. Interest shall also be paid on the date of any prepayment of Loans pursuant to Section 2.7 for the portion of the Loans so prepaid; provided, however, that in the event that any Term Loans that are ABR Loans are prepaid pursuant to Section 2.7, interest accrued on such Loans shall be payable on the next succeeding Interest Payment Date thereafter (or at final maturity, if earlier).

(c) Notwithstanding subsections (a) and (b) of this Section 2.10, if any amount of principal of or interest on any Loan, or any other amount payable hereunder or under any other Credit Document, is not paid in full when due (whether at stated maturity, by acceleration, demand or otherwise), the Applicable Borrower agrees, to the extent permitted by applicable law, to compensate the Lenders for additional administrative and other costs they will thereafter incur and to pay interest on such unpaid principal or other amount from the date such amount becomes due until the date such amount is paid in full, after as well as before any entry of judgment thereon, payable on demand, at a rate per annum equal to (i) in the case of principal due in respect of any Loan prior to the end of an Interest Period applicable thereto, the rate otherwise applicable to such Loan, plus 2%, and (ii) in the case of any other amount, (x) if such amount is payable in U.S. Dollars, the Alternate Base Rate from time to time in effect, plus the Applicable Margin (but not less than 0) for ABR Loans, plus 2%, (y) if such amount is payable in Euros, the Overnight Rate from time to time in effect, plus 2%, and (z) if such amount is payable in a currency other than U.S. Dollars and Euros, the Overnight Rate from time to time in effect, plus the Applicable Margin for LIBOR Loans under the applicable Facility from time to time in effect, plus 2%.

(d) Anything herein to the contrary notwithstanding, the obligations of each Applicable Borrower to any Lender hereunder shall be subject to the limitation that payments of interest shall not be required for any period for which interest is computed hereunder, to the extent (but only to the extent) that contracting for or receiving such payment by such Lender would be contrary to the provisions of any law applicable to such Lender limiting the highest rate of interest that may be lawfully contracted for, charged or received by such Lender, and in such event the Applicable Borrower shall pay such Lender interest at the highest rate permitted by applicable law.

2.11. Fees. In addition to certain fees described in Section 3.8:

(a) Arrangement Fees; Agency Fees. U.S. Borrower shall pay fees to the Lead Arranger as required by the letter agreement between Merrill Lynch Capital Corporation and U.S. Borrower dated January 24, 2001 (the "Fee Letter"). U.S. Borrower shall pay fees to the Paying Agent for the Paying Agent's own account as required by the letter agreement between the Paying Agent and U.S. Borrower dated February 27, 2001 (the "Administrative Fee Letter"). All fees paid under the Fee Letter and the Administrative Fee Letter shall be paid solely in U.S. Dollars.

(b) Commitment Fees. The Borrowers shall pay to the Paying Agent for the account of each Revolving Lender a facility fee computed at a rate per annum equal to the Applicable Commitment Fee Percentage (the "Commitment Fee") on the average daily amount of such Lender's unused Revolving Commitment, computed on a quarterly basis in arrears on the last Business Day of each calendar quarter. Such Commitment Fee shall accrue from the Effective Date to the earlier of the Termination Date and the date on which the Revolving Commitments have been terminated in full and shall be due and payable quarterly in arrears on the last Business Day of each fiscal quarter (commencing April 30, 2001) through the Termination Date or such earlier date as the Revolving Commitments have been terminated in full. The Commitment Fee shall be paid solely in U.S. Dollars.

2.12. Computation of Fees, Interest and Dollar Equivalent Amount. (a) All computations of the Commitment Fee shall be made on the basis of a year of 360 days and actual

days elapsed. All other computations of interest and fees shall be made on the basis of a 360-day year and actual days elapsed, except that interest on ABR Loans shall be made on the basis of a 365 or 366-day year, as the case may be, and the actual number of days elapsed. Interest and fees shall accrue during each period during which interest or such fees are computed from the first day thereof to the last day thereof. If a Loan is repaid on the day on which it is made, one day's interest shall accrue at the rate per annum applicable thereto as determined in accordance with Section 2.10 shall be paid.

(b) Each determination of an interest rate or a Dollar Equivalent amount by the Paying Agent shall be conclusive and binding on each Applicable Borrower and the Lenders in the absence of manifest error. The Paying Agent will, at the request of the Applicable Borrower or any Lender, deliver to the Borrowers or such Lender, as the case may be, a statement showing the calculations used by the Paying Agent in determining any interest rate or Dollar Equivalent amount.

2.13. Payments by Each Applicable Borrower. (a) All payments to be made by each Applicable Borrower shall be made without set-off, recoupment or counterclaim. Except as otherwise expressly provided herein, all payments by each Applicable Borrower shall be made to the Paying Agent for the account of the Lenders or at the Agent's Payment Office. Except as otherwise expressly provided herein, all payments by each Applicable Borrower (i) with respect to principal of, interest on, and any other amount relating to any Offshore Currency Loan, shall be made in the Offshore Currency in which such Loan is denominated or payable, and (ii) with respect to all other amounts payable hereunder, shall be made in U.S. Dollars. Such payments shall be made in Same Day Funds and (x) in the case of Offshore Currency payments, no later than such time on the dates specified herein as may be determined by the Paying Agent (and advised in writing to each Applicable Borrower) to be necessary for such payment to be credited on such date in accordance with normal banking procedures in the place of payment, and (y) in the case of any U.S. Dollar payments, no later than 11:00 a.m. (New York City time) on the date specified herein. The Paying Agent will promptly distribute to each Lender its Pro Rata Share of such payment received by it for the account of the Lenders in like funds as received. Any payment received by the Paying Agent later than the time specified in clause (x) or (y) above, as applicable, shall be deemed to have been received on the following Business Day, and any applicable interest or fee shall continue to accrue.

(b) Whenever any payment is due on a day other than a Business Day, such payment shall be made on the following Business Day, and such extension of time shall be included in the computation of interest or fees, as the case may be.

(c) Unless the Paying Agent receives notice from an Applicable Borrower prior to the date on which any payment is due to the Lenders that such Applicable Borrower will not make such payment in full as and when required, the Paying Agent may assume that such Applicable Borrower has made such payment in full to the Paying Agent on such date in Same Day Funds, and the Paying Agent may (but shall not be required to), in reliance upon such assumption, distribute to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent an Applicable Borrower has not made such payment in full to the Paying Agent, each Lender shall repay to the Paying Agent on demand such amount distributed to such Lender, together with interest thereon at (i) in the case of a payment in an Offshore Currency, the Overnight Rate, or (ii) in the case of a payment in U.S. Dollars, the U.S. Federal Funds Rate, in each case for each day from the date such amount is distributed to such Lender until the date repaid.

2.14. Payments by the Lenders to the Paying Agent. (a) Unless the Paying Agent receives notice from a Lender on or prior to the Closing Date or, with respect to any Borrowing after the Closing Date, at least one Business Day prior to the date of such Borrowing, that such Lender will not make available as and when required hereunder to the Paying Agent for the account of the Applicable Borrower the amount of that Lender's Pro Rata Share of the Borrowing, the Paying Agent

may assume that such Lender has made such amount available to the Paying Agent in Same Day Funds on the Borrowing Date, and the Paying Agent may (but shall not be required to), in reliance upon such assumption, make available to the Applicable Borrower on such date a corresponding amount. If and to the extent any Lender shall not have made its full amount available to the Paying Agent in Same Day Funds and the Paying Agent in such circumstances has made available to the Applicable Borrower such amount, such Lender shall on the Business Day following such Borrowing Date make such amount available to the Paying Agent, together with interest at (i) in the case of a payment in an Offshore Currency, the Overnight Rate, and (ii) in the case of a payment in U.S. Dollars, at the U.S. Federal Funds Rate, in each case for each day during such period. A notice of the Paying Agent submitted to any Lender with respect to amounts owing under this subsection (a) shall be conclusive, absent manifest error. If such amount is so made available, such payment to the Paying Agent shall constitute such Lender's Loan on the date of Borrowing for all purposes of this Agreement. If such amount is not made available to the Paying Agent on the Business Day following the Borrowing Date, the Paying Agent will notify the Applicable Borrower of such failure to fund and, upon demand by the Paying Agent, the Applicable Borrower shall pay such amount to the Paying Agent for the Paying Agent's account, together with interest thereon for each day elapsed since the date of such Borrowing at a rate per annum equal to the interest rate applicable at the time to the Loans comprising such Borrowing.

(b) The failure of any Lender to make any Loan on any Borrowing Date shall not relieve any other Lender of its obligation hereunder (if any) to make a Loan on such Borrowing Date, but no Lender shall be responsible for the failure of any other Lender to make the Loan to be made by such other Lender on any Borrowing Date.

2.15. Adjustments. If any Lender (a "Benefitted Lender") shall at any time receive any payment of all or part of the Obligations then due and owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in subsection 9.1(f) or (g), or otherwise (except pursuant to Article IV)), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the Obligations then due and owing to such other Lender, such Benefitted Lender shall purchase for cash from the other Lenders an interest (by participation or assignment (each in accordance with Section 11.8) in such portion of each such other Lender's Obligations owing to it, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral or proceeds ratably (based upon Dollar Equivalent amounts) with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. Each Borrower expressly consents to the foregoing arrangement and agrees that any holder of a participation in any such Loan or L/C Obligation, as the case may be, so purchased and any other subsequent holder of a participation in any Loan or L/C Obligation otherwise acquired may exercise any and all rights of set-off (in all events subject to Section 11.10) with respect to any and all monies owing by such Borrower to that holder as fully as if that holder were a holder of such a Loan or L/C Obligation in the amount of the participation held by that holder.

2.16. Swing Line Commitment. Subject to the terms and conditions of this Agreement, the Swing Line Lender agrees to make loans to the Borrowers on a revolving basis (each such loan, a "Swing Line Loan") from time to time on any Business Day during the period from the Closing Date to the Termination Date in an aggregate principal amount at any one time outstanding not to exceed U.S. $30,000,000; provided, however, that the sum of the amount of the aggregate principal amount of all outstanding Swing Line Loans, plus the aggregate principal Dollar Equivalent amount of all other outstanding Revolving Loans, plus (without duplication) the Effective Amount of all L/C Obligations shall not at any time exceed the

Revolving Commitments of all Revolving Lenders. All Swing Line Loans shall be made and maintained as ABR Loans.

2.17. Borrowing Procedures for Swing Line Loans. The Borrower requesting a Swing Line Loan shall give written or telephonic notice to the Swing Line Lender of each proposed Borrowing pursuant to this Section 2.17 not later than 11:00 a.m. (local time) on the proposed Borrowing Date (promptly followed within one Business Day by delivery of a written notice). Each such notice shall be effective upon receipt by the Swing Line Lender and shall specify the Borrowing Date and amount of Borrowing. Unless the Swing Line Lender has received written notice prior to 1:00 p.m. (N.Y. time) on the proposed Borrowing Date from the Paying Agent or any Lender (or otherwise has knowledge) that one or more of the conditions precedent set forth in Article V with respect to such Borrowing is not then satisfied, the Swing Line Lender shall pay over the requested amount to the Borrower on the requested Borrowing Date. Each Swing Line Loan shall be made on a Business Day and shall be in the amount of U.S. $500,000 and an integral multiple of U.S. $250,000.

2.18. Refunding of Swing Line Loans. The Swing Line Lender may, at any time in its sole and absolute discretion, on behalf of the Applicable Borrower, with respect to any Swing Line Loan (and each Borrower hereby irrevocably directs the Swing Line Lender to act on its behalf), request each Revolving Lender to make a Revolving Loan to the Applicable Borrower in U.S. Dollars in an amount equal to such Revolving Lender's Pro Rata Share of the principal amount of the Swing Line Loans outstanding on the date such notice is given. Unless any of the events described in subsection 9.1(f) or (g) shall have occurred (in which event the procedures of Section 2.19 shall apply), and regardless of whether the conditions precedent set forth in this Agreement to the making of a Revolving Loan are then satisfied or the aggregate amount of such Revolving Loans is not in the minimum or integral amount otherwise required hereunder, each Revolving Lender shall make the proceeds of its Revolving Loan available to the Paying Agent for the account of the Swing Line Lender at the office of the Paying Agent in New York prior to 11:00 a.m. (New York City time) in Same Day Funds on the Business Day next succeeding the date such notice is given. The proceeds of such Revolving Loans shall be immediately applied to repay the outstanding Swing Line Loans of the Swing Line Lender. All Revolving Loans made pursuant to this Section 2.18 shall be LIBOR Loans with an Interest Period of one month (but, subject to the other provisions of this Agreement, may be continued as LIBOR Loans with a different Interest Period). No Revolving Lender need make any Loan under this Section 2.18 unless the Swing Line Loan has been made in accordance with subsection 2.16. Notwithstanding any other provision of this Agreement, if the Swing Line Lender shall have made Swing Line Loans such that the amount of Swing Line Loans made and outstanding is in excess of the Swing Line Commitment, no Lender shall have any obligation to make a Revolving Loan with respect to such excess.

2.19. Participations in Swing Line Loans.
(a) If an event described in subsection 9.1(f) or (g) occurs (or for any reason the Revolving Lenders may not make Revolving Loans pursuant to Section 2.18, other than as specified in the last sentence thereof), each Revolving Lender will, upon notice from the Paying Agent, purchase from the Swing Line Lender (and the Swing Line Lender will sell to each such Revolving Lender) an undivided participation interest in all outstanding Swing Line Loans in an amount equal to its Pro Rata Share of the outstanding principal amount of the Swing Line Loans of such Swing Line Lender (and each Revolving Lender will immediately transfer to the Paying Agent, for the account of the Applicable Swing Line Lender, in immediately available funds, the amount of its participation as if it were refunding such Swing Line Loans pursuant to Section 2.18).

(b) Whenever, at any time after the Swing Line Lender has received payment for any Revolving Lender's participation interest in the Swing Line Loans pursuant to subsection 2.19(a), the Swing Line Lender receives any payment on account thereof, such Swing Line Lender will distribute to the Paying Agent for the account of such Revolving Lender its participation interest in such amount (appropriately adjusted,

in the case of interest payments, to reflect the period of time during which such Revolving Lender's participation interest was outstanding and funded) in like funds as received; provided, however, that in the event that such payment received by the Swing Line Lender is required to be returned, such Revolving Lender will return to the Paying Agent for the account of the Swing Line Lender any portion thereof previously distributed by the Swing Line Lender to it in like funds as such payment is required to be returned by the Swing Line Lender.

(c) Notwithstanding any other provision of this Agreement, if the Swing Line Lender shall have made Swing Line Loans such that the amount of Swing Line Loans made and outstanding is in excess of the Swing Line Commitment, no Lender shall have any obligation to purchase any participation in the amount of such excess.

2.20. Swing Line Participation Obligations Unconditional. (a) Except as provided in Section 2.18 and Section 2.19, each Revolving Lender's obligation to make Revolving Loans pursuant to Section 2.18 and/or to purchase participation interests in Swing Line Loans pursuant to Section 2.19 shall be absolute and unconditional and shall not be affected by any circumstance whatsoever, including (i) any set-off, counterclaim, recoupment, defense or other right which such Revolving Lender may have against the Swing Line Lender, any Loan Party or any other Person for any reason whatsoever; (ii) the occurrence or continuance of an Event of Default; (iii) any adverse change in the condition (financial or otherwise) of any Loan Party or any other Person; (iv) any breach of this Agreement by any Loan Party or any other Revolving Lender; (v) any inability of any Borrower to satisfy the conditions precedent to borrowing set forth in this Agreement on the date upon which any Swing Line Loan is to be refunded or any participation interest therein is to be purchased; or (vi) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(b) Notwithstanding the provisions of subsection 2.20(a), no Revolving Lender shall be required to make any Revolving Loan to the Applicable Borrower to refund a Swing Line Loan pursuant to Section 2.18 or to purchase a participation interest in a Swing Line Loan pursuant to Section 2.19 if, prior to the making by the Swing Line Lender of such Swing Line Loan, the Swing Line Lender received written notice from such Revolving Lender specifying that such Revolving Lender believes in good faith that one or more of the conditions precedent to the making of such Swing Line Loan were not satisfied and, in fact, such conditions precedent were not satisfied at the time of the making of such Swing Line Loan; provided, however, that the obligation of such Revolving Lender to make such Revolving Loans and to purchase such participation interests shall be reinstated upon the earlier to occur of (i) the date on which such Revolving Lender notifies the Swing Line Lender that its prior notice has been withdrawn and (ii) the date on which all conditions precedent to the making of such Swing Line Loan have been satisfied (or waived by the Required Revolving Lenders, the Required Lenders or all Lenders, as applicable).

2.21. Conditions to Swing Line Loans. Notwithstanding any other provision of this Agreement, the Swing Line Lender shall not be obligated to make any Swing Line Loan if an Event of Default or Unmatured Event of Default exists or would result therefrom.

2.22. Substitution of Lenders in Certain Circumstances. In the event that (x) S&P or Moody's shall, after the date that any Person becomes a Lender, downgrade the long-term certificate of deposit ratings of such Lender, and the resulting ratings shall be below BBB- or Baa3, respectively, or the equivalent or (y) any Revolving Lender gives notice to the Paying Agent that it is unable to make, convert or continue any Offshore Currency Loan pursuant to subsection 2.5(b) or (c), then each Applicable Borrower or the Paying Agent shall each have the right, but not the obligation, upon notice to such Lender and the Paying Agent, to replace such Lender with a financial institution (a "Substitute Lender") acceptable to each Applicable Borrower and the Paying Agent (such consents not to be unreasonably withheld or delayed; provided, however, that no such consent shall be

required if the Substitute Lender is an existing Lender), and upon any such downgrading of any Lender's long-term certificate of deposit rating or the giving of such notice, each such Lender hereby agrees to transfer and assign (in accordance with and subject to the restrictions contained in Section 11.8) its Commitments, Loans, Notes and other rights and obligations under this Agreement and all other Credit Documents to such Substitute Lender; provided, however, that (i) such assignment shall be without recourse, representation or warranty (other than that such Lender owns the Commitments, Loans, and Notes being assigned, free and clear of any Liens) and (ii) the purchase price paid by the Substitute Lender shall be in the amount of such Lender's Loans and its Pro Rata Share of outstanding L/C Obligations, together with all accrued and unpaid interest and fees in respect thereof, plus all other amounts (other than the amounts (if any) demanded and unreimbursed under Sections 4.1, 4.3 and 4.4, which shall be paid by each Applicable Borrower) owing to such Lender hereunder. Upon any such termination or assignment, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of any provisions of this Agreement which by their terms survive the termination of this Agreement.

ARTICLE III

THE LETTERS OF CREDIT

3.1. The Letter of Credit Subfacility. (a) On the terms and conditions set forth herein, (i) the L/C Lender agrees, (A) from time to time on any Business Day during the period from the Closing Date to the Termination Date, to issue Letters of Credit (including irrevocable standby letters of credit) for the account of any Borrower (or, if a Letter of Credit is for the account of a Subsidiary, jointly for the account of the applicable Borrower and such Subsidiary) and to amend or renew Letters of Credit previously issued by it, in accordance with subsections 3.2(c) and 3.2(d), and (B) to honor properly drawn drafts under the Letters of Credit; and (ii) the Revolving Lenders severally agree to participate in Letters of Credit Issued for the accounts of the Borrowers (including any Letter of Credit issued jointly for the account of a Borrower and any Subsidiary); provided, however, that the L/C Lender shall not be obligated to Issue, and no Lender shall be obligated to participate in, any Letter of Credit if as of the date of Issuance of such Letter of Credit (the "Issuance Date") with respect to any Issuance for the account of any Borrower (or jointly for the account of a Borrower and a Subsidiary), (1) the Effective Amount of all L/C Obligations, plus (without duplication) the outstanding principal Dollar Equivalent amount of all Revolving Loans exceeds the combined Revolving Commitments of all Revolving Lenders, (2) the participation of such Revolving Lender in the Effective Amount of all L/C Obligations, plus (without duplication) the outstanding principal Dollar Equivalent amount of the Revolving Loans of such Revolving Lender, plus such Revolving Lender's Pro Rata Share of all outstanding Swing Line Loans exceeds such Revolving Lender's Revolving Commitment, or (3) the Effective Amount of all L/C Obligations exceeds the L/C Commitment. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrowers' ability to obtain Letters of Credit shall be fully revolving, and, accordingly, the Borrowers may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit which have expired or which have been drawn upon and reimbursed. Letters of Credit may be denominated in U.S. Dollars or Offshore Currencies.

(b) The L/C Lender is under no obligation to Issue any Letter of Credit if: (i) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Lender from Issuing such Letter of Credit, or any Requirement of Law applicable to the L/C Lender or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the L/C Lender shall prohibit, or request that the L/C Lender refrain from, the Issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the L/C Lender with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the L/C Lender is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the L/C Lender any unreimbursed loss, cost or expense which was not

applicable on the Closing Date and which the L/C Lender in good faith deems material to it; (ii) the L/C Lender has received written notice from any Lender, the Paying Agent or either Borrower, on or prior to the Business Day prior to the requested date of Issuance of such Letter of Credit, that one or more of the applicable conditions contained in Article V is not then satisfied; (iii) the expiry date of any requested Letter of Credit is (A) more than twelve months after the date of such Issuance for standby Letters of Credit or more than 180 days after the date of such issuance for commercial documentation Letters of Credit, unless the Required Revolving Lenders have approved such expiry date in writing; provided, however, that any standby Letter of Credit may be automatically extendible for periods of up to one year so long as no Event of Default or Unmatured Event of Default then exists and such Letter of Credit provides that the L/C Lender retains an option reasonably satisfactory to the L/C Lender, to terminate such Letter of Credit prior to each extension date, or (B) after the fifth Business Day prior to the Termination Date, unless all of the Revolving Lenders have approved such expiry date in writing; (iv) any requested Letter of Credit does not provide for drafts, or is not otherwise in form and substance reasonably acceptable to the L/C Lender, or the Issuance of a Letter of Credit shall violate any applicable policies of the L/C Lender; (v) such Letter of Credit is denominated in a currency other than U.S. Dollars or an Offshore Currency; or (vi) an Event of Default or Unmatured Event of Default has occurred and is continuing.

3.2. Issuance, Amendment and Renewal of Letters of Credit. (a) Each Letter of Credit (other than an Existing Letter of Credit) shall be Issued upon the irrevocable written request of the Applicable Borrower received by the L/C Lender (with a copy sent by the Applicable Borrower to the Paying Agent) at least three Business Days (or such shorter time as the L/C Lender may agree in a particular instance in its sole discretion) prior to the proposed date of Issuance. Each such request for Issuance of a Letter of Credit shall be by fac-simile, confirmed in an original writing, in the form of an L/C Application, and shall specify in form and detail reasonably satisfactory to the L/C Lender:

(i) the proposed date of Issuance of the Letter of Credit (which shall be a Business Day);

(ii) the face amount of the Letter of Credit and the Applicable Currency;

(iii) the expiry date of the Letter of Credit;

(iv) the name and address of the beneficiary thereof;

(v) the documents to be presented by the beneficiary of the Letter of Credit in case of any drawing thereunder;

(vi) the full text of any certificate to be presented by the beneficiary in case of any drawing thereunder;

(vii) the type of Letter of Credit; and

(viii) such other matters as the L/C Lender may reasonably require.

(b) At least two Business Days prior to the Issuance of any Letter of Credit, the L/C Lender will confirm with the Paying Agent (by telephone or in writing) that the Paying Agent has received a copy of the L/C Application or L/C Amendment Application from the Applicable Borrower and, if not, the L/C Lender will provide the Paying Agent with a copy thereof. Unless the L/C Lender has received, on or before the Business Day immediately preceding the date the L/C Lender is to Issue a requested Letter of Credit, (A) notice from the Paying Agent directing the L/C Lender not to Issue such Letter of Credit because such Issuance is not then permitted under subsection 3.1(a) as a result of the limitations set forth in clauses (1) through (3) thereof, or (B) a notice described in subsection 3.1(b)(ii), then, subject to the terms and conditions hereof, the L/C Lender shall, on the requested date, Issue a Letter of Credit for the account of the Applicable Borrower (or jointly for the account of the Applicable Borrower and the applicable Subsidiary) in accordance with the L/C Lender's usual and customary business practices.

(c) From time to time while a Letter of Credit is outstanding and prior to the Termination Date, the L/C Lender will, upon the written request of the Applicable Borrower received by the L/C Lender (with a copy sent by the Applicable Borrower to the Paying Agent) at least three days (or such shorter time as the L/C Lender may agree in a particular instance in its sole discretion) prior to the proposed date of amendment, amend any Letter of Credit Issued by it. Each such request for amendment of a Letter of Credit shall be made by facsimile, confirmed immediately in an original writing, made in the form of an L/C Amendment Application and shall specify in form and detail reasonably satisfactory to the L/C Lender: (i) the Letter of Credit to be amended; (ii) the proposed date of amendment of the Letter of Credit (which shall be a Business Day); (iii) the nature of the proposed amendment; and (iv) such other matters as the L/C Lender may reasonably require. The L/C Lender shall be under no obligation to, and shall not, amend any Letter of Credit if: (A) the L/C Lender would have no obligation at such time to Issue such Letter of Credit in its amended form under the terms of this Agreement; or (B) the beneficiary of any such Letter of Credit does not accept the proposed amendment to the Letter of Credit. The Paying Agent will promptly notify the Revolving Lenders of the receipt by it of any L/C Application or L/C Amendment Application.

(d) The L/C Lender and the Revolving Lenders agree that, while a standby Letter of Credit is outstanding and prior to the Termination Date, at the option of the Applicable Borrower and upon the written request of the Applicable Borrower received by the L/C Lender (with a copy sent by the Applicable Borrower to the Paying Agent) at least three Business Days (or such shorter time as the L/C Lender may agree in a particular instance in its sole discretion) prior to the proposed date of notification of renewal, the L/C Lender shall be entitled to authorize the automatic renewal of any Letter of Credit Issued by it. Each such request for renewal of a Letter of Credit shall be made by facsimile, confirmed in an original writing, in the form of an L/C Amendment Application, and shall specify in form and detail reasonably satisfactory to the L/C Lender: (i) the standby Letter of Credit to be renewed; (ii) the proposed date of notification of renewal of the Letter of Credit (which shall be a Business Day not more than 60 days prior to the expiry date of the Letter of Credit being re-newed); (iii) the revised expiry date of the Letter of Credit; and (iv) such other matters as the L/C Lender may reasonably require. The L/C Lender shall be under no obligation so to renew any Letter of Credit and shall not do so if: (A) the L/C Lender would have no obligation at such time to Issue or amend such Letter of Credit in its renewed form under the terms of this Agreement; or (B) the beneficiary of any such Letter of Credit does not accept the proposed renewal of the Letter of Credit. If any outstanding Letter of Credit shall provide that it shall be automatically renewed unless the beneficiary thereof receives notice from the L/C Lender that such Letter of Credit shall not be renewed, and if at the time of renewal the L/C Lender would be entitled to authorize the automatic renewal of such Letter of Credit in accordance with this subsection 3.2(d) upon the request of the Applicable Borrower but the L/C Lender shall not have received any L/C Amendment Application from the Applicable Borrower with respect to such renewal or other written direction by the Applicable Borrower with respect thereto, the L/C Lender shall nonetheless be permitted to allow such Letter of Credit to renew, and the Applicable Borrower and the Revolving Lenders hereby authorize such renewal, and, accordingly, the L/C Lender shall be deemed to have received an L/C Amendment Application from the Applicable Borrower requesting such renewal.

(e) The L/C Lender may, at its election (or as required by the Paying Agent at the direction of the Required Revolving Lenders), deliver any notices of termination or other communications to any Letter of Credit beneficiary or transferee, and take any other reasonable action, at any time and from time to time, in order to cause the expiry date of such Letter of Credit to be a date not later than the fifth Business Day prior to the Termination Date.

(f) This Agreement shall control in the event of any inconsistency between this Agreement and any L/C-Related Document (other than any Letter of Credit) or if any provision of any L/C Related Document is more restrictive or burdensome

than a comparable provision in this Agreement or to the extent it provides for a Lien on property or assets.

(g) The L/C Lender will also deliver to the Paying Agent, concurrently or promptly following its delivery of a Letter of Credit, or amendment to or renewal of a Letter of Credit, to an advising bank or a beneficiary, a true and complete copy of each such Letter of Credit or amendment to or renewal of a Letter of Credit.

3.3. Risk Participations, Drawings and Reimbursements. (a) Immediately upon the Issuance of each Letter of Credit, each Revolving Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the L/C Lender a participation in such Letter of Credit and each drawing thereunder in an amount equal to the product of (i) the Pro Rata Share of such Revolving Lender times (ii) the maximum amount available to be drawn under such Letter of Credit and the amount of such drawing, respectively.

(b) In the event of any request for a drawing under a Letter of Credit by the beneficiary or transferee thereof, the L/C Lender will promptly notify the Applicable Borrower (but the failure to so notify any Borrower shall not impair any rights of the Lenders or modify any obligation of the Borrowers). The Applicable Borrower shall reimburse the L/C Lender prior to 1:00 p.m. (New York City time), on each date that any amount is paid by the L/C Lender under any Letter of Credit issued for the account of such Borrower (each such date, an "Honor Date"), if such payment by the L/C Lender is made prior to 11:00 a.m. (New York City time) on the Honor Date or by 11:00 a.m. (New York City time) on the next Business Day after the Honor Date if such payment is made on or after 11:00 a.m. (New York City time) on the Honor Date, in each case in an amount equal to the amount so paid by the L/C Lender. In the event the Applicable Borrower fails to reimburse the L/C Lender for the full amount of any drawing under any Letter of Credit by 1:00 p.m. (New York City time) on the Honor Date, the L/C Lender will promptly notify the Paying Agent and the Paying Agent will promptly notify each Revolving Lender thereof. Thereupon the Applicable Borrower shall be deemed to have requested that Revolving Loans be made by the Revolving Lenders to be disbursed on the Honor Date under such Letter of Credit, subject to the amount of the unutilized portion of the Revolving Commitment and subject to the conditions set forth in subsections 5.3(b) and (c), which Loans shall be ABR Loans accruing interest at a rate per annum equal to the Alternate Base Rate, plus the Applicable Margin for ABR Loans which are Revolving Loans, in the case of a drawing in U.S. Dollars, or Loans accruing interest at a rate per annum equal to the Overnight Rate applicable to such Offshore Currency from time to time in effect, plus the Applicable Margin for LIBOR Loans which are Revolving Loans, in the case of a drawing in an Offshore Currency. Any notice given by the L/C Lender or the Paying Agent pursuant to this subsection 3.3(b) may be oral if immediately confirmed in writing (including by facsimile); provided, however, that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(c) Each Revolving Lender shall upon any notice pursuant to subsection 3.3(b) make available to the Paying Agent for the account of the L/C Lender an amount in U.S. Dollars or the Offshore Currency in which such Letter of Credit is denominated, as the case may be, and in Same Day Funds equal to its Pro Rata Share of the amount of the drawing, whereupon the participating Revolving Lenders shall (subject to sub-section 3.3(d)) each be deemed to have made a Revolving Loan to the Applicable Borrower in that amount accruing interest at a rate per annum equal to the Alternate Base Rate, plus the Applicable Margin for ABR Loans which are Revolving Loans (in the case of a drawing in U.S. Dollars), or the Overnight Rate applicable to such Offshore Currency from time to time in effect, plus the Applicable Margin for LIBOR Loans which are Revolving Loans (in the case of a drawing in an Offshore Currency). If any Revolving Lender so notified fails to make available to the Paying Agent for the account of the L/C Lender the amount of such Revolving Lender's Pro Rata Share of the amount of the drawing by no later than 1:00 p.m. (New York time) on the Honor Date, then interest shall accrue on such Revolving Lender's obligation to make such payment, from the

Honor Date to the date such Revolving Lender makes such payment, at a rate per annum equal to (i) in the case of a drawing in U.S. Dollars, the U.S. Federal Funds Rate in effect from time to time during such period and (ii) in the case of a drawing in an Offshore Currency, the Overnight Rate applicable to such Offshore Currency from time to time in effect. The Paying Agent will promptly give notice of the occurrence of the Honor Date, but failure of the Paying Agent to give any such notice on the Honor Date or in sufficient time to enable any Revolving Lender to effect such payment on such date shall not relieve such Revolving Lender from its obligations under this Section 3.3.

(d) With respect to any unreimbursed drawing that is not converted into Revolving Loans to the Applicable Borrower in whole or in part, because of such Borrower's failure to satisfy the conditions set forth in subsections 5.3(b) and (c) or for any other reason, such Borrower shall be deemed to have incurred from the L/C Lender an L/C Borrowing in the amount of such drawing, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at a rate per annum equal to (i) in the case of a drawing in U.S. Dollars, the Alternate Base Rate, plus 2% per annum, and (ii) in the case of a drawing in an Offshore Currency, the Overnight Rate applicable to such Offshore Currency from time to time in effect, plus 2% per annum, and each Revolving Lender's payment to the L/C Lender pursuant to subsection 3.3(c) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Revolving Lender in satisfaction of its participation obligation under this Section 3.3.

(e) Each Revolving Lender's obligation in accordance with this Agreement to make the Revolving Loans or L/C Advances, as contemplated by this Section 3.3, as a result of a drawing under a Letter of Credit, shall be absolute and unconditional and without recourse to the L/C Lender and shall not be affected by any circumstance, including (i) any set-off, counterclaim, recoupment, defense or other right which such Revolving Lender may have against the L/C Lender, the Applicable Borrower or any other Person for any reason whatsoever; (ii) the occurrence or continuance of an Event of Default, an Unmatured Event of Default or a Material Adverse Effect; or (iii) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing; provided, however, that each Revolving Lender's obligation to make Revolving Loans under this Section 3.3 is subject to the conditions set forth in Section 5.3.

3.4. Repayment of Participations. (a) Upon (and only upon) receipt by the Paying Agent for the account of the L/C Lender of Same Day Funds from the Applicable Borrower (i) in reimbursement of any payment made by the L/C Lender under the Letter of Credit with respect to which any Revolving Lender has paid the Paying Agent for the account of the L/C Lender for such Revolving Lender's participation in the Letter of Credit pursuant to Section 3.3 or (ii) in payment of interest thereon, the Paying Agent will pay to each Revolving Lender, in the same funds as those received by the Paying Agent for the account of the L/C Lender, the amount of such Revolving Lender's Pro Rata Share of such funds, and the L/C Lender shall receive the amount of the Pro Rata Share of such funds of any Revolving Lender that did not so pay the Paying Agent for the account of the L/C Lender.

(b) If the Paying Agent or the L/C Lender is required at any time to return to the Applicable Borrower, or to a trustee, receiver, liquidator or custodian, or any official in any Insolvency Proceeding, any portion of any payment made by such Borrower to the Paying Agent for the account of the L/C Lender pursuant to subsection 3.4(a) in reimbursement of a payment made under any Letter of Credit or interest or fee thereon, each Revolving Lender shall, on demand of the Paying Agent, forthwith return to the Paying Agent or the L/C Lender the amount of its Pro Rata Share of any amount so returned by the Paying Agent or the L/C Lender, plus interest thereon from the date such demand is made to the date such amount is returned by such Revolving Lender to the Paying Agent or the L/C Lender, at a rate per annum equal to the U.S. Federal Funds Rate in effect from time to time.

3.5. Role of the L/C Lender. (a) Each Revolving Lender and the Borrowers agree that, in paying any drawing under a Letter of Credit, the L/C Lender shall not have any responsibility to obtain any document (other than any sight draft and certificates or other documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document.

(b) None of the Co-Agents, any of their respective Affiliates or any of the respective correspondents, participants or assignees of the L/C Lender shall be liable to any Revolving Lender for: (i) any action taken or omitted in connection herewith at the request or with the approval of the Revolving Lenders (including the Required Revolving Lenders, as applicable); (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any L/C-Related Document.

(c) Each Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit issued for its account; provided, however, that this assumption is not intended to, and shall not, preclude a Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the Co-Agents, any of their respective Affiliates or any of the respective correspondents, participants or assignees of the L/C Lender shall be liable or responsible for any of the matters described in clauses (i) through (iv) of Section 3.6; provided, however, that, anything in such clauses to the contrary notwithstanding, a Borrower may have a claim against the L/C Lender, and the L/C Lender may be liable to such Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by such Borrower which such Borrower proves were caused directly by the L/C Lender's willful misconduct or gross negligence or the L/C Lender's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing: (i) the L/C Lender may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary; and (ii) the L/C Lender shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

3.6. Obligations Absolute. The obligations of the Borrowers under this Agreement and any L/C-Related Document to reimburse the L/C Lender for a drawing under a Letter of Credit, and to repay any L/C Borrowing and any drawing under a Letter of Credit converted into Loans, shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement and each such other L/C-Related Document under all circumstances, including the following: (i) any lack of validity or enforceability of this Agreement or any L/C-Related Document; (ii) the existence of any claim, set-off, defense or other right that a Borrower may have at any time against any beneficiary or any transferee of any Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Lender or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by the L/C-Related Documents or any unrelated transaction; (iii) any draft, demand, certificate or other document presented under any Letter or Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any Letter of Credit; or (iv) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, a Borrower or a guarantor; provided, however, that the Borrowers shall not be obligated to reimburse the L/C Lender for any wrongful payment made by the L/C Lender as a result of acts or

omissions constituting willful misconduct or gross negligence on the part of the L/C Lender.

3.7. Cash Collateral Pledge. If any Letter of Credit remains outstanding and partially or wholly undrawn as of the Termination Date, then the Borrowers shall immediately Cash Collateralize the L/C Obligations Issued for their respective accounts in an amount equal to the maximum amount then available to be drawn under all Letters of Credit.

3.8. Letter of Credit Fees. (a) The Applicable Borrower shall pay to the Paying Agent for the pro rata account of each of the Revolving Lenders a letter of credit fee at a rate per annum equal to the then Applicable Margin for LIBOR Loans which are Revolving Loans on an amount equal to the average daily maximum amount available to be drawn of the outstanding Letters of Credit from the date of Issuance thereof or, in the case of the Existing Letters of Credit, from the Effective Date (the "Computation Amount"), computed on a quarterly basis in arrears on the last Business Day of each fiscal quarter and on the Termination Date (or such later date on which all outstanding Letters of Credit have been terminated or have expired) based upon Letters of Credit outstanding for the applicable period as calculated by the Paying Agent.

(b) The Applicable Borrower shall pay to the Paying Agent, solely for the account of the L/C Lender, a letter of credit fronting fee for each Letter of Credit Issued by the L/C Lender of at least U.S. $100 or, if greater, at the rate per annum equal to 1/8% of the Computation Amount, computed on the last Business Day of each calendar quarter and on the Termination Date (or such later date on which all outstanding Letters of Credit have been terminated or have expired) based upon the Letters of Credit outstanding for the applicable period as calculated by the Paying Agent.

(c) The letter of credit fees payable under subsection 3.8(a) and the fronting fees payable under subsection 3.8(b) shall be due and payable quarterly in arrears on the last Business Day of each calendar quarter during which Letters of Credit are outstanding, commencing on the first such quarterly date to occur after the Closing Date, through the Termination Date (or such later date upon which all outstanding Letters of Credit Issued for the respective account of a Borrower have been terminated or have expired), with the final payment to be made on the Termination Date (or such later termination or expiration date). All fees payable under this Section 3.8 shall be calculated as of their due date based upon the Dollar Equivalent amount of the Computation Amount as of such date based upon the Spot Rate. All such fees shall be payable solely in U.S. Dollars.

(d) The Borrowers shall pay to the L/C Lender from time to time on demand the normal issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the L/C Lender relating to letters of credit as from time to time in effect.

3.9. Uniform Customs and Practice. The Uniform Customs and Practice for Documentary Credits as published by the International Chamber of Commerce most recently at the time of issuance of any Letter of Credit shall (unless otherwise expressly provided in such Letter of Credit) apply to such Letter of Credit.

3.10. Letters of Credit for the Account of Subsidiaries. Each Borrower and its applicable Subsidiaries shall be jointly and severally liable for any Letter of Credit which is issued jointly for the account of that Borrower and any of its Subsidiaries.

ARTICLE IV

NET PAYMENTS, YIELD PROTECTION AND ILLEGALITY

4.1. Net Payments. (a) Except as provided in subsection 4.1(b), all payments by any Loan Party to any Lender or any Co-Agent under this Agreement and any other Credit Document shall be made without setoff, counterclaim or other defense. Except as provided in Section 4.1(b), all such

payments shall be made free and clear of, and without deduction or withholding for, any Covered Taxes levied or imposed by any Governmental Authority with respect to such payments.

(b) If any Loan Party shall be required by law to deduct or withhold any Covered Taxes from or in respect of any sum payable hereunder to any Lender or any Co-Agent, then except as provided in subsection 4.1(g): (i) the sum payable shall be increased as necessary so that after making all such required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section) such Lender or such Co-Agent, as the case may be, receives an amount equal to the sum it would have received had no such deductions or withholdings been made; (ii) the Borrowers shall, and shall cause each other Loan Party to, make such deductions and withholdings; and (iii) the Borrowers shall, and shall cause each other Loan Party to, timely pay the full amount deducted or withheld to the relevant taxing authority or other authority in accordance with applicable law. If for any reason any Loan Party fails to make any payments required under the preceding sentence, then U.S. Borrower shall make such payments on behalf of such Loan Party. Within 30 days after the date of any payment by a Loan Party of Covered Taxes, such Loan Party shall furnish the Paying Agent the original or a certified copy of a receipt evidencing payment thereof, or other evidence of payment reasonably satisfactory to the Paying Agent.

(c) The Borrowers agree jointly and severally to, and shall cause each other Loan Party jointly and severally to, indemnify and hold harmless each Lender and each Co-Agent for, and upon written request of such Lender or Co-Agent shall promptly reimburse such Lender or Co-Agent for, (i) the full amount of Covered Taxes (including any Covered Taxes imposed by any jurisdiction on amounts payable under this Section 4.1) paid or payable by such Lender or such Co-Agent and any liability (including penalties, interest, additions to tax and expenses) arising therefrom or with respect thereto, whether or not such Covered Taxes were correctly or legally asserted, and (ii) any Taxes levied or imposed by any Governmental Authority on any additional amounts paid by any Loan Party under this Section 4.1 that are measured by such Lender's or such Co-Agent's net income or net profits by the jurisdiction (or any political subdivision thereof) under the laws of which such Lender or such Co-Agent, as the case may be, is or was organized or maintains (or maintained) a Lending Office.

(d) If any Loan Party is required to pay additional amounts to any Lender or any Co-Agent pursuant to this Section 4.1, then such Lender shall use (at the Loan Parties' expense) reasonable efforts (consistent with internal policy and legal and regulatory restrictions) to change the jurisdiction of its Lending Office or take other appropriate action so as to eliminate any obligation to make such additional payment by such Loan Party which may thereafter accrue, if such change or other action in the sole judgment of such Lender is not otherwise disadvantageous or burdensome to such Lender.

(e) (i) Each Lender or Co-Agent which is not a United States person (as such term is defined in Section 7701(a) of the Code) agrees that:

(A) it shall, no later than the Closing Date (or, in the case of a Lender which becomes a party hereto after the Closing Date, the date upon which such Lender becomes a party hereto) deliver to the Paying Agent and to the Borrowers through the Paying Agent (x) two accurate and complete signed originals of IRS Form W-8ECI or any successor thereto ("Form W-8ECI"), or two accurate and com-plete signed originals of IRS Form W-8BEN or any successor thereto ("Form W-8BEN"), as appropriate, or (y) if such Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code and cannot deliver either Form W-8BEN or Form W-8ECI pursuant to clause (x) above, a certificate substantially in the form of Exhibit K (any such certificate, a "Non-Bank Certificate") and, in the case of either (x) or (y), two accurate and complete original signed copies of IRS Form W-8 or any successor thereto ("Form W-8");

(B) from time to time after the Effective Date, when

a lapse in time or change in circumstances renders the previous certification obsolete or inaccurate in any material respect, it will deliver to the Paying Agent and U.S. Borrower through the Paying Agent, two new accurate and complete original signed copies of Form W-8BEN, Form W-8ECI, Form W-8 or Non-Bank Certificate, as applicable in replacement for, or in addition to, the forms previously delivered by it hereunder.

(ii) Each Lender or Co-Agent that is incorporated or organized under the laws of the United States of America or a state thereof shall provide two properly completed and duly executed copies of Form W-9, or successor applicable form, at the times specified for delivery of forms under paragraph (e)(i) of this subsection.

(iii) Each Form W-8BEN or W-8ECI delivered by a Lender or Co-Agent pursuant to this subsection (e) shall certify, unless unable to do so by virtue of a Change in Law occurring after the date such Lender or Co-Agent becomes a party hereto, that such Lender or Co-Agent is entitled to receive payments under this Agreement without deduction or withholding of U.S. federal income taxes and each Form W-9 shall certify, unless unable to do so by virtue of a Change in Law occurring after the Effective Date, that such Lender or Co-Agent is entitled to an exemption from U.S. backup withholding.

(iv) Notwithstanding the foregoing provisions of this subsection (e) or any other provision of this Section 4.1, no Lender or Co-Agent shall be required to deliver any form pursuant to this Section 4.1 if such Lender or Co-Agent is not legally able to do so by virtue of a Change in Law occurring after the Effective Date.

(v) Each Lender or Co-Agent shall, promptly upon a Loan Party's or the Paying Agent's reasonable request to that effect, at its expense, deliver to such Loan Party or the Paying Agent (as the case may be) such other forms or similar documentation or other information as may reasonably be required from time to time by any applicable law, treaty, rule or regulation of any Governmental Authority in order to establish such Lender's or Co-Agent's tax status for withholding purposes.

(f) No Loan Party will be required to pay any additional amount in respect of Taxes pursuant to this Section 4.1 to any Lender or to any Co-Agent with respect to any Lender if the obligation to pay such additional amount would not have arisen but for a failure by such Lender or Co-Agent to comply with its obligations under subsection 4.1(e) (other than by reason of a Change in Law occurring after the Effective Date or the date upon which such Lender became a party hereto, if later).

(g) In addition, the Borrowers jointly and severally agree to pay, and will cause each other Loan Party jointly and severally to agree to pay, any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies (including, without limitation, interest, penalties, additions to tax and expenses) which arise from any payment made hereunder or from the execution, delivery, filing, recordation or registration of, or otherwise with respect to, this Agreement or any other Credit document (hereinafter referred to as "Other Taxes").

4.2. Illegality. (a) If any Lender determines that any Change in Law has made it unlawful, or that any central bank or other Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make or maintain LIBOR Loans in any Applicable Currency, then, on notice thereof by the Lender to the Applicable Borrower through the Paying Agent any obligation of such Lender to make, convert or continue LIBOR Loans in such Applicable Currency, as the case may be, shall be suspended until such Lender notifies the Paying Agent and the Applicable Borrower that the circumstances giving rise to such determination no longer exist and until such time such Lender's commitment shall be only to make an ABR Loan, when a LIBOR Loan is requested in such Applicable Currency.

(b) If a Lender determines that it is unlawful to

maintain any LIBOR Loan in any Applicable Currency, (x) with respect to any such LIBOR Loan that is an Offshore U.S. Dollar Loan, such Loan shall be automatically converted to an ABR Loan either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such LIBOR Loan to such day, or immediately if not, and (y) with respect to any other LIBOR Loan, the Applicable Borrower shall, upon their receipt of notice of such fact and demand from such Lender (with a copy to the Paying Agent), prepay in full such LIBOR Loans, as applicable, of such Lender then outstanding in such Applicable Currency, together with interest accrued thereon and amounts required under Section 4.4, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such LIBOR Loan to such day, or immediately, if not.

(c) Before giving any notice to the Paying Agent under this Section, the affected Lender shall designate a different Lending Office with respect to its LIBOR Loans or take other appropriate action if such designation or other action will avoid the need for giving notice and will not, in the judgment of such Lender, be illegal or otherwise disadvantageous to such Lender.

4.3. Increased Costs and Reduction of Return.
(a) If any Lender determines that, due to either (i) the introduction of or any change in or in the interpretation of any law or regulation or (ii) the compliance by such Lender with any guideline or request from any central bank or other Governmental Authority (whether or not having the force of law), in either case after the Closing Date, there shall be any increase in the cost to such Lender of agreeing to make or making, funding or maintaining any LIBOR Loan or participating in Letters of Credit, or, in the case of the L/C Lender, any increase in the cost to the L/C Lender of agreeing to Issue, Issuing or maintaining any Letter of Credit or of agreeing to make or making, funding or maintaining any unpaid drawing under any Letter of Credit, then each Applicable Borrower shall be liable for, and shall from time to time, within 15 Business Days of demand (which demand shall contain a reasonably detailed calculation of any relevant costs and shall be conclusive and binding in the absence of manifest error, and a copy thereof shall be sent to the Paying Agent), pay to the Paying Agent for the account of such Lender, additional amounts as are sufficient to compensate such Lender for such increased costs.

(b) If any Lender shall have determined that (i) the introduction of any Capital Adequacy Regulation, (ii) any change in any Capital Adequacy Regulation, (iii) any change in the interpretation or administration of any Capital Adequacy Regulation by any central bank or other Governmental Authority charged with the interpretation or administration thereof, or (iv) compliance by such Lender (or its Lending Office) or any corporation controlling such Lender with any Capital Adequacy Regulation, in each case after the date of this Agreement, affects or would affect the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender and (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) determines that the amount of such capital is increased as a consequence of its Commitment, Loans, credits or obligations under this Agreement, then, within 15 Business Days of demand of such Lender to the Applicable Borrower through the Paying Agent, each Applicable Borrower shall pay to such Lender, from time to time as specified by such Lender, additional amounts reasonably sufficient to compensate such Lender for such increase. A statement of such Lender as to any such additional amount or amounts (including calculations thereof in reasonable detail), in the absence of manifest error, shall be conclusive and binding on each Applicable Borrower. In determining such amount or amounts, such Lender may use any method of averaging and attribution that it (in its sole and absolute discretion) shall deem applicable and that is not materially less favorable to each Applicable Borrower than to any of its other customers.

(c) Nothing in this Section 4.3 shall obligate any Loan Party to make any payments with respect to Taxes of any sort, indemnification for which is governed by Section 4.1.

4.4. Funding Losses. Each Applicable Borrower shall, within 15 Business Days of receipt of written notice thereof, reimburse each Lender and hold each Lender harmless from any loss or expense which such Lender may sustain or incur as a consequence of: (a) the failure of such Applicable Borrower to make on a timely basis any payment of principal of any LIBOR Loan; (b) the failure (including by reason of Section 4.5) of such Applicable Borrower to borrow, continue or convert a LIBOR Loan after such Applicable Borrower has given (or is deemed to have given) a Notice of Borrowing or a Notice of Conversion/Continuation (other than any such failure arising as a result of a default by such Lender or the Paying Agent); (c) the failure of such Applicable Borrower to make any prepayment of any Loan in accordance with any notice delivered under Section 2.7; (d) the prepayment by such Applicable Borrower (including pursuant to Section 2.7 or 2.8) or other payment (including after acceleration thereof) the principal of any LIBOR Loan on a day that is not the last day of the relevant Interest Period; or (e) the conversion by such Applicable Borrower under Section 2.4 of any LIBOR Loan to an ABR Loan on a day that is not the last day of the relevant Interest Period; including any such loss or expense arising from the liquidation or reemployment of deposits or other funds obtained by it to make, continue or maintain the applicable Loans or from fees payable to terminate the deposits from which such funds were obtained. Such written notice (which shall include calculations in reasonable detail) shall, in the absence of manifest error, be conclusive and binding on each Applicable Borrower. For purposes of calculating amounts payable by each Applicable Borrower to any Lender under this Section and under subsection 4.3(a), each LIBOR Loan made by a Lender (and each related reserve, special deposit or similar requirement) shall be conclusively deemed to have been funded at the LIBOR Rate used in determining the interest rate for such LIBOR Loan by a matching deposit or other borrowing in the interbank eurocurrency market for a comparable amount and for a comparable period and in the same Applicable Currency, whether or not such LIBOR Loan is in fact so funded.

4.5. Inability To Determine Rates. (a) If the Required Revolving Lenders or Lenders holding more than 50% of the Loans under the Dollar Term A Facility or Lenders holding more than 50% of the Loans under the Term B Facility determine that for any reason adequate and reasonable means do not exist for determining the LIBOR Rate for any requested Interest Period with respect to a proposed LIBOR Loan under the applicable Facility, the Paying Agent will promptly so notify the Applicable Borrower and each Lender under such Facility. Thereafter, the obligation of the Lenders under such Facility to make, convert or maintain LIBOR Loans in the Applicable Currency shall be suspended until the Paying Agent upon the instruction of the Required Revolving Lenders or Lenders holding more than 50% of the Loans under the Dollar Term A Facility or Lenders holding more than 50% of the Loans under the Term B Facility, as the case may be, revoke such notice in writing. Upon receipt of such notice, the Applicable Borrower may revoke any Notice of Borrowing or Notice of Conversion/Continuation then submitted by it. If the Applicable Borrower does not revoke (x) any such Notice of Borrowing for Revolving Loans or (y) any such Notice of Conversion/Continuation with respect solely to Offshore U.S. Dollar Loans, the Lenders shall make, convert or continue the applicable Loans, as proposed by such Applicable Borrower in the amount specified in the applicable notice submitted by such Applicable Borrower, but such Loans shall be made, converted or continued as ABR Loans instead of LIBOR Loans, and in the case of any Offshore Currency Loans under the Revolving Facility, the Borrowing shall be redenominated and thereby be made in an aggregate amount equal to the Dollar Equivalent amount of the originally requested Borrowing in the Offshore Currency. If the Applicable Borrower does not revoke any Notice of Conversion/Continuation with respect to any outstanding Revolving Loans that are Offshore Currency Loans which are the subject of any such continuation, such Offshore Currency Loans shall from the end of the current Interest Period therefor bear interest at a rate per annum equal to the Applicable Margin for LIBOR Loans which are Revolving Loans, plus the Overnight Rate for the Applicable Currency as in effect from time to time or such other rate as may be agreed to between the Applicable Borrower and the Required Revolving Lenders, and specified to the Paying Agent from time to time.

(b) If Lenders holding more than 50% of the Euro Term A Loans determine that for any reason adequate and reasonable means do not exist for determining the LIBOR Rate for any requested Interest Period with respect to Euro Term A Loans, the Paying Agent will promptly so notify the Applicable Borrower and each Lender under the Euro Term A Facility. Thereafter, until the Paying Agent upon the instruction of Lenders holding more than 50% of the Euro Term A Loans revokes such notice in writing, the Euro Term A Loans shall bear interest at a rate per annum equal to the Applicable Margin for LIBOR Loans which are Euro Term A Loans, plus the Overnight Rate for the Applicable Currency as in effect from time to time or such other rate as may be agreed to between the Applicable Borrower and Lenders holding more than 50% of the Euro Term A Loans and specified to the Paying Agent from time to time.

4.6. Reserves on LIBOR Loans. Each Applicable Borrower shall pay to each Lender, as long as such Lender shall be required under regulations of the FRB to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities") and, in respect of any Offshore Currency Loans, under any applicable regulations of the country in which the Offshore Currency of such Offshore Currency Loans circulates, additional costs on the unpaid principal amount of each LIBOR Loan and Offshore Currency Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as calculated by such Lender in good faith and using a method that is not materially less favorable to each Applicable Borrower than to any of its other customers, which calculation shall be set forth in reasonable detail and shall be conclusive), payable on each date on which interest is payable on such Loan, provided the Applicable Borrower shall have received at least 15 Business Days' prior written notice (with a copy to the Paying Agent) of the amount of such additional interest from such Lender. If a Lender fails to give notice 15 days prior to the relevant Interest Payment Date, such additional interest shall be payable 15 Business Days from receipt of such notice.

4.7. Certificates of Lenders. Any Lender claiming reimbursement or compensation under this Article IV shall deliver to each Applicable Borrower (with a copy to the Paying Agent) a certificate (a) setting forth in reasonable detail the circumstances giving rise to such claim and a computation of the amount payable to such Lender hereunder in respect thereof and (b) certifying that such Lender is making similar claims based on such circumstances to similarly-situated borrowers from such Lender. Any such certificate shall be conclusive and binding on each Applicable Borrower in the absence of manifest error.

4.8. Substitution of Lenders. Upon (x) the receipt by any Applicable Borrower or the Paying Agent from any Lender (an "Affected Lender") of a claim for compensation under Section 4.1 or 4.3 (or a Change in Law which could reasonably be determined to allow a Lender to make such a claim) or a notice of the type described in subsection 2.5(b), 2.5(c), 4.2(a) or 4.2(b), (y) any Lender providing notice to any Applicable Borrower that a representation contained in a Non-Bank Certificate is no longer true and correct or (z) the refusal of any Lender to consent to a proposed amendment, waiver or consent with respect to the Credit Documents which has been approved by the Required Lenders as provided in subsection 11.1(b), any Applicable Borrower may: (i) request the Affected Lender to use its best efforts to obtain a replacement bank or financial institution satisfactory to such Applicable Borrower to acquire and assume all or a ratable part of all of such Affected Lender's Loans, participation in L/C Obligations and Commitments (a "Replacement Lender"); (ii) request one or more of the other Lenders to acquire and assume all or part of such Affected Lender's Loans and Commit-ments; or (iii) designate a Replacement Lender. Any such designation of a Replacement Lender under clause (i) or (iii) shall be subject to the prior written consent of the Agents (which consent shall not be unreasonably withheld).

4.9. Right of Lenders To Fund Through Branches and Affiliates. Each Lender may, if it so elects, fulfill its commitment as to any Loan hereunder by designating a branch or

Affiliate of such Lender to make such Loan; provided, however, that (a) such Lender shall remain solely responsible for the performances of its obligations hereunder, (b) no such designation shall result in any material increased costs to any Applicable Borrower and (c) such branch or Affiliate complies with all form delivery and other requirements hereunder (including pursuant to Section 4.1) as if it were a Lender.

ARTICLE V

CONDITIONS PRECEDENT

5.1. Conditions to Effectiveness. The effectiveness of this Agreement is subject to the satisfaction of the following conditions precedent (the date of the satisfaction (or waiver) of each condition in this Section 5.1, the "Effective Date"):

Documentation and Evidence of Certain Matters. The Lead Arranger shall have received the following documents, each duly executed and notarized where appropriate (with one conformed copy for each Lender), each of which shall be reasonably satisfactory in form and substance to the Lead Arranger:

(i) Corporate Documents. Certified true and complete copies of the charter and by-laws and all amendments thereto (or equivalent documents) of each Loan Party and all corporate authority for each Loan Party (including board of director resolutions and evidence of the incumbency, including specimen signatures, of officers) with respect to the execution, delivery and performance of each of the Credit Documents to which such Loan Party is intended to be a party and each other document to be delivered by such Loan Party from time to time in connection herewith and the extensions of credit hereunder and the consummation of the Transactions, certified as of the Effective Date as complete and correct copies thereof by the Secretary or an Assistant Secretary of such Loan Party.

(ii) The Credit Agreement. This Agreement (i) executed and delivered by a duly authorized officer of each Loan Party party hereto, and (ii) executed and delivered by a duly authorized officer of each Lender, the Lead Arranger and each other Co-Agent.

(iii) Van Leer Acquisition Agreement. Executed copies of the Van Leer Acquisition Agreement and all amendments, exhibits, appendices, annexes and schedules to any thereof, each certified by a senior officer of U.S. Borrower as true, complete and correct copies thereof.

5.2. Conditions to Initial Credit Extension. The obligation of the Lenders to make the initial Credit Extension hereunder is subject to the satisfaction of the conditions precedent that the Effective Date shall have occurred (or shall occur simultaneously therewith) and to the satisfaction of the additional following conditions precedent on or prior to March 15, 2001 (the date of the satisfaction (or waiver) of each condition to the initial Credit Extension in this Section 5.2, the "Closing Date").

(a) Documentation and Evidence of Certain Matters. The Lead Arranger shall have received the following documents, each duly executed and notarized where appropriate (with sufficient conformed copies for each Lender), each of which shall be reasonably satisfactory in form and substance to the Lead Arranger:

(i) Officers' Certificate. An Officers' Certificate of each Borrower, dated the Closing Date, (A) to the effect set forth in clauses (b) and (c) of Section 5.3, (B) to the effect that all conditions precedent to the making of such initial Credit Extension have been satisfied or waived and (C) stating that (I) all requisite material

Governmental Authorities and material third parties have approved or consented to the Transactions and the other transactions contemplated hereby to the extent required (without the imposition of any materially burdensome or materially adverse conditions or requirements in the judgment of the Lead Arranger), (II) all such approvals are in full force and effect and (III) there is no Proceeding, actual or threatened, that has or would have a reasonable likelihood of restraining, preventing or imposing materially burdensome conditions on any of the Transactions or the other transactions contemplated hereby. The Lead Arranger shall have received copies (certified by U.S. Borrower as true and correct) of any such approvals or consents so obtained.

(ii) Opinion of Ohio Counsel. Opinion of Baker & Hostetler LLP, Ohio counsel to the Loan Parties.

(iii) Opinion of New York Counsel. Opinion of Debevoise & Plimpton, New York counsel to the Loan Parties.

(iv) Opinions of Counsel. Opinions of each foreign local counsel to the Companies listed on Schedule 5.2(a)(iv) and each domestic local counsel to the Companies listed on Schedule 5.2(a)(iv).

(v) Notes. The Notes, duly completed and executed for each Lender that has requested Notes prior to the Closing Date.

(vi) U.S. Borrower Guarantee and Security Agreement; Domestic Guarantee and Security Agreement; Foreign Guarantees; Foreign Security Agreements; Soterra Guarantee. The U.S. Borrower Guarantee and Security Agreement, the Domestic Guarantee and Security Agreement from each Domestic Guarantor listed on Schedule 5.2(a)(vi), a Foreign Guarantee from each Foreign Guarantor listed on Schedule 5.2(a)(vi), a Foreign Security Agreement from each Foreign Guarantor listed on Schedule 5.2(a)(vi), the Soterra Guarantee and such other pledge agreements required under applicable local or foreign law in the judgment of counsel to the Lead Arranger (each of which shall be in full force and effect), together with (A) the certificates evidencing the Pledged Securities and the Equity Interests pledged under such Security Documents, and (B) undated stock powers, instruments of transfer or assignment or issuer acknowledgments executed in blank, if applicable.

(vii) Intercompany Loans; Intercompany Security Documents. The Intercompany Notes from each Company listed on Schedule 5.2(a)(vii) (together with instruments of transfer or assignment executed in blank), an Intercompany Guarantee from each Company listed on Schedule 5.2(a)(vii), an Intercompany Security Agreement from each Company listed on Schedule 5.2(a)(vii), and such other pledge agreements required under local or foreign law in the judgment of counsel to the Lead Arranger and requested reasonably in advance of the Closing Date (each of which shall be in full force and effect), together with (A) the certificates identified under the name of such Companies in the Intercompany Security Agreements, and (B) undated stock powers, instruments of assignment or issuer acknowledgments executed in blank, if applicable.

(viii) Solvency Certificate. A certificate from the chief financial officer of U.S. Borrower in form and substance reasonably satisfactory to the Lead Arranger with respect to the Solvency (on a consolidated basis) of each Loan Party immediately after the consummation of the Transactions to occur on the Closing Date.

(ix) Insurance. Evidence of insurance complying

with the requirements of Section 7.5 and the Security Documents and certificates naming the Paying Agent as an additional insured and/or loss payee, and stating that such insurance shall not be canceled or revised without 30 days' prior written notice by the insurer to the Paying Agent.

(b) Financial Statements. The Lead Arranger shall have received (i) audited financial statements of Van Leer that are reasonably acceptable to the Lead Arranger for each of the fiscal years 1999, 1998 and 1997 (other than audited balance sheets for fiscal years 1997 and 1998), (ii) unaudited financial statements of Van Leer for the fiscal year ended December 31, 2000, and (iii) a letter from the certified public accountants of Van Leer with respect to an interim review dated December 31, 2000, in each case that are reasonably acceptable to the Lead Arranger.

(c) Van Leer Acquisition Agreement in Full Force and Effect; Filings. The Van Leer Acquisition Agreement shall be in full force and effect. The Lead Arranger shall have received copies, certified by U.S. Borrower, of all filings made with any Governmental Authority in connection with the Transactions.

(d) Compliance with Law. The Transactions and the financing therefor shall be in compliance with all laws and regulations or the Lead Arranger shall have determined such to be inapplicable to the Transactions.

(e) Consummation of Van Leer Acquisition. Simultaneously with the making of the initial Credit Extension, the Van Leer Acquisition shall have been consummated in all material respects in accordance with the terms of the Van Leer Acquisition Agreement (without the waiver or amendment of any material condition unless consented to by the Lead Arranger and the Required Lenders). Each of the parties thereto shall have complied in all material respects with all covenants set forth in the Van Leer Acquisition Agreement to be complied with by it on or prior to the Closing Date (without the waiver or amendment of any of the material terms thereof unless consented to by the Lead Arranger and the Required Lenders).

(f) Intercompany Loans. The Borrowers shall simultaneously with the Closing Date make the Intercompany Loans listed on Schedule 5.2(a)(vii).

(g) Refinancing. Simultaneously with the making of the initial Credit Extension, U.S. Borrower shall have effected the Refinancing on terms and conditions and pursuant to documentation reasonably satisfactory to the Lead Arranger. After giving effect to the Transactions, U.S. Borrower and its subsidiaries shall have outstanding no Indebtedness or preferred stock (or direct or indirect guarantee or other credit support in respect thereof) other than the Loans and the Indebtedness set forth on Schedule 6.16, which shall not exceed the Dollar Equivalent amount of U.S. $50,000,000. All Liens in respect of the Refinanced Indebtedness shall have been released, and the Lead Arranger shall have received evidence thereof reasonably satisfactory to the Lead Arranger and a "pay-off" letter or letters reasonably satisfactory to the Lead Arranger with respect to the Refinanced Indebtedness.

(h) No Conflicting Law or Regulation. No law or regulation shall be applicable in the judgment of the Lead Arranger that restrains, prevents or imposes material adverse conditions upon the Transactions or the financing thereof, including the Credit Facilities.

(i) No Material Adverse Change. There shall not have occurred or become known any Material Adverse Change of U.S. Borrower (after giving effect to the Transactions) since October 31, 2000.

(j) Minimum EBITDA; Minimum Ratio of Consolidated Indebtedness to EBITDA. The Lead Arranger shall have

received reasonably satisfactory evidence (including satisfactory supporting schedules and other data) that (i) pro forma EBITDA of the Companies calculated in accordance with GAAP in a manner reasonably acceptable to the Lead Arranger after giving effect to the Transactions and to cash dividends received from CorrChoice for the trailing four fiscal quarters ended immediately prior to the Closing Date was not less than U.S. $230,000,000, and (ii) the pro forma Total Leverage Ratio after giving effect to the Transactions for the trailing four fiscal quarters ended immediately prior to the Closing Date was not greater than 3.3:1.0.

(k) Approvals. All requisite Governmental Authorities and third parties shall have approved or consented to the Transactions and the other transactions contemplated hereby to the extent required (without the imposition of any materially burdensome condition or qualification in the judgment of the Lead Arranger), and all such approvals shall be in full force and effect, all applicable waiting periods shall have expired and there shall be no governmental or judicial action, actual or threatened, that has or would, individually or in the aggregate, reasonably be expected to have a reasonable likelihood of restraining, preventing or imposing materially burdensome or materially adverse conditions on any of the Transactions or the other transactions contemplated hereby. The Lead Arranger shall have received copies (certified by U.S. Borrower as true and correct) of any such approvals or consents so obtained.

(l) Domestic Filings; Lien Searches; Perfection Certificate. The Domestic Loan Parties shall have authorized, executed and delivered each of the following:

(i) UCC Financing Statements or comparable documents in appropriate form for filing under the UCC and any other applicable law, rule or regulation in each jurisdiction as may be necessary or appropriate to perfect the Liens created, or purported to be created, by the Security Documents on the Collateral;

(ii) certified copies of Requests for Information (Form UCC-11), tax lien, judgment lien and pending lawsuit searches or equivalent reports or lien search reports, each of a recent date listing all effective financing statements, lien notices or comparable documents that name any Domestic Loan Party as debtor and that are filed in those state, county and other domestic jurisdictions in which any of the Collateral of such Domestic Loan Party is located, the state, county and other domestic jurisdictions in which each such Person's principal place of business or chief executive office is located and the state in which such Person is organized, none of which encumber the Collateral covered or intended to be covered by the Security Documents other than those encumbrances which constitute Prior Liens and other Liens expressly permitted by the terms of the applicable Security Document;

(iii) evidence of arrangements for (A) the completion of all recordings and filings of, or with respect to, the Security Documents, including, to the extent required by the Lead Arranger, filings with the United States Patent and Trademark Office and United States Copyright Office, and (B) the taking of all actions as may be necessary or, in the reasonable opinion of the Lead Arranger, desirable, to perfect the Liens created, or purported to be created, by the Security Documents; and

(iv) a perfection certificate substantially in the form of Exhibit L.

(m) Foreign Filings; Lien Searches; Perfection Certificate. The Foreign Loan Parties shall have authorized, executed and delivered each of the following:

(i) certified copies of requests for information, tax lien, judgment lien and pending lawsuit searches or equivalent reports or lien search reports where available, each of a recent date listing all effective financing statements, lien notices or comparable documents that name any Foreign Loan Party as debtor and that are filed in those foreign jurisdictions in which any of the Collateral or Intercompany Collateral of such Foreign Loan Party is located, none of which encumber the Collateral or Intercompany Collateral covered or intended to be covered by the Security Documents other than those encumbrances which constitute Prior Liens and other Liens expressly permitted by the terms of the applicable Security Document; and

(ii) evidence of arrangements for (A) the completion of all recordings and filings of, or with respect to, the Security Documents and (B) the taking of all actions as may be necessary or, in the reasonable opinion of the Lead Arranger, desirable, to perfect the Liens created, or purported to be created, by the Security Documents.

(n) Domestic Mortgage Matters. On or prior to the Closing Date, each Loan Party shall have caused to be delivered to the Lead Arranger, on behalf of the Lenders:

(i) a Domestic Mortgage encumbering each Domestic Mortgaged Property in which the applicable Loan Party holds a fee interest (as indicated on Schedule 1.1(a)(i)) in favor of the Paying Agent, for the benefit of the secured parties described therein, duly executed and acknowledged by the Loan Party that is the owner of or holder of an interest in such Mortgaged Property, and otherwise in form for recording in the recording office of each political subdivision where each such Mortgaged Property is situated, together with such certificates, affidavits, questionnaires or returns as shall be required in connection with the recording or filing thereof to create a lien under applicable law, and such UCC-1 Financing Statements and other similar statements as are contemplated by such Mortgage, all of which shall be in form and substance reasonably satisfactory to the Lead Arranger, and any other instruments necessary to grant a mortgage lien under the laws of any applicable jurisdiction, which Mortgage and financing statements and other instruments shall when recorded be effective to create a first priority Lien on such Mortgaged Property subordinate to no Liens other than Prior Liens applicable to such Mortgaged Property and subject to no other Liens except Liens expressly permitted by such Mortgage;

(ii) with respect to each Domestic Mortgaged Property described in subparagraph (i) above, policies or certificates of insurance as required by the Mortgage relating thereto, which policies or certi ficates shall comply with the insurance requirements contained in such Mortgage;

(iii) evidence reasonably acceptable to the Lead Arranger of payment by U.S. Borrower of all mortgage recording taxes, fees, charges, costs and expenses required for the recording of the Domestic Mortgages referred to in subparagraph (i) above;

(iv) with respect to each Real Property, copies of all Leases in U.S. Borrower's possession or which can be obtained without undue burden; and

(v) with respect to each Domestic Mortgaged Property described in subparagraph (i) above, U.S. Borrower and each Subsidiary shall have made all notification, registrations and filings, to the extent required by, and in accordance with, all state and local Real Property Disclosure Requirements applicable to such Mortgaged Property, including the use of forms provided by state or local agencies, where such forms exist, whether to U.S. Borrower or

to or with the state, local or foreign agency.

(o) Payment of Fees and Expenses. All accrued fees and expenses (including the reasonable fees and expenses of Cahill Gordon & Reindel and of all local domestic and foreign counsel) of the Lenders and the Lead Arranger in connection with the Credit Documents and the Intercompany Loan Documents shall have been paid. U.S. Borrower hereby authorizes the Lead Arranger to deduct the amount of all such fees and expenses from the proceeds of the Loans at the Closing Date and make payment directly to all such counsel by wire transfer of funds at the Closing Date as set forth in a schedule to an Officers' Certificate delivered at the Closing Date.

5.3. Conditions to All Credit Extensions. The obligation of the Lenders to make any Credit Extension (including the initial Credit Extension) hereunder is subject to the satisfaction of the following conditions precedent on the relevant Borrowing Date or Issuance Date:

(a) Notice, Application. The Paying Agent shall have received a Notice of Borrowing from the Applicable Borrower or the L/C Lender, and the Paying Agent shall have received an L/C Application or L/C Amendment Application from the Applicable Borrower as required under Section 3.2 (in the case of any Issuance of a Letter of Credit).

(b) No Existing Default; No Legal Bar. No Event of Default or Unmatured Event of Default shall exist or shall result from such Credit Extension. No order, judgment or decree of any court, arbitrator or Governmental Authority shall purport to restrain any Lender from making any Loans to be made by it on the date of such Credit Extension; and no injunction or other restraining order shall have been issued and no hearing to cause an injunction or other restraining order to be issued shall be pending or noticed with respect to any action, suit or proceeding seeking to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated by this Agreement or the making of Credit Extensions hereunder.

(c) Continuation of Representations and Warranties. The representations and warranties of each Borrower in Article VI and each Loan Party in each other Credit Document to which it is a party shall be true and correct in all material respects (except for those representations or warranties which are already qualified as to materiality, which shall be true and correct) on and as of the date of such Credit Extension with the same effect as if made on and as of such date (except to the extent such representations and warranties expressly refer to an earlier date, in which case they shall be true and correct as of such earlier date).

Each Notice of Borrowing, L/C Application and L/C Amendment Application request submitted by any Applicable Borrower hereunder shall constitute a representation and warranty by each Applicable Borrower hereunder, as of the date of such notice or request and as of the relevant Borrowing Date or Issuance Date, as applicable, that the applicable conditions in Section 5.1, Section 5.2 and/or this Section 5.3 are satisfied.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

Each Borrower makes the following representations and warranties to each Co-Agent and each Lender, all of which shall survive the execution and delivery of this Agreement and the making of the Loans (with the execution and delivery of this Agreement on the Closing Date and the making of each Credit Extension thereafter being deemed to constitute a representation and warranty that the matters specified in this Article VI are true and correct in all material respects after giving effect to the Van Leer Acquisition and the related trans-

actions and as of the date of such Credit Extension unless such representation and warranty expressly indicates that it is being made as of any specific date).

6.1. Corporate Status. Each Company (a) is a corporation, partnership, joint stock company, limited liability company, unlimited liability company or other legal entity duly organized or formed, validly existing and, if applicable, in good standing under the laws of its jurisdiction of organization; (b) has full corporate or other organizational power and authority and possesses all material governmental franchises, licenses, permits, authorizations and approvals necessary to enable it to own, lease or otherwise hold its properties and assets and to carry on its business as presently conducted; (c) in the case of the Domestic Loan Parties is duly qualified and in good standing to do business as a foreign corporation or other organization in each U.S. state in which the conduct or nature of its business or the ownership, leasing or holding of its properties makes such qualification necessary; and (d) is in compliance with all Requirements of Law, except, in each case referred to in clauses (b), (c) and (d), to the extent that the failure to do so would not, individually or in the aggregate, have a Material Adverse Effect.

6.2. Authority. Each Company has all requisite corporate or other organizational power and authority to enter into each Credit Document and Transaction Document to which it is a party and to perform its obligations thereunder and to consummate the transactions contemplated thereby. All corporate or other organizational acts and other proceedings required to be taken by each Company to authorize the execution, delivery and performance of each Credit Document and Transaction Document to which such entity is a party and the consummation of the transactions contemplated thereby have been duly and properly taken.

6.3. No Conflicts; Consents. (a) The execution, delivery and performance by each Company of each Credit Document and Transaction Document to which such entity is a party does not and will not conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a material benefit under, any provision of (i) the Organization Documents of such Company; (ii) any note, bond, mortgage, indenture, deed of trust, license, Lease, contract, commitment, agreement or arrangement to which such Company is a party or by which any of its properties or assets are bound, except as the same may relate to any Refinanced Indebtedness; or (iii) any judgment, order or decree, or statute, law, ordinance, rule or regulation applicable to such Company or its properties or assets, other than, in the case of clauses (ii) and (iii) above, any such items that would not, individually or in the aggregate, have a Material Adverse Effect.

(b) No consent, approval, license, permit, order or authorization of, or registration, declaration or filing with, any Governmental Authority is required to be obtained or made by or with respect to any Company in connection with (i) the execution, delivery and performance of any Credit Document or Transaction Document, (ii) the consummation of the Transactions or the other transactions contemplated hereby or thereby, (iii) the exercise by the Paying Agent of the voting or other rights provided for in the Security Documents, or (iv) the exercise by the Paying Agent of the remedies in respect of the Collateral pursuant to the Security Documents, in each case other than (A) those the failure of which to obtain would not, individually or in the aggregate, have a Material Adverse Effect, and (B) filings required pursuant to applicable antitrust or merger laws.

6.4. Binding Effect. Each Credit Document and Transaction Document to which any Company is a party constitutes the legal, valid and binding obligation of such Company, enforceable against such Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability, or by other laws and regulations of non-U.S. jurisdictions.

6.5. Litigation. Except as set forth on Schedule 6.5, there are no Proceedings pending or, to the best knowledge of U.S. Borrower, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, against or affecting any Company or any of its properties which (a) would, individually or in the aggregate, have a Material Adverse Effect; or (b) would reasonably be expected to give rise to any legal restraint on or prohibition against or challenge the Transactions or any of the transactions contemplated by any Credit Document or Transaction Document. No Company is a party or subject to or in default under any material judgment, order, injunction or decree of any Governmental Authority or arbitration tribunal applicable to it or any of its respective properties, assets, operations or businesses, except where such events would not, individually or in the aggregate, have a Material Adverse Effect. To the best of U.S. Borrower's knowledge, there is no pending investigation of any Company, nor has there been any such investigation threatened in writing in either case by any Governmental Authority, except where such events would not, individually or in the aggregate, have a Material Adverse Effect.

6.6. No Default; Material Contractual Obligations. No Company is in default in the performance, observance or fulfillment of any Contractual Obligation of such Company which default would, individually or in the aggregate with any other default, have a Material Adverse Effect, and no condition exists which, with the giving of notice or the lapse of time or both, would, individually or in the aggregate with any other condition, constitute such a default. No event has occurred and no condition exists which, individually or in the aggregate with any other event or condition, would constitute an Event of Default or an Unmatured Event of Default. No Company is in violation of any term of its Organization Documents.

6.7. ERISA. (a) No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, would reasonably be expected to result in a Material Adverse Effect. As of the most recent valuation date for any Pension Plan, except as set forth on Schedule 6.7, the amount of Unfunded Pension Liabilities individually or in the aggregate for all Pension Plans (excluding for purposes of such computation any Pension Plans which have a negative amount of Unfunded Pension Liabilities) does not exceed U.S. $15,000,000. Each ERISA Entity is in compliance in all material respects with the presently applicable provisions of ERISA and the Code with respect to each Plan, except for noncompliance that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Using actuarial assumptions and computation methods consistent with subpart 1 of subtitle E of Title IV of ERISA, the aggregate liabilities of each ERISA Entity to all Multiemployer Plans in the event of a complete withdrawal therefrom, as of the close of the most recent fiscal year of each such Multiemployer Plan, would not reasonably be expected to result in a Material Adverse Effect.

(b) Each Foreign Plan has been maintained in material compliance with its terms and with the requirements of any and all applicable laws, statutes, rules, regulations and orders and has been maintained, where required, in good standing with applicable regulatory authorities, except for noncompliance that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as set forth on Schedule 6.7, no Loan Party has incurred any material obligation in connection with the termination of or withdrawal from any Foreign Plan that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The present value of the accrued benefit liabilities (whether or not vested) in the aggregate for all Foreign Plans which are funded, determined as of the end of the most recently ended fiscal year of a Loan Party on the basis of actuarial assumptions, each of which is reasonable, did not exceed the current value of the assets of such Foreign Plans by an amount that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and for the Foreign Plans which are not funded, the obligations of such Foreign Plans are properly accrued in all material respects in accordance with local accounting policies, except where the failure to do so would not, individually or in the

aggregate, reasonably be expected to have a Material Adverse Effect.

6.8. Use of Proceeds; Margin Regulations. The proceeds of the Loans are to be used solely for the purposes set forth in and permitted by Section 7.12 and Section 8.7. No proceeds of any Revolving Loan were or will be used as consideration for any portion of the Van Leer Acquisition. No Company is generally engaged in the business of purchasing or selling Margin Stock or extending credit for the purpose of purchasing or carrying Margin Stock.

6.9. Financial Condition; Financial Statements; Solvency; etc. (a) The audited consolidated balance sheet of U.S. Borrower dated October 31, 2000 (the "Balance Sheet"), and the audited consolidated statements of operations and cash flows of U.S. Borrower for the fiscal year ended October 31, 2000, together with the notes to such financial statements, have been prepared in conformity with principles consistently applied (except in each case as described in the notes thereto) and on that basis fairly present in all material respects the consolidated financial condition and results of operations of U.S. Borrower as of the date thereof and for the period indicated. The audited consolidated balance sheet of Van Leer and its Subsidiaries for the fiscal year ended December 31, 1999 and the audited consolidated profit and loss account and cash flow statements of Van Leer and its Subsidiaries for the fiscal years ended December 31, 1997, December 31, 1998 and December 31, 1999, together with the notes to such financial statements, have been prepared in conformity with generally accepted accounting practices in The Netherlands consistently applied (except in each case as described in the notes thereto) and the unaudited consolidated balance sheet, profit and loss account and cash flow statements of Van Leer and its Subsidiaries for the fiscal year ended December 31, 2000, have been prepared in conformity with generally accepted accounting practices in The Netherlands consistently applied and on that basis fairly present in all material respects the consolidated financial condition and results of operations of Van Leer and its Subsidiaries at the dates and for the periods indicated.

(b) Since October 31, 2000, there has not occurred an event or condition that has had or would have, individually or in the aggregate, a Material Adverse Effect.

(c) On and as of the Closing Date and on and as of each Borrowing Date and each Issuance Date, on a pro forma basis after giving effect to the Transactions to occur on such date (solely as to the Closing Date) and to all Indebtedness incurred, and to be incurred, and Liens created, and to be created, by each Loan Party on such date, each Loan Party (on a consolidated basis with its Subsidiaries) is and will be Solvent.

(d) Except as fully reflected in the financial statements delivered at any time pursuant to Section 7.1 or any financial statements delivered in connection with the consummation of the Transactions and except for the Indebtedness incurred under this Agreement, there were as of the Closing Date and on and as of each Borrowing Date and each Issuance Date (and after giving effect to any Loans made on such date) no liabilities or obligations (excluding current obligations incurred in the ordinary course of business) with respect to any Company of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether or not due) which, individually or in the aggregate, have had or would have a Material Adverse Effect.

(e) During the period from October 31, 2000 to and including the Effective Date, except as provided in the Transaction Documents, there has been no sale, transfer or other disposition by any Company of any material part of its business or property, taken as a whole, and no purchase or other acquisition by any of them of any business or property (including any capital stock of any other Person) material in relation to the consolidated financial condition of U.S. Borrower and its Subsidiaries, taken as a whole.

6.10. Subsidiaries; Properties. As of the Closing Date and after giving effect to the Transactions, U.S. Borrower had no Subsidiaries other than those specifically

disclosed in part (a) of Schedule 6.10 hereto and has no equity investments in any other corporation or entity other than those specifically disclosed in part (b) of Schedule 6.10. Each Company owns or leases, as applicable, all properties and assets reflected in the most recent financial statements delivered pursuant to Section 7.1, except as sold or otherwise disposed of since the date of such financial statements in the ordinary course of business and in accordance with this Agreement. Title to each such property or asset is held by U.S. Borrower or a Subsidiary free and clear of all Liens, except in the case of Collateral, Liens permitted by the applicable Security Documents, and in the case of properties and assets not constituting Collateral, Permitted Liens. The Companies hold all material licenses, certificates of occupancy or operation and similar certificates and clearances of municipal and other authorities necessary to own and operate their properties in the manner and for the purposes currently operated by such parties the absence of which would, individually or in the aggregate, have a Material Adverse Effect. No Company has received written notice of defaults with respect to any leases of real property under which any Company is lessor or lessee that would, individually or in the aggregate, have a Material Adverse Effect.

6.11. Taxes. (a) Each Company has timely filed all Tax Returns required to be filed by it, and each such Tax Return is complete and correct in all material respects. Except as set forth in Schedule 6.11, each Company has timely paid all Taxes shown as due and payable on such Tax Returns or that are otherwise due and payable (except those Taxes that are being contested in good faith and for which adequate reserves are being maintained in accordance with GAAP), except where failure to do so would not, individually or in the aggregate, have a Material Adverse Effect. Each Company has made adequate provision for all Taxes of such Company which are not yet due and payable. The Loan Parties do not know of any proposed or pending tax assessment, audit or deficiency against any Company that would, individually or in the aggregate, have a Material Adverse Effect.

(b) (i) No extension of a statute of limitations relating to material Taxes is in effect with respect to any Company; (ii) no Company has ever been a member of an affiliated group of corporations within the meaning of Section 1504 of the Code other than an affiliated group of corporations of which U.S. Borrower was the common parent; and (iii) there are no material Tax sharing agreements or similar arrangements (including Tax indemnity arrangements) with respect to or involving any Company other than between or among the Companies.

(c) All deficiencies or assessments which have been asserted against any Company as a result of any federal, state, local or foreign Tax examination for each taxable year in respect of which an examination has been conducted have been fully paid or finally settled or are being contested in good faith, and no issue has been raised in any such examination which, by application of similar principles, reasonably would be expected to result in assertion of a material deficiency for any other year not so examined which has not been reserved for in U.S. Borrower's consolidated financial statements heretofore delivered to the Lead Arranger to the extent, if any, required by GAAP.

6.12. Environmental Matters. (a) Except as set forth on Schedule 6.12 and except as would not, individually or in the aggregate, after giving effect to the insurance policy described in subsection 6.12(c) below, have a Material Adverse Effect:

(i) Each Company has obtained all Environmental Approvals with respect to the operation of the businesses and facilities and properties owned, leased or operated by any of them including, without limitation, any joint ventures.

(ii) Each Company is in compliance with all terms and conditions of the Environmental Approvals specified in subsection (i) above, and is also in compliance with, and has no liability under, any Environmental Laws.

(iii) No Company has received written notice that it has been identified as a potentially responsible party under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), or any comparable foreign or state law, nor has any Company received any written notification that any Hazardous Materials that it or any of its predecessors in interest has used, generated, stored, treated, handled, transported or disposed of, or arranged for disposal or treatment of, or arranged with a transporter for transport for disposal or treatment of, have been found at any site at which any governmental agency or private party is conducting or plans to conduct a remedial investigation or other action pursuant to any Environmental Law.

(iv) There have been no Releases of Hazardous Materials by any Company or, to the knowledge of the Borrowers, their respective predecessors in interest on, at, upon, into or from any facilities or properties owned, leased, or operated by any of them. To the knowledge of the Borrowers, there have been no such Releases of Hazardous Materials on, at, under or from any property adjacent to any Mortgaged Property that, through soil, air, surface water or groundwater migration or contamination, would reasonably be expected to have migrated to or under any Mortgaged Property.

(v) No properties now or formerly owned, leased or operated by any Company are (i) listed or proposed for listing on the National Priorities List under CERCLA or (ii) listed in the Comprehensive Environmental Response, Compensation, Liability Information System List promulgated pursuant to CERCLA or (iii) included on any comparable lists maintained by any Governmental Authority.

(vi) There are no past or present events, conditions, activities, practices, or actions which would reasonably be expected to prevent any Company's compliance with any Environmental Law, or which could reasonably be expected to give rise to any liability under any Environmental Law.

(vii) No properties now or formerly owned, leased or operated by any Company are or would reasonably be expected to be the subject of any investigation, response or corrective action under any Environmental Law.

(viii) No Lien has been asserted or recorded, or to the knowledge of the Borrowers threatened under any Environmental Law with respect to any assets, facility, Inventory or property owned, leased or operated by any Company.

(ix) No Company has assumed by contract or agreement any liabilities or obligations arising under any Environmental Law.

(x) No Company has entered into or agreed to any currently pending or effective judgment, decree or order by any judicial or administrative tribunal, or is subject to any judgment, decree or order relating to compliance with any Environmental Law or to investigation, response or corrective action with respect to any Hazardous Material under any Environmental Law.

(xi) No Company has received any notice of an Environmental Claim.

(xii) There are no underground storage tanks or related piping surface impoundments, or landfills at any property owned, operated or leased by any Company, other than those maintained in all material respects in compliance with all Environmental Laws, the violation of which would not have a Material Adverse Effect, and any former underground tanks or related piping surface impoundments, or landfills on any such property have been removed or closed in accordance with Environmental Laws.

(b) Environmental Documents. On the Effective Date, to the knowledge of U.S. Borrower, all environmental investigations, studies, audits or assessments in the possession or control of any Company ("Reports") concerning any

violation or potential violation of, or liability or potential liability under, any Environmental Law relating to any current or prior business, facilities or properties of any Company (or any of their respective predecessors in interest) or any property, asset or facility currently or formerly (i) owned, operated or leased or (ii) used for the storage or disposal of Hazardous Materials, in each case by any Company (or any of their respective predecessors in interest) have been made available to the Lead Arranger, except for Reports concerning such violation or liability, individually or in the aggregate, which would not have a Material Adverse Effect.

(c) Environmental Insurance. As of the Effective Date, the Companies currently maintain in full force and effect, with Environmental Compliance Services (or other financially sound and reputable independent insurer reasonably satisfactory to the Lead Arranger), insurance with respect to their properties and business against Environmental Claims substantially in the form provided to the Lead Arranger prior to the Effective Date.

6.13. Regulated Entities. No Company is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended. No Company is subject to regulation under the Public Utility Holding Company Act of 1935, the U.S. Federal Power Act, the Interstate Commerce Act, any state public utilities code, or any other U.S. Federal or state statute or regulation limiting its ability to incur Indebtedness.

6.14. Employee and Labor Matters. There is (i) no unfair labor practice complaint pending against any Company or, to the best knowledge of the Borrowers, threatened against any of them, before the National Labor Relations Board or similar foreign entity, and no grievance or arbitration proceeding arising out of or under any collective bargaining agreement is so pending against any Company or, to the best knowledge of the Borrowers, threatened against any of them, and (ii) no strike, labor dispute, slowdown or stoppage pending against any Company or, to the best knowledge of the Borrowers, threatened against any Company, except such as would not (with respect to any matter specified in clause (i) or (ii) above, either individually or in the aggregate) have a Material Adverse Effect.

6.15. Intellectual Property. (a) Each Company owns or possesses adequate licenses or otherwise has the right to use all of the patents, patent applications, trademarks, trademark applications, service marks, service mark applications, trade names, copyrights, trade secrets and know-how (whether domestic or foreign) (collectively, "Intellectual Property") that are necessary for the operation of its business as presently conducted, except where the failure to so own or possess licenses or rights would not, individually or in the aggregate, have a Material Adverse Effect. To the knowledge of U.S. Borrower, no claim is pending that any Company infringes upon the asserted rights of any other Person under any Intellectual Property, except for any such claim which would not, individually or in the aggregate, have a Material Adverse Effect. To the knowledge of U.S. Borrower, no claim is pending that any such Intellectual Property owned or licensed by any Company or which any Company otherwise has the right to use, is invalid or unenforceable, except for any such claim which would not, individually or in the aggregate, have a Material Adverse Effect.

(b) Except as set forth in Schedule 6.15 or except as would not, individually or in the aggregate, have a Material Adverse Effect, a Company owns or has the right to use all Intellectual Property described in clause (a), and the consummation of the transactions contemplated hereby will not alter or impair any such rights. Subject to the rights of third parties set forth in Schedule 6.15, the applicable Company's rights, title and interests in its Intellectual Property described in clause (a) (i) that constitutes Collateral are free and clear of all Liens other than Liens permitted by this Agreement and the applicable Security Documents, excluding licenses entered into in the ordinary course of business and (ii) that does not constitute Collateral are free and clear of all Liens other than Permitted Liens.

6.16. Existing Indebtedness. Schedule 6.16 sets forth a true and complete list of all Indebtedness of the Companies owed to any person other than a Company outstanding as of the Effective Date (other than the Obligations) and that is to remain outstanding after giving effect to the Transactions occurring on the Closing Date and the incurrence of Loans on the Closing Date, in each case showing the aggregate principal amount thereof and the name of the applicable borrower and any other entity which directly or indirectly guaranteed such Indebtedness. Such Indebtedness has a Dollar Equivalent principal amount of less than U.S. $50,000,000.

6.17. True and Complete Disclosure. All factual information (taken as a whole) heretofore or contemporaneously furnished by or on behalf of U.S. Borrower and the other Companies in writing to any Lender (including, without limitation, all information contained in the Transaction Documents and the Confidential Memorandum) for purposes of or in connection with this Agreement or any transaction contemplated herein is (or was, on the Closing Date), and all other such factual information (taken as a whole) furnished by or on behalf of the Companies in writing to any Lender after the Closing Date was and will be, true and accurate in all material respects on the date as of which such information is dated or certified and not incomplete by omitting to state any material fact necessary to make such information, taken as a whole, not misleading at such time in light of the circumstances under which such information was provided. The projections and pro forma financial information contained in or to be contained in such materials (including the projections included in the Confidential Memorandum and the budgets to be furnished pursuant to Section 7.1(c)) are and will be based on good faith estimates and assumptions believed by U.S. Borrower to be reasonable at the time made, it being recognized by the Lenders that such projections as to future events are not to be viewed as facts, that actual results during the period or periods covered by any such projections may differ materially from the projected results and that U.S. Borrower makes no representation or warranty that such projections, pro forma results or budgets will be realized. There is no fact known to U.S. Borrower which materially and adversely affects the business, operations, property, assets, nature of assets, liabilities, condition (financial or otherwise) or prospects of the Companies, taken as a whole, which has not been disclosed herein or in such other documents, certificates and written statements furnished to the Lenders for use in connection with the transactions contemplated hereby.

6.18. Security Interests; Certain Matters Relating to Collateral. (a) The Security Documents, once executed, delivered, filed and/or recorded, together with all necessary filings contemplated by the Security Documents, will create, in favor of the Paying Agent for its benefit and for the benefit of the Lenders, as security for the obligations purported to be secured thereby, a valid and enforceable perfected first priority security interest in and Lien upon all of the Collateral, superior to and prior to the rights of all third persons and subject to no Liens except the Prior Liens applicable to such Collateral and Liens permitted by the applicable Security Document, in all cases until the security interests created thereby are released in accordance with this Agreement and the Security Documents. The mortgagor under each Domestic Mortgage and Foreign Mortgage has good and marketable title to the Mortgaged Property free and clear of all Liens other than Liens and Prior Liens applicable to such Mortgaged Property and Liens permitted by the applicable Mortgage. Each pledgor or assignor, as the case may be, has (or on and after the time it executes the applicable Security Document, will have) good and marketable title to all items of Collateral (other than Real Property subject to a Mortgage) covered by such Security Document free and clear of all Liens other than Liens permitted by the applicable Security Document. No filings or recordings are required in order to perfect the security interests created under any Security Document on the date such document is delivered, except for filings or recordings required in connection with any such Security Document as set forth in such Security Document.

(b) The Intercompany Security Documents, once

executed, delivered, filed and/or recorded, will create, in favor of the lender under the applicable Intercompany Loan, as security for the obligations purported to be secured thereby, a valid and enforceable perfected first priority security interest in and Lien upon all of the Intercompany Collateral, superior to and prior to the rights of all third persons and subject to no Liens except the Prior Liens applicable to such Intercompany Collateral and Liens permitted by the applicable Security Document, in all cases until the security interests created thereby are released in accordance with this Agreement and the Intercompany Security Documents. The mortgagor under each Intercompany Mortgage has good and marketable title to the Mortgaged Property free and clear of all Liens other than Prior Liens applicable to such Mortgaged Property and Liens permitted by the applicable Mortgage. Each pledgor or assignor, as the case may be, has (or on and after the time it executes the applicable Intercompany Security Document, will have) good and marketable title to all items of Intercompany Collateral (other than Real Property subject to a Mortgage) covered by such Intercompany Security Document free and clear of all Liens other than Liens permitted by the applicable Intercompany Security Document. No filings or recordings are required in order to perfect the security interests created under any Intercompany Security Document on the date such document is delivered, except for filings or recording required in connection with any such Intercompany Security Document as set forth in such Security Document.

(c) No Company owns any Real Property located in the United States and not listed on Schedule 1.1(a)(i) the loss of which (without giving effect to any insurance recovery or other recovery), by itself, would reasonably result in a Material Adverse Change with respect to U.S. Borrower. On and after the date that is 90 days after the Effective Date, no Company leases any Real Property located in the United States and not subject to a leasehold Mortgage in favor of the Creditors the loss of which (without giving effect to any insurance recovery or other recovery), by itself would reasonably be expected to result in a Material Adverse Change with respect to U.S. Borrower. Such leased Real Property as of the date hereof is listed in Schedule 1.1(a)(i).

6.19. Representations and Warranties in Credit Documents and Transaction Documents. All representations and warranties set forth in the other Credit Documents and the Transaction Documents were (with respect to representations and warranties of parties other than U.S. Borrower, to the knowledge of U.S. Borrower) true and correct in all material respects as of the time such representations and warranties were made and are true and correct in all material respects as of the Closing Date as if such representations and warranties were made on and as of such date, unless stated to relate to a specific earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date.

6.20. Van Leer Acquisition. At the time of consummation thereof, the Van Leer Acquisition will be consummated substantially in accordance with the terms of the Van Leer Acquisition Documents and all applicable Requirements of Law. At the time of consummation thereof, all consents and approvals of, and filings and registrations with, and all other actions in respect of, all Governmental Authorities required to make or consummate the Van Leer Acquisition shall be obtained, given, filed or taken or waived and are or will be in full force and effect (or effective judicial relief with respect thereto has been obtained), except as set forth on Schedule 6.20 and except where the failure to obtain, give, file, or take would not, individually or in the aggregate, have a Material Adverse Effect. All applicable waiting periods with respect thereto have or, prior to the time when required, will have, expired without, in all such cases, any action being taken by any competent Governmental Authority which restrains, prevents, or imposes material adverse conditions upon the Van Leer Acquisition except where the failure to so expire would have a Material Adverse Effect. Additionally, there does not exist any judgment, order or injunction prohibiting or imposing material adverse conditions upon the Van Leer Acquisition or the performance by the Companies of their obligations under the Van Leer Acquisition Documents and all applicable Requirements of Law.

6.21. Broker's Fees. No broker's or finder's fee or commission will be payable with respect to this Agreement or any of the Transactions contemplated hereby, and the Borrowers hereby jointly and severally indemnify the Co-Agents and the Lenders against, and agree that they will jointly and severally hold the Co-Agents and the Lenders harmless from, any claim, demand or liability for any such broker's or finder's fees alleged to have been incurred in connection herewith or therewith and any expenses (including fees, expenses and disbursements or counsel) arising in connection with any such claim, demand or liability.

ARTICLE VII

AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, or any Loan or other Obligation (other than any contingent indemnity Obligations) shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding:

7.1. Financial Statements, etc. The Borrowers shall deliver to the Paying Agent and each Lender, in form and detail reasonably satisfactory to the Paying Agent:

(a) as soon as available, but not later than 90 days after the end of each fiscal year, a copy of the audited consolidated balance sheet of the Companies as at the end of such year and the related consolidated statements of operations, retained earnings, shareholders' equity and cash flow for such year, setting forth in each case in comparative form the corresponding consolidated figures for the previous fiscal year and comparable budgeted figures for such fiscal year, and, in the case of the consolidated statements, accompanied by the opinion of Ernst & Young LLP or another internationally recognized independent certified public accounting firm selected by U.S. Borrower and reasonably acceptable to the Paying Agent (the "Independent Auditor"), which opinion (i) shall state that such consolidated financial statements present fairly in all material respects the consolidated financial position and results of operations of the Companies for the periods indicated in conformity with GAAP and (ii) shall not be qualified or limited because of a restricted or limited examination or in any other material respect by the Independent Auditor of any material portion of any Company's records and shall be delivered to the Paying Agent pursuant to a reliance agreement between the Paying Agent and Lenders and such Independent Auditor in form and substance reasonably satisfactory to the Agents and a certificate of such accountants stating that in the course of its regular audit of the business of the Companies no Event of Default or Unmatured Event of Default which has occurred and is continuing has come to their attention or, if such an Event of Default or Unmatured Event of Default has come to their attention, a statement as to the nature thereof;

(b) as soon as available, but not later than 45 days after the end of each fiscal quarter (other than the fourth fiscal quarter, which will be delivered in 90 days) of each fiscal year, a copy of the consolidated balance sheet of the Companies as at the end of such quarter and the related consolidated statements of operations, retained earnings and cash flow for the period commencing on the first day and ending on the last day of such quarter, and the period from the beginning of the respective fiscal year to the end of such quarter, setting forth in each case in comparative form the corresponding consolidated figures for the corresponding period in the previous fiscal year, accompanied by a certificate of a Responsible Officer of U.S. Borrower, which certificate shall state that said consolidated financial statements fairly present in all material respects, in accordance with GAAP (subject to ordinary, good-faith year-end adjustments and the absence of footnotes), the consolidated financial position and the results of operations of the Companies;

(c) within 90 days after the commencement of each

fiscal year, budgets of the Companies in reasonable detail for each fiscal quarter of such fiscal year and for each fiscal quarter of the immediately succeeding fiscal year, in each case, as customarily prepared by management for its internal use, setting forth, with appropriate discussion, the principal assumptions upon which such budgets are based. Together with each delivery of statements of operations pursuant to subsection 7.1(b), a comparison of the current year-to-date financial results against the budgets required to be submitted pursuant to this subsection (c) shall be presented; and

(d) promptly upon receipt thereof, a copy of each definitive report or "management letter" submitted to any Company by its independent accountants in connection with any annual, interim or special audit made by them of the books of any Company.

7.2. Certificates; Other Information. The Borrowers shall deliver to the Paying Agent and each Lender:

(a) concurrently with the delivery of the financial statements referred to in subsections 7.1(a) and (b), a Compliance Certificate executed by a Responsible Officer of U.S. Borrower stating that the Borrowers and their Subsidiaries are in compliance with each covenant set forth under this Article VII and Article VIII, together with calculations demonstrating Excess Cash Flow (in the case of delivery of financial statements pursuant to subsection 7.1(a)) in reasonable detail compliance with each Financial Maintenance Covenant, and with respect to any calculation utilizing EBITDA, a schedule showing the pro forma effect of any Acquisition to the extent pro forma effect is given thereto with appropriate supporting information and data;

(b) on and after the Trigger Date, concurrently with the financial statements delivered pursuant to subsections 7.1(a) and 7.1(b), an Interest Rate Certificate executed by a Responsible Officer of U.S. Borrower;

(c) as soon as practicable, copies of all financial statements and regular, periodical or special reports that any Company may make to, or file with, the SEC or similar foreign authority or securities exchange if not otherwise delivered under Section 7.1;

(d) as soon as practicable, such additional information regarding the business, financial or corporate affairs of any Company as the Paying Agent or any Lender (through the Paying Agent) may from time to time rea-sonably request; and

(e) within 45 days after the end of each fiscal quarter of each fiscal year, a certificate of a Responsible Officer (i) certifying compliance with Sections 5.6, 5.7, 6.5, 7.1 and 8.5 of the U.S. Borrower Guarantee and Security Agreement and the Domestic Guarantee and Security Agreement and the provisions of Sections 7.15 and 7.16 and (ii)(A) certifying that no Real Property has been acquired subsequent to the Closing Date or the date of the last certificate delivered under this subsection 7.2(e), as appropriate, or if such Real Property has been so acquired, certifying which Real Property has been so acquired; (B) if such Real Property has been so acquired, certifying that such Real Property has been made subject to the Lien of the Security Documents in accordance with the provisions of Section 7.15, if so required; and (C) certifying that no property (other than Real Property) has been acquired subsequent to the Closing Date or the date of the last certificate delivered under this subsection 7.2(e), as appropriate, which property has not been made subject to the Lien of the Security Documents in accordance with the provisions of Section 7.15.

7.3. Notices. Promptly upon a Responsible Officer of any Company learning thereof, a Borrower shall notify the Paying Agent and each Lender:

(a) of the occurrence of any Event of Default or

Unmatured Event of Default;

(b) of any of the following matters that would, individually or in the aggregate with any other such matters, reasonably be expected to have a Material Adverse Effect: (i) any material breach or non-performance of, or any material default under, a Contractual Obligation of any Company; (ii) any dispute, litigation, investigation, proceeding or suspension by or before any Governmental Authority affecting any Company; or (iii) the commencement of, or any material development in, any litigation or proceeding affecting any Company, including pursuant to any applicable Environmental Laws; and

(c) of the occurrence of any of the following events if such event has resulted or could reasonably be expected to result in any Material Adverse Effect or in a Lien under ERISA or the Code (but in no event more than ten days after such event), and deliver to the Paying Agent and each Lender a copy of any notice with respect to such event that is filed with a Governmental Authority and any notice delivered by a Governmental Authority to any ERISA Entity with respect to such event, and upon the request of the Paying Agent or any Lender shall furnish any Schedule B (Actuarial Information) to the annual report (Form 5500 Series) filed by any ERISA Entity with the Internal Revenue Service with respect to any Pension Plan: (i) an ERISA Event; (ii) the adoption after the Closing Date of, or the commencement after the Closing Date of contributions to, any Plan subject to Section 412 of the Code by any ERISA Entity; (iii) the adoption after the Closing Date of any amendment to a Plan subject to Sec-tion 412 of the Code; (iv) of any pending or threatened Environmental Claim against any Company or any Real Property owned or operated by any Company that would, individually or in the aggregate, have a Material Adverse Effect; (v) of any condition or occurrence on any Real Property owned or operated by any Company that (x) results in noncompliance by any Company with any applicable Environmental Law or (y) would form the basis of an Environmental Claim against any Company or any such Real Property, in each case of clause (x) or clause (y) to the extent that any such noncompliance or Environmental Claim would, singly or in the aggregate, have a Material Adverse Effect; and (vi) of any condition or occurrence on any Real Property owned or operated by any Company that could reasonably be expected to cause such Real Property to be subject to any restrictions on the ownership, occupancy, use or transferability by any Company, as the case may be, of its interest in such Real Property under any Environmental Law which condition or occurrence would, individually or in the aggregate, have a Material Adverse Effect.

Each notice under this Section 7.3 shall be accompanied by a written statement by a Responsible Officer setting forth details of the occurrence referred to therein, and stating what action the Borrowers or any affected Company proposes to take with respect thereto.

7.4. Preservation of Corporate Existence, etc. Each Borrower shall, and shall cause each of its Subsidiaries to:

(a) preserve and maintain in full force and effect its existence and, if applicable, good standing under the laws of its state or jurisdiction of organization, except in a transaction permitted by Section 8.2;

(b) preserve and maintain in full force and effect all material governmental rights, privileges, qualifications, permits, licenses and franchises necessary in the normal conduct of its business, except in connection with transactions permitted by Section 8.2 and except where the failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(c) use reasonable efforts, in the ordinary course of business, to preserve its business organization and goodwill and except where the failure to do so would not, individually or in the aggregate, reasonably be expected

to have a Material Adverse Effect;

(d) preserve or renew all of its Intellectual Property, the non-preservation of which would, individually or in the aggregate, have a Material Adverse Effect; and

(e) comply in all material respects with all material Requirements of Law of any Governmental Authority having jurisdiction over it or its business if failure to comply with such requirements would, individually or in the aggregate, have a Material Adverse Effect,

except, in the case of clauses (a) (with respect to any Company which is of de minimis significance to the Companies taken as a whole), (b), (c) and (d), to the extent no longer economically desirable, in the commercially reasonable opinion of management and except for the Van Leer Acquisition.

7.5. Maintenance of Property; Insurance. (a) Each Borrower shall, and shall cause each of its Subsidiaries, (i) to maintain or cause to be maintained in good repair, working order and condition (subject to normal wear and tear) all properties used in its businesses and from time to time will make or cause to be made all repairs, renewals and replacements thereof which the applicable Company determines in good faith to be commercially reasonable so that the business carried on in connection therewith may be properly and advantageously conducted and will maintain and renew as necessary all licenses, permits and other clearances reasonably necessary to use and occupy such properties, except to the extent no longer economically desirable in the commercially reasonable opinion of the applicable Company, and (ii) promptly to pay all calls, installments and other payments which may be made or become due in respect of any shares held by any Company, except in each case where the failure to do so would reasonably be expected to have a Material Adverse Effect.

(b) Each Borrower shall, and shall cause each of its Subsidiaries to, maintain in full force and effect, with financially sound and reputable independent insurers, insurance or reinsurance with respect to their properties and business against loss or damage of the kinds customarily insured against by businesses of established reputation engaged in the same or similar business and similarly situated, of such types and in such amounts as are customarily carried under similar circumstances by such other corporations (including the insurance referred to in subsection 6.12(c)). U.S. Borrower shall furnish to the Lead Arranger on the Closing Date a summary of the insurance carried by any Company material to the Companies taken as a whole, together with certificates of insurance and other evidence of such insurance, if any, naming the Paying Agent as an additional insured and/or loss payee.

(c) Without duplicating the requirements of subsection 7.5(b), each Borrower shall, and shall cause each of its Subsidiaries to, maintain in full force the insurance coverages specified in the Mortgages and the other Security Documents so long as any Collateral is pledged thereunder pursuant to the terms of this Agreement and the Security Documents.

7.6. Payment of Obligations. Each Borrower shall, and shall cause each of its Subsidiaries to, pay and discharge as the same shall become due and payable all of their obligations and liabilities, including all material lawful claims which, if unpaid, would by law become a Lien (other than a Permitted Lien) upon their property; unless, in each case, the same are being contested in good faith by appropriate proceedings and adequate reserves in accordance with GAAP are being maintained by such Company with respect thereto, or the failure to so pay or discharge would not, individually or in the aggregate, have a Material Adverse Effect.

7.7. Taxes. Each Borrower shall, and shall cause each of its Subsidiaries to timely file all Tax Returns required by any Governmental Authority to be filed by them (which Tax Returns shall be accurate in all material respects) and timely pay and discharge all Taxes imposed on them or any of their property or assets (except those Taxes that are being contested in good faith and for which adequate reserves are

being maintained in accordance with GAAP), which if not paid would reasonably be expected to result in a Material Adverse Effect.

7.8. Compliance with Environmental Laws. (a) Each Borrower shall, and shall cause each of its Subsidiaries to, comply with all Environmental Laws; (b) each Borrower shall, and shall cause each of its Subsidiaries to, pay all costs and expenses incurred by it in complying in all respects with all Environmental Laws, and will keep or cause to be kept all Real Property owned, operated or leased by any of them free and clear of any Liens imposed pursuant to such Environmental Laws; (c) in the event of the presence of any Hazardous Material at, on, under or upon any property owned, operated or leased by any Company which would reasonably be expected to result in liability under or a violation of any Environmental Law, in each case which would, individually or in the aggregate, have a Material Adverse Effect, U.S. Borrower agrees to undertake, and/or to cause any of its Subsidiaries, tenants or occupants to undertake, at their sole expense, any investigation, response or other action required pursuant to Environmental Laws to mitigate and eliminate any such adverse effect unless the failure to comply with these requirements specified in clause (a), (b) or (c) above would not, individually or in the aggregate, have a Material Adverse Effect; provided, however, that no Company shall be required to comply with any order or directive which is being contested in good faith and by proper proceedings so long as it has maintained adequate reserves with respect to such compliance to the extent required in accordance with GAAP; and (d) U.S. Borrower shall as promptly as practicable notify the Paying Agent of the occurrence of any event specified in clause (c) of this Section 7.8 and shall thereafter keep the Paying Agent informed on a periodic basis of any actions taken in response to such event and the results of such actions.

7.9. Compliance with ERISA. Each Borrower shall, and shall cause each ERISA Entity to: (a) maintain each Plan in compliance in all material respects with the applicable provisions of ERISA, the Code and other applicable law; (b) cause each Plan which is qualified under Section 401(a) of the Code to maintain such qualification; and (c) make all required contributions to any Plan subject to Section 412 of the Code, except where failure to comply with clause (a), (b) or (c) would not, individually or in the aggregate, have a Material Adverse Effect.

7.10. Inspection of Property and Books and Records. Each Borrower shall, and shall cause each of its Subsidiaries to, maintain proper books of record and account, in which full, true and correct entries in all material respects (in order to permit the preparation of U.S. Borrower's consolidated financial statements in conformity with GAAP) shall be made of all financial transactions and matters involving the assets and business of the Companies. Each Borrower shall, and shall cause each of its Subsidiaries to, permit representatives and independent contractors of any Co-Agent or any Lender to visit and inspect any of their properties or assets, to examine their corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss their affairs, finances and accounts with their directors, officers, and independent public accountants, all at the expense of U.S. Borrower so long as such expenses are reasonable and at such reasonable times and intervals during normal business hours and as often as may be reasonably desired, upon not less than two Business Days' advance notice to U.S. Borrower and to the applicable Subsidiary; provided, however, when an Event of Default or emergency exists the Paying Agent or any Lender may do any of the foregoing at any time and without advance notice in a reasonable manner.

7.11. End of Fiscal Years; Fiscal Quarters. U.S. Borrower shall, for financial reporting purposes, cause (i) each of its, and each of its Subsidiaries', fiscal years to end on October 31 of each year and (ii) each of its, and each of its Subsidiaries', fiscal quarters to end on January 31, April 30, July 31 and October 31 of each year.

7.12. Use of Proceeds. U.S. Borrower shall use the proceeds of the Term Loans solely to (i) finance the Van

Leer Acquisition, (ii) consummate the Refinancing, and (iii) pay fees and expenses related to the Van Leer Acquisition and the Refinancing. The Borrowers shall use the proceeds of the Revolving Loans solely to (i) finance the Van Leer Acquisition, (ii) consummate the Refinancing, (iii) pay fees and expenses related to the Van Leer Acquisition and the Refinancing, and (iv) provide working capital and for general business purposes of the Companies.

7.13. Further Assurances; New Subsidiaries. Each Borrower shall, and shall cause each of its Subsidiaries to, take such actions as are reasonably necessary or as the Paying Agent or any Lender may reasonably request from time to time to

(a) Ensure that (i) the Obligations of U.S. Borrower and Subsidiary Borrower are unconditionally guaranteed by each Domestic Subsidiary (other than the Domestic Subsidiaries set forth on Schedule 7.13A (which Schedule expressly shall not include Soterra LLC)) and secured by all of each such Domestic Subsidiary's (other than any Receivables Co.'s or Soterra LLC's) property and assets (to the extent required by the Domestic Security Documents), in each case pursuant to the Domestic Guarantee and Security Agreement, (ii) the Obligations of Subsidiary Borrower are unconditionally guaranteed by each Foreign Subsidiary listed on Schedule 7.13B and by each Foreign Subsidiary required to provide such a guarantee under subsection 7.13(b), in each case pursuant to a Foreign Guarantee and secured by such Foreign Subsidiary's assets (to the extent required by the Foreign Security Documents), in each case pursuant to a Foreign Security Agreement, subject to the absence of such requirements contemplated by Section 7.22 and (iii) the Intercompany Loans are unconditionally guaranteed by each Foreign Subsidiary listed on Schedule 7.13C and by each Foreign Subsidiary required to provide such a guarantee under subsection 7.13(b), in each case pursuant to an Intercompany Guarantee and secured by such Foreign Subsidiary's assets (to the extent required by the Intercompany Security Documents), in each case pursuant to an Intercompany Security Agreement subject to the absence of such requirements contemplated by Section 7.22 , and

(b) Cause (A) each Domestic Subsidiary (other than any Receivables Co.) created or acquired after the Effective Date by any Company in which the aggregate amount invested therein by any Company is in excess of the Dollar Equivalent of U.S. $2,000,000 after the Closing Date to execute and deliver a joinder agreement substantially in the form of Exhibit 3 to the Domestic Guarantee and Security Agreement and Domestic Mortgage and (B) each Foreign Subsidiary created or acquired after the Effective Date by any Company in which the aggregate amount invested therein by any Company is in excess of the Dollar Equivalent of U.S. $2,000,000 after the Closing Date to execute and deliver a Foreign Guarantee and Foreign Security Agreement and an Intercompany Guarantee and an Intercompany Security Agreement, subject to the limitations and prohibitions of local law.

7.14. Equal Security for Loans and Notes. If any Company (other than any Receivables Co.) shall create or assume any Lien upon any of their respective property or assets, whether now owned or hereafter acquired and whether or not such property or assets constitute Collateral, other than any Lien permitted by the Credit Documents, it shall make or cause to be made effective provisions whereby the Obligations will be secured by such Lien equally and ratably with any and all other Indebtedness thereby secured as long as any such Indebtedness shall be secured; provided, however, that this covenant shall not be construed as consent by the Paying Agent and the Required Lenders to any violation by any Company of the provisions of Section 8.1.

7.15. Pledge of Additional Collateral.
(a) Subject to Section 7.14, as soon as reasonably practicable after the acquisition after the Closing Date of any personal property or assets by any Loan Party or Intercompany Loan Party with a Dollar Equivalent value in excess of the Dollar Equivalent of U.S. $5,000,000 (the "Additional Collateral"), each such Loan Party or Intercompany Loan Party shall take all

reasonably necessary or desirable action, including the filing of appropriate financing statements under the provisions of the UCC and applicable foreign, domestic or local laws, rules or regulations in each of the offices where such filing is necessary or appropriate, to (1) with respect to Additional Collateral acquired by any Loan Party, grant to the Paying Agent for the benefit of (i) with respect to any such Additional Collateral acquired by any Domestic Loan Party, all of the Creditors, and (ii) with respect to any such Additional Collateral acquired by a Foreign Loan Party, the Lenders owed Obligations by Subsidiary Borrower and (2) with respect to Additional Collateral acquired by any Intercompany Loan Party, grant to the obligee of Intercompany Loans a perfected first priority Lien in such Additional Collateral (or comparable interest under foreign law in the case of foreign Additional Collateral), subject to Liens of the type permitted in the Security Documents, pursuant to and to the full extent required by the applicable Security Documents, the applicable Intercompany Security Documents and this Agreement; provided, however, that notwithstanding the foregoing, (1) "Additional Collateral" shall in no event include Timber Assets or the Equity Interests in CorrChoice or Soterra LLC or the property or assets of CorrChoice or Soterra LLC; (2) no Domestic Loan Party shall be required, subject to Section 7.19, to pledge more than 65% of the Equity Interests of any Foreign Subsidiary, and no Equity Interests of any Foreign Subsidiary which is not a "first tier" Subsidiary of a Domestic Loan Party need be pledged by a Domestic Loan Party; and (3) no Foreign Subsidiary need pledge any property or assets to the extent prohibited by applicable law or to the extent such pledge would secure the Obligations of any Domestic Loan Party.

(b) In the event that (x) any Loan Party or Intercompany Loan Party acquires after the Closing Date an interest in any additional Real Property with a fair market value in excess of the Dollar Equivalent of U.S. $15,000,000, such Company shall take such actions and execute such documents as the Paying Agent shall reasonably require to (1) with respect to any such Real Property acquired by any Loan Party, grant to the Paying Agent a first priority perfected Lien on such Real Property for the benefit of (i) with respect to any such Real Property acquired by any Domestic Loan Party, all of the Creditors, and (ii) with respect to any such Real Property acquired by any Foreign Loan Party, the Lenders owed Obligations by Subsidiary Borrower and (2) with respect to any such Real Property acquired by any Intercompany Loan Party, grant to the obligee of the Intercompany Loans, through a Mortgage, a first priority perfected Lien on such Real Property for the Creditors and a second priority perfected Lien for such obligee (second only to the Lien of the Creditors and Liens permitted by the applicable Mortgage). All actions taken by the parties in connection with the pledge of Additional Collateral, including reasonable costs of counsel for the Lenders, shall be for the account of the Borrowers, who shall pay all reasonable sums due on demand.

7.16. Security Interests. (a) Each Borrower shall, and shall cause each of its Subsidiaries (other than any Receivables Co., Soterra LLC and the Subsidiaries listed on Schedule 7.13A) to, perform any and all reasonable acts and execute any and all documents (including, without limitation, the execution, amendment or supplementation of any financing statement, continuation statement or other statement) for filing in any appropriate jurisdiction under the provisions of the UCC and applicable foreign, domestic or local law or any statute, rule or regulation of any applicable jurisdiction, including any filings in local real estate land record offices and the United States Patent and Trademark Office, or the United States Copyright Office or similar foreign offices, which are reasonably necessary or advisable, from time to time, in order to grant, continue or maintain in favor of the secured parties set forth in the applicable Security Document or Intercompany Security Document, as the case may be, to which that Company is a party, a valid and perfected Lien on the Collateral or Intercompany Collateral and any Additional Collateral, subject to no Liens except for Prior Liens and Liens permitted by the applicable Security Documents or Intercompany Security Documents, as the case may be.

(b) Each Borrower shall, and shall cause each of its Subsidiaries to, deliver or cause to be delivered to the Paying

Agent from time to time such other reasonable documentation, consents, authorizations, approvals and orders in form and substance reasonably satisfactory to the Paying Agent as the Paying Agent shall deem reasonably necessary or advisable to perfect or maintain the Liens on the Collateral granted by the Security Documents and the Intercompany Collateral granted by the Intercompany Security Documents. Furthermore, with respect to any Additional Collateral, U.S. Borrower shall cause to be delivered to the Paying Agent such opinions of counsel, title insurance and other related documents as may reasonably be requested by the Paying Agent to assure itself that Sections 7.15 and 7.16 have been complied with.

(c) If the Paying Agent or the Required Lenders determine that they are required by law or regulation to have appraisals prepared in respect of any Real Property constituting Collateral, U.S. Borrower shall provide to the Paying Agent appraisals which satisfy the applicable requirements of the Real Estate Appraisal Reform Amendments of FIRREA and which shall be in form and substance reasonably satisfactory to the Paying Agent.

7.17. Interest Rate Protection. U.S. Borrower shall obtain on or within 90 days after the Closing Date, and shall thereafter maintain interest rate protection having terms and with counterparties reasonably satisfactory to the Lead Arranger as shall result in effectively limiting the interest rate exposure to the Borrowers of 40% of the aggregate Dollar Equivalent principal amount of then outstanding Loans for a period of at least three years from the date the initial interest rate protection was obtained.

7.18. Currency and Commodity Hedging Transactions. Each Company shall only enter into, purchase or otherwise acquire agreements or arrangements relating to currency or commodity hedging to the extent and only to the extent that such agreements or arrangements are entered into, purchased or otherwise acquired in the ordinary course of business of the Companies with reputable financial institutions or counterparties and not for purposes of speculation.

7.19. Foreign Subsidiaries Security. If following a change in the relevant sections of the Code or the regulations, rules, rulings, notices or other official pronouncements issued or promulgated thereunder, counsel for the Borrowers reasonably acceptable to the Agents does not within 30 days after a request from the Agents or the Required Lenders deliver its opinion (in form and substance reasonably acceptable to the Agents) with respect to any Foreign Subsidiary which has not already had all of its Equity Interests owned by any Domestic Loan Party pledged pursuant to a Domestic Security Document, that (i) a pledge to secure the Obligations of any Domestic Loan Party of 66-2/3% or more of the total combined voting power of all classes of Equity Interests of such Foreign Subsidiary entitled to vote and (ii) the entering into by such Foreign Subsidiary of a security agreement in substantially the form of the Domestic Guarantee and Security Agreement (with appropriate modifications to conform to applicable law) could reasonably be expected to cause the undistributed earnings of such Foreign Subsidiary as determined for U.S. Federal income tax purposes to be treated as a deemed dividend to such Foreign Subsidiary's United States parent for U.S. Federal income tax purposes, then in the case of a failure to deliver the opinion with respect to the factors described in clause (i) above, that portion of such Foreign Subsidiary's outstanding Equity Interests so issued by such Foreign Subsidiary, in each case not theretofore pledged pursuant to a Domestic Security Document, shall be pledged to the Paying Agent pursuant to a Domestic Security Document (with appropriate modifications to conform to and subject to limitations of law) (or another guarantee and security agreement in substantially similar form, if needed) and, in the case of a failure to deliver the opinion with respect to the factors described in clause (ii) above, such Foreign Subsidiary shall execute and deliver a Foreign Guarantee and Foreign Security Agreement in substantially the form executed and delivered by the Foreign Loan Parties (with appropriate modifications to conform to and subject to limitations of law) (or another guarantee and security agreement in substantially similar form, if needed) securing the Obligations of U.S. Borrower and its obligations under any Swap Agreement with a

Creditor and guaranteeing the Obligations of U.S. Borrower (with appropriate modifications to conform to and subject to limitations of law) (or another guaranty in substantially similar form, if needed), and its obligations under any Swap Agreement with a Creditor, in each case to the extent that the entering into of such agreements is permitted by the laws of the respective foreign jurisdiction and with all documents delivered pursuant to this Section 7.19 to be in form and substance reasonably satisfactory to the Lead Arranger.

7.20. Register. The Borrowers hereby designate the Paying Agent to serve as the Borrowers' agent, solely for purposes of this Section 7.20, to maintain a copy of each Assignment and Acceptance delivered to and accepted by it and a register (the "Register") on which it will record the Commitment from time to time of each of the Lenders, the Loans made by each of the Lenders and each repayment in respect of the principal amount of the Loans of each Lender. Failure to make any such recordation or any error in such recordation shall not affect either Borrower's obligations in respect of such Loans. The entries in the Register shall be prima facie evidence of the correctness thereof, and the Applicable Borrower, the Paying Agent and the Lenders shall treat each Person whose name is recorded in the Register as the owner of such a Loan or other obligation hereunder as the owner thereof for all purposes of this Agreement and the other Credit Documents, notwithstanding any notice to the contrary. With respect to any Lender, the transfer of any Commitment of such Lender or the rights to the principal of, and interest on, any Loan shall not be effective until such transfer is recorded on the Register maintained by the Paying Agent with respect to ownership of such Commitment or Loans and prior to such recordation all amounts owing to the transferor with respect to such Commitment or Loans shall remain owing to the transferor. The registration of assignment or transfer of all or part of any Commitment or Loans shall be recorded by the Paying Agent on the Register only upon the acceptance by the Paying Agent of a properly executed and delivered Assignment and Acceptance pursuant to Section 11.8. Coincident with the delivery of such an Assignment and Acceptance to the Paying Agent for acceptance and registration of assignment or transfer of all or part of a Loan, or as soon thereafter as practicable, the assigning or transferor Lender shall surrender the Note evidencing such Loan (but only if Notes were requested by and issued to such Lender) and thereupon one or more new Notes in the same aggregate principal amount shall be issued to the assigning or transferor Lender and/or the new Lender. The Borrowers agree to indemnify the Paying Agent from and against any and all losses, claims, damages and liabilities of whatsoever nature which may be imposed on, asserted against or incurred by the Paying Agent in performing its duties under this Section 7.20, except to the extent finally determined by a court of competent jurisdiction to have arisen solely from the gross negligence or willful misconduct of the Paying Agent.

7.21. Maintenance of Credit Rating. U.S. Borrower shall take all necessary actions, including but not limited to, the provision of all information and the payment of all fees and expenses (including the reasonable fees and expenses of counsel), in order to maintain a credit rating on the Credit Facilities by both S&P and Moody's (or their successors or any other rating agency reasonably acceptable to the Lead Arranger).

7.22. Post-Closing Obligations. (a) Each Borrower shall, and shall cause each of its Subsidiaries set forth on Schedule 7.22A and each other applicable Company contemplated herein to, as expeditiously as possible, but in no event later than the number of days after the Effective Date applicable to each item set forth below:

(i) within 30 days after the Effective Date, execute and deliver each of the Credit Documents and Intercompany Security Documents as set forth on Schedule 7.22A identified thereon to be executed and delivered by such Subsidiary (except that this obligation with respect to any Foreign Subsidiary shall not apply to the extent (but only to the extent) that the fulfillment thereof is prohibited by applicable law and grant a perfected first priority pledge and security interest (or comparable interest under foreign law) subject to Liens of the type

permitted under the Security Documents) in 100% of the Equity Interests of each of the Subsidiaries listed in Schedule 7.22A not granted on the Closing Date);

(ii) within 60 days after the Effective Date, execute and deliver each of the Credit Documents and Intercompany Security Documents as set forth on Schedule 7.22B identified thereon to be executed and delivered by such Subsidiary (except that this obligation with respect to any Foreign Subsidiary shall not apply to the extent (but only to the extent) that the fulfillment thereof is prohibited by applicable law);

(iii) within 120 days after the Effective Date, execute and deliver a Domestic Mortgage encumbering each Domestic Mortgaged Property in which the applicable Company holds a leasehold interest (as indicated in Schedule 1.1(a)(i)) (or, in the case of the Domestic Mortgaged Property located at 7425 Industrial Road in Florence, Kentucky, in the event the applicable Company acquires a fee interest in such Domestic Mortgaged Property, a Domestic Mortgage encumbering such fee interest) and a Foreign Mortgage encumbering each Foreign Mortgaged Property set forth on Schedule 1.1(a)(ii), in each case duly executed and acknowledged by the Company that is the owner of or holder of an interest in such Mortgaged Property, and otherwise in form for recording in the recording office of each political subdivision where each such Mortgaged Property is situated, together with such certificates, affidavits, questionnaires or returns as shall be required in connection with the recording or filing thereof to create a lien under applicable law, and such financing statements or other instruments as are contemplated by the local or foreign counsel opinions described in subparagraph (xiii) below in respect of such Mortgage, all of which shall be in form and substance reasonably satisfactory to the Lead Arranger, and any other instruments necessary to grant a mortgage lien under the laws of any applicable jurisdiction, which Mortgage and financing statements and other instruments shall when recorded be effective to create a first priority Lien on such Mortgaged Property subordinate to no Liens other than Prior Liens applicable to such Mortgaged Property and subject to no other Liens except Liens expressly permitted by such Mortgage (except that this obligation with respect to any Foreign Subsidiary shall not apply to the extent (but only to the extent) that the fulfillment thereof is prohibited by applicable law);

(iv) within 120 days after the Effective Date, with respect to each Domestic Mortgaged Property and Foreign Mortgaged Property, execute and deliver such consents, approvals, amendments, supplements, estoppels, tenant subordination agreements or other instruments as necessary or required or as shall reasonably be deemed necessary by the Lead Arranger in order for the owner or holder of the fee or leasehold interest constituting such Mortgaged Property to grant the Lien contemplated by the Mortgage with respect to such Mortgaged Property;

(v) within 120 days after the Effective Date, with respect to each Domestic Mortgage or Foreign Mortgage, deliver a policy (or commitment to issue a policy) of title insurance insuring (or committing to insure) or the customary foreign equivalent, if any, the Lien of such Mortgage as a valid first mortgage Lien on the real property and fixtures described therein in an amount equal to 100% of the fair market value thereof which policies (or commitments) shall (A) be issued by the Title Company, (B) to the extent necessary, include such reinsurance arrangements as shall be reasonably acceptable to the Lead Arranger, (C) contain a "tie-in" or "cluster" endorsement (if available under applicable law) (i.e., policies which insure against losses regardless of location or allocated value of the insured property up to a stated maximum coverage amount), (D) have been supplemented by such endorsements (or to the extent where such endorsements are not available at commercially reasonable rates, opinions of special counsel, architects or other professionals reasonably acceptable to the Lead Arranger to the extent that such opinions can be obtained at a cost which is

reasonable with respect to the value of the Real Property subject to such Mortgage) as shall be reasonably requested by the Lead Arranger (including, without limitation, endorsements on matters relating to usury, first loss, last dollar, zoning (provided that with respect to zoning, each Borrower may, and may cause each of its Subsidiaries to, in lieu of such endorsement deliver a zoning letter prepared by a Governmental Authority or a zoning and site requirement summary report prepared by the Planning and Zoning Resource Corporation or other similar service reasonably acceptable to the Lead Arranger), contiguity, revolving credit, doing business, non-imputation, public road access, survey, variable rate and so-called comprehensive coverage over covenants and restrictions), and (E) contain no exceptions to title other than exceptions for the Prior Liens applicable to such Mortgaged Property and other Liens reasonably acceptable to the Lead Arranger and (F) in the case of each Domestic Mortgage delivered on the Closing Date pursuant to Section 5.2, be dated the Closing Date and in the case of each other Domestic Mortgage or Foreign Mortgage, be dated the date of delivery of such Mortgage;

(vi) within 120 days after the Effective Date, with respect to each Domestic Mortgaged Property or Foreign Mortgaged Property described in subparagraph (iii) above, deliver policies or certificates of insurance as required by the Mortgage relating thereto, which policies or certificates shall comply with the insurance requirements contained in such Mortgage;

(vii) within 120 days after the Effective Date, with respect to each Domestic Mortgaged Property or Foreign Mortgaged Property, execute and/or deliver such affidavits, certificates, information (including financial data) and instruments of indemnification (including, without limitation, a so-called "gap" indemnification) as shall be required to induce the Title Company to issue the policy or policies (or commitment) and endorsements contemplated in subparagraph (v) above;

(viii) within 120 days after the Effective Date, deliver evidence reasonably acceptable to the Lead Arranger of payment by U.S. Borrower of all title insurance premiums, search and examination charges, and related charges, mortgage recording taxes, fees, charges, costs and expenses required for the recording of the Domestic Mortgages and Foreign Mortgages and issuance of the title insurance policies referred to subparagraph (v) above;

(ix) within 120 days after the Effective Date, with respect to each Domestic Mortgaged Property and Foreign Mortgaged Property, deliver a Survey or customary foreign equivalent, if any;

(x) within 60 days after the Effective Date, with respect to each Leased Real Property at which Collateral is located, deliver a lien waiver and access agreement substantially in the form of Exhibit O with such changes thereto as shall be reasonably acceptable to the Lead Arranger (except that this covenant shall be satisfied so long as the Borrowers use their commercially reasonable best efforts to fulfill this obligation).

(xi) within 120 days after the Effective Date, with respect to each Domestic Mortgaged Property or Foreign Mortgaged Property described in subparagraph (iii) above, U.S. Borrower and each Subsidiary shall have made all notification, registrations and filings, to the extent required by, and in accordance with, all Real Property Disclosure Requirements applicable to such Mortgaged Property, including the use of forms provided by state, local or foreign agencies, where such forms exist, whether to U.S. Borrower or to or with the state, local or foreign agency;

(xii) within 60 days after the Effective Date, obtain and deliver to the Lead Arranger, to the extent not previously delivered prior to the Closing Date, UCC, judgment and the tax lien search reports or customary or

equivalent foreign reports, where available, opinions or other documents each of a recent date listing all effective financing statements or comparable documents that name any Company as debtor in each of the jurisdictions set forth on Schedule 7.22; and

(xiii) at the time of delivery of each item set forth in this Section 7.22, procure such opinions of domestic local counsel and foreign local counsel to the Companies in each jurisdiction governing the Lien granted to the Paying Agent under any Security Document delivered pursuant to the provisions of this Section 7.22 and, to the extent not delivered on the Effective Date pursuant to Section 5.2 but in no event later than five Business Days after the Closing Date, in the states of California, Kansas, Missouri and Texas, each of which shall be reasonably satisfactory in form and substance to the Lead Arranger.

(b) At the time of delivery of each item set forth in this Section 7.22, the Borrowers shall or shall cause to be delivered a perfection certificate substantially in the form of Exhibit L, together with evidence of the completion of all related recordings and filings of, or with respect to, the Security Documents and Intercompany Security Documents and delivery of such other security and other documents as may be necessary or, in the reasonable opinion of the Lead Arranger, desirable to perfect the Liens created, or purported or intended to be created, by the Security Documents and Intercompany Security Documents delivered at such time.

(c) With respect to the legal descriptions attached to the Domestic Mortgages delivered pursuant to Section 5.2, in the event that in connection with the delivery of the title insurance policies contemplated in Section 7.22(v) relating to such Domestic Mortgages, it is determined that any such Domestic Mortgage affects real property to which U.S. Borrower or a Domestic Subsidiary of U.S. Borrower does not have fee simple title or leasehold title, then, upon written request at the sole cost and expense of U.S. Borrower, the Paying Agent shall execute all necessary documentation to release (without recourse to, or warranty by, the Paying Agent), including, without limitation, a partial release of mortgage in recordable form and otherwise in form and substance reasonably acceptable to the parties hereto, that portion of real property subject to such Domestic Mortgage which is not owned or leased by U.S Borrower or a Domestic Subsidiary. Furthermore, if, the Paying Agent determines that any Domestic Mortgage does not include all of the real property which is owned or leased by U.S. Borrower or a Domestic Subsidiary at that particular site, then upon written notice of the Paying Agent, U.S. Borrower or its Domestic Subsidiary shall execute and deliver (at the sole cost and expense of U.S. Borrower) all necessary documentation, including without limitation an amendment to the applicable Domestic Mortgage, to cause the unencumbered portion of said real property to be included in such Domestic Mortgage.

7.23. Limitations on Activities of U.S. Holdco, Subsidiary Borrower and Dutch Holdco. (a) U.S. Borrower shall at all times hold 100% of the Equity Interests of U.S. Holdco. U.S. Holdco shall at all times directly hold 100% of the Equity Interests of Subsidiary Borrower. Prior to the Contribution, U.S. Holdco shall at all times directly hold 100% of the Equity Interests of Dutch Holdco. Following the Contribution, Subsidiary Borrower shall at all times directly hold 100% of the Equity Interests of Dutch Holdco. U.S. Holdco shall at all times conduct no operations or business, incur no direct or indirect obligations, contingent or otherwise, and hold no assets, other than in all such cases to the extent related to or arising out of its ownership of the Equity Interests of Subsidiary Borrower and, prior to the Contribution, Dutch Holdco.

(b) Subsidiary Borrower shall at all times conduct no operations or business, incur no direct or indirect obligations, contingent or otherwise, and hold no assets other than the following: (i) its Obligations under the Credit Documents, (ii) Investments in its Subsidiaries permitted by this Agreement, (iii) Intercompany Loans and Intercompany Guarantees, and (iv) grant of security interests in support of Intercompany Loans and Intercompany Guarantees.

(c) Dutch Holdco shall at all times conduct no operations or business, incur no direct or indirect obligations (other than the Intercompany Loans), contingent or otherwise, and hold no assets, other than in all such cases to the extent related to or arising out of its ownership of the Equity Interests of Foreign Subsidiaries.

7.24. Certain Collateral Limitations. (a) Notwithstanding the foregoing, the provisions of Sections 7.13, 7.15, 7.16, 7.19, 7.22 and 7.23 pertaining to the grant of any Lien on Collateral securing the Obligations or the Intercompany Loans need only be complied with after any Rating Date to the extent relating to the pledge of Equity Interests of Subsidiaries as provided in such Sections, except that this limitation shall not apply so long as at any time after any Rating Date the Credit Facilities are rated BB+ or less by S&P or are rated Ba1 or less by Moody's (a "Downgrade Date"), it nevertheless being expressly understood that all provisions of such Sections dealing with Guarantees shall remain in full force and effect on and after the Rating Date. Each Company shall, at the sole expense of U.S. Borrower, take any action and execute all documents and instruments necessary or desirable to reattach Liens on Collateral of at least equal value as the Collateral released after a Rating Date, in each case as promptly as practicable but in no event later than 90 days after such Downgrade Date.

(b) From and after the Rating Date, the Paying Agent shall and the lenders of the Intercompany Loans may, at the request and sole expense of U.S. Borrower, take any action and execute all documents and instruments to effect the release of the Lien of the Security Documents (as well as of Swap Contracts with Lenders or their Affiliates) on all Collateral which is not the Equity Interests of any Company pledged under any Security Document. Such release shall no longer be permitted if any Downgrade Date occurs, and each Company shall, at the sole expense of U.S. Borrower, take any action and execute all documents and instruments necessary or desirable to reattach Liens on Collateral of at least equal value as the Collateral released after a Rating Date, in each case as promptly as practicable but in no event later than 60 days after such Downgrade Date.

ARTICLE VIII

NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, or any Loan or other Obligation (other than any contingent indemnity Obligations) shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding:

8.1. Limitation on Liens; No Further Negative Pledge. (a) The Borrowers shall not, and shall not cause or permit any Subsidiary to, create, incur, assume or suffer to exist any Lien upon or with respect to any property or assets of any Company constituting Collateral, whether now owned or hereafter acquired, or sell any such property or assets subject to an understanding or agreement, contingent or otherwise, to repurchase such property or assets or assign any right to receive income, or file or permit the filing of any financing statement under the UCC or any other similar effective notice of Lien under any similar recording or notice statute, except Prior Liens and other Liens expressly permitted by the Security Documents. U.S. Borrower shall not and shall not cause or permit any Subsidiary to, create, incur, assume or suffer to exist any Lien upon or with respect to any property or assets of any Company not constituting Collateral, whether now owned or hereafter acquired, or sell any such property or assets subject to an understanding or agreement, contingent or otherwise, to repurchase such property or assets or assign any right to receive income, or file or permit the filing of any financing statement under the UCC or any other similar effective notice of Lien under any similar recording or notice statute, except the following, which are herein collectively referred to as "Permitted Liens" (each of which shall be given independent effect):

(i) any Lien existing on the Effective Date and set

forth in Schedule 8.1(a), including Prior Liens, covering only the property or assets set forth in such Schedule 8.1(a) and securing Indebtedness outstanding on such date (other than any Refinanced Indebtedness);

(ii) any Lien created under any Credit Document or under any Intercompany Security Document;

(iii) Liens for taxes, fees, assessments or other governmental charges which are not yet delinquent, or to the extent that non-payment thereof is permitted by Section 7.6;

(iv) Liens in respect of property or assets of any Company imposed by law which were incurred in the ordinary course of business and have not arisen to secure Indebtedness, such as landlords', carriers', warehousemen's, mechanics', materialmen's, workmen's and repairmen's Liens, equipment leases and other similar Liens arising in the ordinary course of business, and (x) which do not in the aggregate materially detract from the value of such property or assets or materially impair the use thereof in the operation of the business of the Companies or (y) which are being contested in good faith by appropriate proceedings, which proceedings have the effect of preventing the forfeiture or sale of the property or asset subject to such Lien;

(v) Liens (other than any Lien imposed by ERISA) consisting of pledges or deposits required in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security or similar legislation;

(vi) Liens on the property of any Company securing (A) the non-delinquent performance of bids, trade contracts (other than for borrowed money), leases or statutory obligations, (B) contingent obligations on surety or appeal bonds, and (C) other non-delinquent obligations of a like nature, in each case, incurred in the ordinary course of business; provided, however, that all such Liens individually or in the aggregate would not (even if enforced) cause a Material Adverse Effect;

(vii) Liens consisting of judgment or judicial attachment liens (including prejudgment attachment), provided that the enforcement of such Liens is effectively stayed or payment of which is covered in full (subject to a customary deductible) by insurance or which do not otherwise result in an Event of Default under subsec-tion 9.1(i);

(viii) easements, rights-of-way, servitudes, covenants, restrictive covenants, encumbrances, minor defects or irregularities in title and other similar restrictions which, individually or in the aggregate, do not materially interfere with the ordinary conduct of the businesses of the Companies and which do not materially impair for its intended purpose the Real Property to which they relate in a manner which would reasonably be expected to have a Ma-terial Adverse Effect;

(ix) security interests (whether purchase money or otherwise) on any real or personal property acquired, constructed or improved after the Closing Date by any Company securing Indebtedness incurred or assumed for the purpose of financing all or any part of the cost of acquiring, constructing or improving such property; provided, however, that (A) any such Lien attaches to such property concurrently with or within 180 days after the acquisition thereof or the completion of construction or improvement, (B) such Lien attaches solely to the property so acquired, constructed or improved in such transaction, (C) the principal amount of the Indebtedness secured thereby does not exceed 100% of the fair market value of such property at the time of incurrence of such Indebtedness, plus the cost of construction or improvement, and (D) the principal amount of the Indebtedness secured by any and all such security interests, plus the aggregate amount of all Indebtedness arising under Capital Leases permitted solely by clause

(x) of this subsection 8.1(a), shall not at any time exceed a Dollar Equivalent amount of U.S. $20,000,000;

(x) Liens securing obligations in respect of Capital Leases on assets subject to such leases; provided, however, that the aggregate amount of all Indebtedness arising under Capital Leases permitted solely by this clause (x) (other than in respect of Capital Leases for automobiles leased in the ordinary course of business that are not required to be capitalized under International Accounting Standards), plus the aggregate amount of all Indebtedness secured by security interests permitted solely by clause (ix) of this subsection 8.1(a), shall not at any time exceed a Dollar Equivalent amount of U.S. $20,000,000;

(xi) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; provided, however, that (A) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by any Company in excess of those set forth by regulations promulgated by the FRB or comparable Governmental Authority, and (B) such deposit account is not intended by any Company to provide collateral to the depository institution;

(xii) Liens existing on any asset (other than of Van Leer and its Subsidiaries as of the Closing Date) prior to the date of acquisition thereof by any Company which (A) were not created in contemplation of or in connection with such acquisition and (B) do not extend to or cover any other property or assets of any Company;

(xiii) Liens existing on any asset of any Person (other than Van Leer and its Subsidiaries as of the Closing Date) at the time such Person becomes a Subsidiary or is merged, amalgamated or consolidated with or into a Subsidiary which (A) were not created in contemplation of or in connection with such event and (B) do not extend to or cover any other property or assets of any Company;

(xiv) Liens not otherwise permitted hereunder securing Indebtedness or other obligations not at any time exceeding in the aggregate a Dollar Equivalent amount of U.S. $10,000,000;

(xv) Leases with respect to the assets or properties of any Company entered into in the ordinary course of business;

(xvi) Liens evidenced by UCC financing statements regarding operating and equipment leases permitted by this Agreement or in respect of consigned goods in the ordinary course of business;

(xvii) any Lien arising out of the refinancing, extension, renewal or refunding of any Indebtedness secured by any Lien permitted by any of clause (i), (ix), (x), (xii), (xiii) or (xiv) of this subsection 8.1(a); provided, however, that such Indebtedness is not increased and is not secured by any additional assets as to which a Lien is not otherwise permitted hereunder;

(xviii) Liens solely in favor of either Borrower or, if granted by any Qualified Subsidiary, any Subsidiary which is a Qualified Subsidiary or, if granted by any other Subsidiary, any Subsidiary;

(xix) Liens securing obligations under Swap Contracts with any Creditor;

(xx) Liens permitted by Article 4 of the Domestic Mortgage;

(xxi) Liens or assets sold in accordance with subsection 8.2(e) or Section 8.20; and

(xxii) Liens on Accounts or related assets of any

Receivables Co. created in connection with a Permitted Receivables Transaction.

(b) Except with respect to prohibitions against other encumbrances on specific property encumbered to secure payment of particular Indebtedness permitted hereunder or prohibitions in license agreements under which any Company is the licensee, no Company shall enter into any agreement prohibiting the creation or assumption of any Lien upon its properties or assets, whether now owned or hereafter acquired, except pursuant to (1) the Credit Documents, (2) any other agreement that does not restrict in any manner (directly or indirectly) Liens created pursuant to the Credit Documents on property or assets of any Company (whether now owned or hereafter acquired) securing the Obligations and does not require the direct or indirect granting of any Lien securing any Indebtedness or other obligation by virtue of the granting of Liens on or pledge of property of any Company to secure the Obligations, and (3) any industrial revenue or development bonds, acquisition agreements, agreements in connection with any Permitted Receivables Transaction permitted hereby (in which case, any prohibition or limitation shall only be effective against the property financed or acquired thereby) or operating leases of Real Property entered into in the ordinary course of business.

8.2. Consolidations, Mergers and Disposition of Assets. The Borrowers shall not, and shall not cause or permit any Subsidiary to, directly or indirectly, (a) consummate any Asset Sale, (b) wind up, liquidate or dissolve its affairs, (c) merge, amalgamate, consolidate with or into, or (d) convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of their respective properties or assets (whether now owned or hereafter acquired) to or in favor of any Person, except (each of which shall be given independent effect):

(a) dispositions of used, worn-out, obsolete or surplus equipment or other property, all in the ordinary course of business; provided, however, that the proceeds thereof are reinvested in the business of one or more of the Companies;

(b) the sale of equipment to the extent that such equipment is exchanged for credit against the purchase price of similar replacement equipment, or the proceeds of such sale are reasonably promptly applied to the purchase price of similar replacement equipment;

(c) Capital Expenditures permitted by Section 8.18, Leases not prohibited by this Agreement, the Liens permitted by Section 8.1, the Investments permitted pursuant to Section 8.4 and the Restricted Payments permitted by Section 8.13;

(d) any Asset Sale so long as (x) the aggregate sale proceeds from all such Asset Sales shall not exceed the Dollar Equivalent amount of U.S. $5,000,000 in any fiscal year of U.S. Borrower and (y) the Net Cash Proceeds therefrom are applied as provided in subsection 2.7(c);

(e) the sale or discount, in each case without recourse, of accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof or as permitted by Section 8.20; provided, however, that any Foreign Subsidiary may effect such sale or discount with recourse if such is consistent with its past practice or is consistent with customary practice in such Subsidiary's country of business;

(f) the licensing, in the ordinary course of business, of patents, trademarks, copyrights and know-how to or from third Persons, so long as any such license granted by any Company after the Effective Date is permitted to be assigned pursuant to the applicable Security Document and does not otherwise prohibit the granting of a Lien therein by any Company pursuant to any Security Document;

(g) any Subsidiary may be merged or consolidated with or into U.S. Borrower or any Qualified Subsidiary and any Subsidiary may transfer assets to U.S. Borrower or any Qualified Subsidiary; provided, however, that in any merger or consolidation involving U.S. Borrower, U.S. Borrower shall be the surviving corporation;

(h) the consummation of the Van Leer Acquisition in accordance with the Van Leer Acquisition Documents;

(i) any Acquisition permitted by Section 8.4;

(j) any Foreign Subsidiary (other than Subsidiary Borrower) may merge or consolidate with or into or sell, assign or transfer its assets to any other Foreign Subsidiary and if the Foreign Subsidiary that is merged or consolidated or that sells, assigns or transfers its assets had executed and delivered a Foreign Guarantee and Foreign Security Agreement or Intercompany Guarantee and Intercompany Security Agreement, then the surviving entity or transferee, as the case may be, shall have executed and delivered a Foreign Guarantee, Foreign Security Agreement, Intercompany Guarantee and Intercompany Security Agreement, as the case may be, which is in full force and effect;

(k) the contribution to Subsidiary Borrower of Intercompany Loans made by U.S. Borrower and related Intercompany Loan Documents and security interests as permitted by Section 8.26;

(l) any disposition in the ordinary course of business of Timber Assets for fair market value as reasonably determined by U.S. Borrower so long as either (A) the Net Cash Proceeds therefrom are applied as provided in subsection 2.7(c) or used to effect a substantially contemporaneous acquisition of Timber Assets, or (B) such disposition is pursuant to a substantially contemporaneous exchange for Timber Assets;

(m) any Subsidiary (other than Subsidiary Borrower) may be liquidated in connection with the sale of its assets as permitted by this Agreement and the cessation of operations in connection therewith so long as the Net Cash Proceeds therefrom are applied as provided in subsection 2.7(c);

(n) Asset Sales contemplated by Schedule 8.2(n) so long as made for fair market value as reasonably determined by U.S. Borrower and on ordinary business terms and so long as the Net Cash Proceeds therefrom are applied as provided in subsection 2.7(c); and

(o) the sale, transfer or discount of Accounts pursuant to any Permitted Receivables Transaction so long as the Net Cash Proceeds therefrom are applied as provided in subsection 2.7(c).

To the extent the Required Lenders waive the provisions of this Section 8.2 with respect to the sale or other disposition of any Collateral, or any Collateral is sold or otherwise disposed of as permitted by this Section 8.2 (other than to a Company), the Co-Agents and Lenders acknowledge and agree that such Collateral in each case shall be sold or otherwise disposed of free and clear of the Liens created by the Security Documents and the Paying Agent shall, at the sole expense of U.S. Borrower, take such actions as are appropriate in connection therewith.

8.3. Leases. The Borrowers shall not permit, and shall not cause or permit any Subsidiary to permit, the aggregate lease payments calculated in accordance with GAAP (including, without limitation, any property taxes paid as additional rent or lease payments) by the Companies on a consolidated basis under any agreement to rent or lease any real or personal property (or any extension or renewal thereof) (excluding Capital Leases) to exceed in any fiscal year (commencing with fiscal 2001) prior to and including fiscal 2003, the Dollar Equivalent amount of U.S. $40,000,000 and in any fiscal year thereafter, the Dollar Equivalent amount of U.S. $50,000,000.

8.4. Loans and Investments. The Borrowers shall not, and shall not cause or permit any Subsidiary to, directly or indirectly, (i) purchase or acquire, or make any commitment to purchase or acquire, any Equity Interest, or obligations or other securities of, or any interest in, any Person, (ii) make or commit to make any Acquisition, (iii) make or commit to make any advance, loan, extension of credit or capital contribution to, or guarantee of any obligation of, or any other investment in, or (iv) incur Guaranty Obligations on behalf of, any Person (including any Affiliate of U.S. Borrower) other than the guarantee of any Indebtedness permitted by Section 8.5 (any of the foregoing, an "Investment"), except, subject to Section 8.26, for (each of which shall be given independent effect):

(a) Investments by any Company in Cash and Cash Equivalents;

(b) extensions of credit in the nature of accounts receivable or notes receivable arising from the sale or lease of goods or services in the ordinary course of business;

(c) Investments (including extensions of credit (such extensions of credit, "Intercompany Indebtedness") and Guaranty Obligations) by any Company in or to U.S. Borrower or any Qualified Subsidiary (or in any Person that thereby becomes a Qualified Subsidiary or is merged or consolidated into U.S. Borrower or any Qualified Subsidiary); provided, however, that (x) with respect to any Guaranty Obligation issued by any Subsidiary of either Borrower's obligations, such Subsidiary has entered into the Domestic Guarantee and Security Agreement (if it is a Domestic Subsidiary) or a Foreign Guarantee (if it is Foreign Subsidiary), in each case, at least as favorable as such Guaranty Obligation, (y) upon request of the Required Lenders, all such Intercompany Indebtedness shall be evidenced by promissory notes in form, and shall be pledged to the Paying Agent pursuant to documentation, reasonably satisfactory to the Required Lenders, and (z) such Subsidiary shall have entered into the appropriate Security Documents pursuant to Section 7.15 and taken all necessary action pursuant to Section 7.16;

(d) Investments consisting of non-cash consideration received in the form of securities, notes or similar obligations in connection with disposition of assets permitted by subsection 8.2(d); provided, however, that (i) the aggregate amount of such non-cash consideration received in connection with any such disposition shall not exceed 20% of the total consideration received in connection with such disposition and (ii) such non-cash consideration is pledged pursuant to the appropriate Security Document;

(e) Investments made in order to consummate Acquisitions (other than the Van Leer Acquisition); provided, however, that (i) no Event of Default or Unmatured Event of Default exists or will result therefrom (including any such event under Section 8.15), (ii) on a pro forma basis, after giving effect to such Acquisition(s), U.S. Borrower would have been in compliance with Sections 8.10, 8.11 and 8.12 on the last day of the most recently completed fiscal quarter (assuming, for purposes of Sections 8.10 and, if applicable, 8.12, that such Acquisition had occurred on the first day of the Test Period ending on such last day) which compliance shall be demonstrated in an Officers' Certificate delivered to the Paying Agent and each Lender and (iii) the aggregate Dollar Equivalent amount of the consideration (which for each Acquisition shall be measured at the date of consummation thereof and which shall include debt assumed (not to exceed 50% of the total consideration for any Acquisition), earn-outs, working capital deficits and deferred payments) paid for all Acquisitions (other than the Van Leer Acquisition) consummated since the Effective Date shall not exceed the Dollar Equivalent amount of U.S. $50,000,000;

(f) pledges or deposits required in the ordinary

course of business in connection with workmen's compensation, unemployment insurance and other social security or similar legislation;

(g) pledges or deposits in connection with (i) the non-delinquent performance of bids, trade contracts (other than for borrowed money), leases or statutory obligations, (ii) contingent obligations on surety or appeal bonds (including those permitted by subsection 8.8(d)), and (iii) other non-delinquent obligations of a like nature, in each case incurred in the ordinary course of business;

(h) advances, loans or extensions of credit to suppliers in the ordinary course of business consistent with past practice as of the Effective Date;

(i) advances, loans or extensions of credit by any Company to employees of any Company; provided, however, that the aggregate amount of all such loans, advances and extensions of credit shall not at any time exceed in the aggregate a Dollar Equivalent amount of U.S. $7,500,000;

(j) other Investments and Guarantees (excluding Investments and Guarantees of the types described in subsection 8.4(i)) by any Company not at any time exceeding the sum of (i) in the aggregate a Dollar Equivalent amount of U.S. $7,500,000 since the Effective Date plus (ii) the aggregate net cash received by U.S. Borrower since the Effective Date in connection with such Investments and Guarantees as dividends, distributions or other returns of capital from Investments;

(k) Investments to consummate the Van Leer Acquisition on the terms set forth in the Van Leer Acquisition Documents;

(l) Investments (including debt obligations) received in connection with the bankruptcy or reorganization, recapitalization or workout of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business or any foreclosure by any Company; provided, however, that any securities or other property so received is pledged pursuant to the appropriate Security Document;

(m) Swap Contracts and other Contingent Obligations entered into in compliance with subsection 8.8(b);

(n) Investments in existence on the Effective Date and listed in Schedule 8.4(n), without giving effect to any additions thereto and Investments to be made pursuant to binding agreements in existence on the Effective Date set forth on Schedule 8.4(n) to the extent made in accordance with the terms of such agreements as in effect on the Effective Date, and any renewal or extension of any thereof in the ordinary course of business and on ordinary business terms in an amount not to exceed the original amount thereof;

(o) any Company may hold additional Investments in any Subsidiary to the extent that such Investments reflect an increase in the value of such Subsidiary resulting from retained earnings of such Subsidiary;

(p) any endorsement of a check of other medium of payment for deposit or collection, or any similar transac-tion in the ordinary course of business;

(q) Investments of any Person in the amount existing at the time such Person became a Subsidiary, to the extent such Investment was not made in connection with, or in contemplation of, such Person becoming a Subsidiary;

(r) any Subsidiary which is not a Qualified Subsidiary may make Investments in or to any other Subsidiary which has executed and delivered a Foreign Guarantee and Foreign Security Agreement which is in full force and effect or Intercompany Guarantee and Intercompany Security Agreement which is in full force and effect;

(s) Investments (including Intercompany Indebtedness and Guaranty Obligations) by any Company in any Wholly-Owned Subsidiary to the extent made in the ordinary course to fund or support the ordinary course operations of such Wholly-Owned Subsidiary or if de minimis and made in connection with the organization or formation thereof; provided, however, that upon the request of the Required Lenders all or any part of such Intercompany Indebtedness shall be evidenced by promissory notes in form, and shall be pledged to the Paying Agent pursuant to documentation, reasonably satisfactory to the Required Lenders;

(t) Investments consisting of the transfer of equipment (and any intellectual property rights necessary for the use of such assets) to Foreign Subsidiaries in the ordinary course of business so long as, at the time of any such transfer, the sum of the current book value of the assets transferred plus the book values of all other assets previously transferred to Foreign Subsidiaries pursuant to this clause (t) (measured as of the time of the relevant transfer) since the Effective Date, does not exceed 5% of the Total Assets of U.S. Borrower (measured at the time of such transfer);

(u) the Contribution if and to the extent consummated in accordance with Section 8.26;

(v) any Investment which, in the judgment of such Company, is reasonably necessary in connection with, and pursuant to, any Permitted Receivables Transaction; and

(w) Investments in joint ventures by any Company not at any time exceeding the sum of (i) in the aggregate a Dollar Equivalent amount of U.S. $10,000,000 since the Effective Date plus (ii) the aggregate net cash received by any Company since the Effective Date in connection with such Investments as dividends, distributions or other returns of capital from Investments.

In the case of any Investment by a Company in any Receivables Co., such Investment shall only be made in connection with a Permitted Receivables Transaction on terms satisfactory to the Required Lenders.

8.5. Limitation on Indebtedness. The Borrowers shall not, and shall not cause or permit any Subsidiary to, directly or indirectly, create, incur, assume, suffer to exist, or otherwise become or remain directly or indirectly liable with respect to, any Indebtedness, except (each of which shall be given independent effect):

(a) the Obligations and the Intercompany Loans;

(b) Indebtedness consisting of Contingent Obligations permitted pursuant to Section 8.8;

(c) Indebtedness existing on the Effective Date which is Refinanced Indebtedness (which Indebtedness may not be outstanding beyond the Closing Date);

(d) Indebtedness existing on the Effective Date set forth in Schedule 6.16, which amount shall not exceed the Dollar Equivalent amount of U.S. $50,000,000 reduced by any Indebtedness incurred pursuant to subsection 8.5(n), and any refinancing, renewal or extension thereof by the applicable obligor that does not shorten the maturity or the average life to maturity thereof or increase the amount thereof (other than by the amount of fees and expenses (including prepayment premiums) related to such refinancing, renewal or extension);

(e) Indebtedness incurred in connection with Capital Leases to the extent permitted by subsection 8.1(a)(x) and Indebtedness incurred in connection with the acquisition, construction or improvement of property to the extent permitted by subsection 8.1(a)(ix);

(f) Indebtedness of U.S. Borrower or any Qualified Subsidiary to any Subsidiary or, subject to Section 8.4, of any Subsidiary which is not a Qualified Subsidiary to

any other Subsidiary;

(g) unsecured Indebtedness in an aggregate principal amount not to exceed in the aggregate at any time outstanding the Dollar Equivalent amount of U.S. $15,000,000;

(h) Guaranty Obligations of any Company in respect of recourse events in connection with any Permitted Receivables Transaction;

(i) Indebtedness subordinated on terms satisfactory to the Required Lenders not to exceed in the aggregate at any time outstanding the Dollar Equivalent amount of U.S. $20,000,000 so long as the Net Cash Proceeds therefrom are applied in accordance with subsection 2.7(d);

(j) Indebtedness arising from honoring a check, draft or similar instrument against insufficient funds; provided, however, that such Indebtedness is extinguished within five Business Days of its incurrence;

(k) obligations under Leases permitted by Section 8.3 and Guaranty Obligations permitted by Sections 8.4 and 8.8;

(l) Indebtedness of a Person (other than Indebtedness of Van Leer and its Subsidiaries as of the Closing Date) existing at the time such Person became a Subsidiary or assets were acquired from such Person, to the extent such Indebtedness was not incurred in connection with, or in contemplation of, such Person becoming a Subsidiary or the acquisition of such assets;

(m) Indebtedness of any Receivables Co. incurred in connection with a Permitted Receivables Transaction consisting of (i) Indebtedness in an aggregate amount at any time not to exceed the Dollar Equivalent amount of U.S. $40.0 million and (ii) Indebtedness of any Company to any Receivables Co. in connection with any Permitted Receivables Transaction; provided, however, that such In-debtedness and Contingent Obligations shall be subordinated to the Obligations and on terms and con-ditions reasonably acceptable to the Required Lenders; provided, however, that in the case of clause (i) of this subsection, the Net Cash Proceeds therefrom shall be applied as specified in subsection 2.7(d); and

(n) unsecured Indebtedness of any Foreign Subsidiary in an aggregate principal amount for all Foreign Subsidiaries not to exceed in the aggregate at any time outstanding the Dollar Equivalent amount of U.S. $25,000,000.

If such Indebtedness is incurred to refinance Indebtedness denominated in a currency other than U.S. Dollars and such refinancing would cause a Dollar Equivalent restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such Dollar Equivalent restriction shall not be deemed to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced, but the ability to make subsequent incurrences of Indebtedness subject to the applicable Dollar Equivalent restriction shall be determined as if the relevant currency exchange rate applied to any such previous refinancing was the rate in effect on the date of such refinancing.

8.6. Transactions with Affiliates. The Borrowers shall not, and shall not cause or permit any Subsidiary to, directly or indirectly, enter into any transaction with any Affiliate of U.S. Borrower (other than one or more Companies), except upon fair and reasonable terms no less favorable to such Subsidiary than would obtain in a comparable arm's-length transaction with a Person not an Affiliate of U.S. Borrower or such Subsidiary; provided, however, that the following shall in any event be permitted: (a) Restricted Payments permitted by Section 8.13; (b) the payment of reasonable and customary regular fees to directors of any Company who are not employees of any Company; (c) any transaction with an officer or member

of the board of directors of any Company in the ordinary course of business involving compensation, indemnity or employee benefit arrangements; (d) Investments permitted by Section 8.4; and (e) any Permitted Receivables Transaction.

8.7. Use of Proceeds. The Borrowers shall not and shall not cause or permit any Subsidiary to, directly or indirectly, use any portion of the Loan proceeds or any Letter of Credit, directly or indirectly, (i) to purchase or carry Margin Stock, (ii) to repay or otherwise refinance Indebtedness of any Loan Party or others incurred to purchase or carry Margin Stock or (iii) to extend credit for the purpose of purchasing or carrying any Margin Stock.

8.8. Contingent Obligations. The Borrowers shall not, and shall not cause or permit any Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Contingent Obligations, except:

(a) endorsements for collection or deposit in the ordinary course of business;

(b) Swap Contracts entered into in the ordinary course of business and designed to protect against fluctuations in interest rates, currency exchange rates, commodity prices or similar risks (including any Swap Contract entered into pursuant to Section 7.17 or Section 7.18 and Swap Contracts that do not violate Section 7.18);

(c) Contingent Obligations existing as of the Effective Date and listed in Schedule 8.8;

(d) Contingent Obligations arising under (i) Surety Instruments arising in the ordinary course of business of any Company or (ii) any guaranty of the performance of Contractual Obligations (other than obligations to pay money) of other Persons that are not Subsidiaries so long as such guaranty arises in connection with a project in which a Company is otherwise involved in the ordinary course of business, not to exceed in the aggregate for all Contingent Obligations pursuant to this subclause (d) the Dollar Equivalent amount of U.S. $5,000,000;

(e) Guaranty Obligations permitted by Section 8.4 and Guaranty Obligations by U.S. Borrower with respect to any Indebtedness of any Subsidiary incurred in accordance with Section 8.5;

(f) other Contingent Obligations not at any time exceeding in the aggregate outstanding a Dollar Equivalent amount of U.S. $5,000,000; and

(g) Guaranty Obligations arising under the Credit Documents or the Intercompany Guarantees.

8.9. Restrictions on Subsidiaries. (a) The Borrowers shall not cause or permit any Subsidiary to, directly or indirectly, enter into any agreement or instrument (other than the Credit Documents) which by its terms restricts the ability of such Subsidiary (a) to declare or pay dividends or make similar distributions, (b) to repay principal of, or pay any interest on, any Indebtedness owed to any Company, (c) to make payments of royalties, licensing fees and similar amounts to any Company or (d) to make loans or advances to, or guarantee any Indebtedness or other obligation of, any Company, except for such encumbrances or restrictions existing under or by reason of (i) customary provisions restricting subletting or assignment of any Lease governing a leasehold interest of any Company, (ii) customary provisions restricting assignment of any agreement or license entered into by any Company in the ordinary course of business, (iii) customary provisions restricting the transfer of assets subject to Liens permitted under Section 8.1 and (iv) applicable law (including minimum capital requirements).

(b) U.S. Borrower will not, and will not cause any Subsidiary to, directly or indirectly take any action which would cause any Subsidiary to cease to be a Subsidiary by virtue of the last sentence of the definition of Subsidiary.

8.10. Fixed Charge Coverage Ratio; Interest

Coverage Ratio. (a) U.S. Borrower shall not permit, as of any Test Date (beginning with the Test Date ending April 30, 2001), the Fixed Charge Coverage Ratio to be less than 1.20 to 1.0.

(b) U.S. Borrower shall not permit, as of any Test Date (beginning with the Test Date ending April 30, 2001) ending during any period set forth below, the Interest Coverage Ratio to be less than the ratio set forth opposite such period in the table below:

Period	Ratio
February 1, 2001 to April 30, 2001	3.00 to 1.00
May 1, 2001 to July 31, 2001	3.00 to 1.00
August 1, 2001 to October 31, 2001	3.25 to 1.00
November 1, 2001 to January 31, 2002	3.25 to 1.00
February 1, 2002 to April 30, 2002	3.25 to 1.00
May 1, 2002 to July 31, 2002	3.25 to 1.00
August 1, 2002 to October 31, 2002 and any Test Date thereafter	3.50 to 1.00

8.11. Minimum Net Worth. U.S. Borrower shall not permit Consolidated Net Worth (to be calculated for the purposes of this Section 8.11 by excluding net gains (but not losses) resulting from asset sales (other than sales of timber and timber lands)) at the end of any fiscal quarter (beginning with the fiscal quarter ending April 30, 2001) to be less than (i) U.S. $500,000,000 plus (ii) 50% of the sum of positive Consolidated Net Income for each fiscal quarter beginning with the first fiscal quarter after the Closing Date (without reduction for losses) plus (iii) 100% of the Net Cash Proceeds received by U.S. Borrower after the Closing Date from each issuance of Equity Interests.

8.12. Total Leverage Ratio. U.S. Borrower shall not permit, as of any Test Date(beginning with the Test Date ending April 30, 2001) ending during any period set forth below, the Total Leverage Ratio to exceed the ratio set forth opposite such period in the table below:

Period	Total Leverage Ratio
February 1, 2001 to April 30, 2001	3.50 to 1.00
May 1, 2001 to July 31, 2001	3.50 to 1.00
August 1, 2001 to October 31, 2001	3.25 to 1.00
November 1, 2001 to January 31, 2002	3.25 to 1.00
February 1, 2002 to April 30, 2002	3.00 to 1.00
May 1, 2002 to July 31, 2002	3.00 to 1.00
August 1, 2002 to October 31, 2002	2.75 to 1.00
November 1, 2002 to January 31, 2003	2.75 to 1.00
February 1, 2003 to April 30, 2003	2.50 to 1.00
May 1, 2003 to July 31, 2003	2.50 to 1.00
August 1, 2003 to October 31, 2003	2.50 to 1.00
November 1, 2003 to January 31, 2004 and any Test Date thereafter	2.00 to 1.00

8.13. Restricted Payments. The Borrowers shall not, and shall not permit any Subsidiary to, directly or indirectly, (i) declare or make any dividend payment or other distribution of assets, properties, Cash, rights, obligations or securities on account of any shares of any class of the Equity Interests of any Company (other than to U.S. Borrower or any Qualified Subsidiary) or (ii) purchase, redeem or otherwise acquire for value any shares of any Company's Equity Interests or any warrants, rights or options to acquire such Equity Interests, now or hereafter outstanding owned by any Person other than U.S. Borrower or any Qualified Subsidiary (any such prohibited transaction, a "Restricted Payment"), except that (each of which shall be given independent effect):

(a) any Company may declare and make dividend payments or other distributions payable solely in its Equity Interests;

(b) any Company may purchase, redeem, defease or

otherwise acquire or retire for value shares of its Equity Interests or warrants or options to acquire any such Equity Interests with shares of its Equity Interests;

(c) any Subsidiary may pay dividends and distributions or purchase, redeem, defease or otherwise acquire or retire for value shares of its Equity Interests or warrants or options to acquire any such Equity Interests so long as any such payments pursuant thereto by any non-Wholly-Owned Subsidiary of U.S. Borrower are made on a pro rata basis to such Subsidiary's shareholders generally or are paid solely to a Loan Party;

(d) so long as no Unmatured Event of Default or Event of Default then exists pursuant to subsection 9.1(a), (f) or (g), U.S. Borrower may make Restricted Payments during any fiscal year in an amount not to exceed the excess of (I) the sum of (A) U.S. $18,000,000 plus (B) the sum of 50% of Consolidated Net Income for each fiscal year ending during the period beginning on the Closing Date and ending immediately prior to the date of such Restricted Payment and for which financial statements complying with subsection 7.1(a) have been delivered to the Lenders (it being understood that there shall not be any deductions for any net loss as shown on U.S. Borrower's income statement for any fiscal year prepared in accordance with GAAP) over (II) the aggregate amount of Restricted Payments made since the Closing Date; provided, however, that in no event shall the aggregate amount of Re-stricted Payments made in any fiscal year exceed U.S. $18,000,000 (or U.S. $25,000,000 at any time that the Total Leverage Ratio is less than 2.0 to 1.0);

(e) so long as no Unmatured Event of Default or Event of Default then exists, U.S. Borrower may repurchase shares of its common stock from time to time during any fiscal year in an amount not to exceed the lesser of (I) U.S. $15,000,000 and (II) the Dollar Equivalent amount of 25% of Excess Cash Flow for the most recent fiscal year of U.S. Borrower; provided, however, that in no event shall such a repurchase be permitted if (A) the mandatory prepayment required by subsection 2.7(b) for such fiscal year has not been completed in accordance with the requirements thereof and applied as set forth in subsection 2.7(f), or (B) at the time of the proposed repurchase the Total Leverage Ratio is greater than 2.0 to 1.0; and

(f) U.S. Borrower may pay dividends of up to the lesser of (I) $0.01 per share of Class A Common Stock for each four consecutive fiscal quarters and (II) U.S. $250,000 for each consecutive fiscal quarter.

8.14. ERISA. The Borrowers shall not cause or permit any ERISA Entities to, engage in a transaction that would be reasonably likely subject to Section 4069 or 4212(c) of ERISA and that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

8.15. Change in Business. The Borrowers shall not, and shall not cause or permit any Subsidiary to, directly or indirectly, engage in any line of business that, taken on a consolidated basis, would be material and substantially different from those lines of business carried on by the Companies (including Van Leer and its Subsidiaries) on the Effective Date, except that the Companies may engage in any reasonable extension, development or expansion thereof or in any business ancillary thereto.

8.16. Accounting Changes. The Borrowers shall not, and shall not cause or permit any Subsidiary to, make any change in accounting principles or reporting practices, except as required by GAAP, or change their fiscal years.

8.17. Amendments to Transaction Documents. The Borrowers shall not and shall not cause or permit any Subsidiary to, directly or indirectly, make any amendment, supplement or other modification of, or enter into any consent or waiver with respect to any material obligations under any Transaction Document.

8.18. Capital Expenditures. The Borrowers shall not permit the aggregate amount of all Capital Expenditures made by the Companies for any fiscal year to exceed U.S. $90,000,000; provided, however, that (x) if the aggregate amount of Capital Expenditures for any fiscal year shall be less than U.S. $90,000,000 (before giving effect to any carryover), then the shortfall may be added to the amount of Capital Expenditures permitted for the immediately succeeding (but not any other) fiscal year if the amount expended in such fiscal year would not exceed U.S. $112,500,000 and (y) in determining whether any amount is available for carryover, the amount expended in any fiscal year shall first be deemed to be from the amount allocated to such year before any carryover.

8.19. Sale and Lease-Backs. The Borrowers shall not, and shall not cause or permit any Subsidiary to, directly or indirectly, become or thereafter remain liable as lessee or as guarantor or other surety with respect to the lessee's obligations under any lease, whether an operating lease or a Capital Lease, of any property (whether real or personal or mixed), whether now owned or hereafter acquired, (i) which any Company has sold or transferred or is to sell or transfer to any other Person (other than any Domestic Loan Party) or (ii) which any Company intends to use for substantially the same purpose as any other property which has been or is to be sold or transferred by any Company to any Person in connection with such lease, if in the case of clause (i) or (ii) above, such sale and such lease are part of the same transaction or a series of related transactions or such sale and such lease occur within one year of each other or are with the same other Person, except for any transaction permitted by subsection 8.2(d).

8.20. Sale or Discount of Receivables. The Borrowers shall not, and shall not cause or permit any Subsidiary to, directly or indirectly, sell, with or without recourse, or discount (other than in connection with trade discounts or arrangements necessitated by the creditworthiness of the other party, in each case in the ordinary course of business consistent with past practice) or otherwise sell for less than the face value thereof, notes or accounts receivable, except (i) to any Domestic Loan Party and (ii) by Foreign Subsidiaries in the ordinary course and either (I) consistent with past practice as of the Effective Date, (II) consistent with the customary practices of the applicable country or (III) permitted by subsection 8.2(e) and (o).

8.21. Creation of Subsidiaries. The Borrowers shall not, and shall not cause or permit any Subsidiary to, establish, create or acquire after the Effective Date any Subsidiary; provided, however, that U.S. Borrower shall be permitted to establish, create or acquire direct or indirect Subsidiaries which are Qualified Subsidiaries or any other Subsidiary in connection with any Investment permitted by Section 8.4 so long as (i) at least 10 days' prior written notice thereof is given to the Paying Agent and (ii) at such time Section 7.13 is complied with in all respects.

8.22. [Reserved].

8.23. Limitation on Other Restrictions on Amendment of Documents. The Borrowers shall not, and shall not cause or permit any Subsidiary to, directly or indirectly, enter into, suffer to exist or become or remain subject to any agreement or instrument to which any of them is a party or to which any of them or any property of any of them (now owned or hereafter acquired) may be subject or bound (except for the Credit Documents, the Intercompany Loan Documents and the Transaction Documents (but with respect to the Transaction Documents, only as to themselves)) that would expressly prohibit or restrict (including by way of any covenant, representation or warranty or event of default), or require the consent of any Person to any amendment to, or waiver or consent to departure from the terms of, any Credit Document, Intercompany Loan Document or Transaction Document (which, in the case of the Transaction Documents, would be materially adverse to the Lenders).

8.24. Limitation on Payments or Prepayments of Indebtedness or Modification of Debt Documents. The Borrowers

shall not, and shall not cause or permit any Subsidiary to, directly or indirectly:

(a) make any payment or prepayment (optional or otherwise) on, or redemption of, or any payments in redemption, defeasance or repurchase (whether in Cash, securities or other property) of any Indebtedness (other than the Obligations or Intercompany Loans or other intercompany loans) of any Company in excess of the Dollar Equivalent of U.S.$5,000,000, except (i) regularly scheduled mandatory payments of interest, (ii) the conversion or exchange of any Indebtedness into shares of common Equity Interests of U.S. Borrower, (iii) refinancing of Indebtedness permitted by subsection 8.5(c), (iv) any such payments related to Indebtedness incurred under subsection 8.5(e) and (v) the Refinancing; or

(b) amend, supplement, waive or otherwise modify any of the provisions of any agreement or instrument governing any Indebtedness of any Company which is subject to the restrictions of subsection 8.24(a):

(i) which shortens the fixed maturity, or increases the rate or shortens the time of payment of interest or dividends on, or increases the amount or shortens the time of payment of any principal, or premium payable whether at maturity, at a date fixed for prepayment or by acceleration or otherwise of such Indebtedness, or increases the amount of, or accelerates the time of payment of, any fees payable in connection therewith;

(ii) which relates to the affirmative or negative covenants, events of default, redemption or repurchase provisions, or remedies under the documents or instruments evidencing such Indebtedness and the effect of which is to subject any Company to any materially more onerous or more restrictive provisions; or

(iii) if such Indebtedness is subordinated Indebtedness, which effects and changes to the subordination provisions (or related definitions) therein or otherwise materially adversely affects the interests of the Lenders as senior creditors or the interests of the Lenders under this Agreement or any other Credit Document in any respect.

8.25. Consolidated Returns. U.S. Borrower shall not, and shall not permit any of its Subsidiaries to, file or consent to the filing of any consolidated income tax return with any Person other than the U.S. Borrower or a Subsidiary wholly owned directly or indirectly by the U.S. Borrower.

8.26. Limitation on Contribution. U.S. Borrower shall not, directly or indirectly, contribute the Intercompany Loans or the related Intercompany Collateral and Intercompany Security Documents to Subsidiary Borrower (the "Contribution") or to any other Company, and shall not fail to be the legal and beneficial owner of any thereof, (a) at any time prior to the date on which (i) each requirement of Section 7.22 is completed (except that the requirements with respect to the Foreign Mortgaged Property described in Subsection 7.22(a) need only be met with respect to the property set forth on Schedule 1.1(a)(ii) constituting 80% of the book value of property set forth on Schedule 1.1(a)(ii)) (ii) the Organization Documents of Subsidiary Borrower shall have been amended as set forth on Exhibit M, and (iii) U.S. Borrower has provided an Officers' Certificate to the Agents certifying as to the items set forth in this subsections 8.26(a)(i) and (ii) and (b), and (b) unless and until all such Intercompany Loan Documents are contemporaneously collaterally assigned by Subsidiary Borrower pursuant to documentation reasonably satisfactory to the Agents to the Paying Agent as security for Subsidiary Borrower's Obligations. Upon the consummation of the Contribution effected in accordance with this Section 8.26, the Agents shall release all Liens on the Intercompany Loan Documents and shall execute and deliver all documents and instruments (at the sole expense of U.S. Borrower) to evidence the same.

ARTICLE IX

EVENTS OF DEFAULT

9.1. Event of Default. Any of the following shall constitute an "Event of Default":

(a) Non-Payment. Any Loan Party shall fail to pay, (i) when and as required to be paid herein (whether at stated maturity, upon prepayment or repayment or acceleration or otherwise), any principal of any Loan or of any L/C Obligation or (ii) within five Business Days after the same becomes due, any interest, fee or any other amount payable under any Credit Document.

(b) Representation or Warranty. Any representation or warranty by any Loan Party made or deemed made in any Credit Document, or which is contained in any certificate, document or financial or other statement by any Loan Party or any Responsible Officer furnished at any time under any Credit Document, shall be incorrect in any material respect on or as of the date made or deemed made.

(c) Specific Defaults. Any Loan Party shall fail to perform or observe any term, covenant or agreement contained in subsection 7.3(a), subsection 7.4(a), Section 7.22, Section 7.23, or in Article VIII (other than Section 8.16, Section 8.17 and Section 8.23).

(d) Other Defaults. Any Loan Party shall fail to perform or observe any term, covenant or agreement (other than those referred to in subsections 9.1(a), (b) or (c) above) contained in any Credit Document, and such failure shall continue unremedied for a period of at least 30 days after the date upon which written notice thereof is given to the Borrowers by any Co-Agent or any Lender.

(e) Cross-Default. (i) Any Loan Party, any Obligor under any Intercompany Note or any Significant Subsidiary (collectively, the "Specified Companies" and each a "Specified Company") shall fail to make any payment in respect of any one or more issues of Indebtedness (other than the Obligations) or Contingent Obligation having an aggregate principal of more than the Dollar Equivalent amount of U.S. $10,000,000 beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness or Contingent Obligation was created or by which it is governed; or (ii) any Specified Company shall fail to perform or observe any other term, condition or covenant, or any other event shall occur or condition exist, under any agreement or instrument relating to any Indebtedness or Contingent Obligation, if the effect of such failure, event or condition is to cause, or to permit the holder or holders of such Indebtedness or beneficiary or beneficiaries of such Indebtedness or Contingent Obligation (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause (with or without notice or passage of time or both), such Indebtedness to be declared to be due and payable prior to its stated maturity or to require any Company to redeem or purchase, or offer to redeem or purchase, all or any portion of such Indebtedness, or any such Indebtedness shall be required to be prepaid (other than by a regularly scheduled required prepayment or redemption) prior to the stated maturity thereof or such Contingent Obligation to become payable or cash collateral in respect thereof to be demanded; provided, however, that the aggregate amount of all such Indebtedness or Contingent Obligations for all Specified Companies so affected and cash collateral so required shall be in a Dollar Equivalent amount of U.S. $10,000,000 or more.

(f) Insolvency; Voluntary Proceedings. Any Specified Company (i) shall cease or fail to be Solvent, or generally fails to pay, or admits in writing its inability to pay, its debts as they become due; (ii) commences or consents to any Insolvency Proceeding with respect to itself; or (iii) takes any action to effectuate or authorize any of the foregoing.

(g) Involuntary Proceedings. (i) Any involuntary Insolvency Proceeding shall be commenced or filed against

any Specified Company, or any writ, judgment, warrant of attachment, execution or similar process is issued or levied against a Company, and such proceeding or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or fully bonded, within 60 days after commencement, filing or levy; (ii) any Specified Company shall admit the material allegations of a petition against it in any Insolvency Proceeding, or an order for relief (or similar order under non-U.S. law) is ordered in any Insolvency Proceeding; or (iii) any Specified Company shall acquiesce in the appointment of a receiver, receiver and manager, trustee, custodian, conservator, liquidator, mortgagee in possession (or agent therefor), or other similar person for itself or a substantial portion of its property or business.

(h) ERISA. (i) An ERISA Event shall occur with respect to a Pension Plan or a Multiemployer Plan which has resulted or would be reasonably likely to result in liability of any Company under Title IV of ERISA to such Pension Plan or Multiemployer Plan or to the PBGC in an aggregate Dollar Equivalent amount in excess of U.S. $10,000,000; (ii) the aggregate Dollar Equivalent amount of Unfunded Pension Liability among all Pension Plans at any time exceeds U.S. $10,000,000 and as a result thereof a lien shall be imposed, a security interest shall be granted or a material liability is incurred, which lien, security interest or liability, in the reasonable judgment of the Required Lenders, would be reasonably likely to result in a Material Adverse Effect; or (iii) noncompliance with respect to Foreign Plans shall occur that, in the opinion of the Required Lenders, when taken together with all other noncompliance with respect to Foreign Plans that have occurred, would reasonably be expected to result in liability of any Company in an aggregate amount exceeding U.S. $10,000,000.

(i) Monetary Judgments. One or more non-interlocutory judgments, non-interlocutory orders, decrees or arbitration awards shall be entered against any Company involving in the aggregate a liability (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage) as to any single or related series of transactions, incidents or conditions, of a Dollar Equivalent amount for all Companies of U.S. $10,000,000 or more, and the same shall remain unvacated and unstayed pending appeal for a period of 30 days after the entry thereof.

(j) Non-Monetary Judgments. Any non-monetary judgment, order or decree shall be entered against any Company which does or would reasonably be expected to have a Material Adverse Effect, and there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect.

(k) Guarantees. Any Guarantee shall cease to be in full force and effect (other than due to any effect of applicable foreign law or action by any foreign government or in accordance with its terms) or any of the Guarantors repudiates, or attempts to repudiate, any of its obligations under any of the Guarantees.

(l) Security Documents. Any Security Document shall cease to be in full force and effect (other than due to any effect of applicable foreign law or action by any foreign government or in accordance with its terms), or shall cease to give the Paying Agent the Liens, rights, powers and privileges purported to be created thereby, in favor of the Paying Agent, superior to and prior to the rights of all third Persons and subject to no Liens other than Permitted Liens and Liens expressly permitted by the applicable Security Document, or any Company shall fail to comply with or to perform any material obligation or agreement under any Security Document within ten days after being requested by the Paying Agent or any Lender.

(m) Intercompany Security Documents. Any Intercompany Guarantee, Intercompany Pledge or

Intercompany Mortgage shall cease to be in full force and effect (other than due to any effect of applicable foreign law or action by any foreign government), or shall cease to give the lender under the related Intercompany Loan the Liens, rights, powers and privileges purported to be created thereby, in favor of such lender, superior to and prior to the rights of all third Persons and subject to no Liens other than Prior Liens and Liens expressly permitted by the applicable Intercompany Security Document, or any Company shall fail to comply with or to perform any material obligation or agreement under any Intercompany Security Document within ten days after being requested by the Paying Agent or any Lender.

(n) Change of Control. Any Change of Control shall occur.

(o) Environmental Events. There shall have been asserted against any Company, claims, whether accrued, absolute or contingent, based on or arising from the generation, storage, transport, handling or disposal of Hazardous Materials by any Company or any Affiliate, or any predecessor in interest of any Company or any Affiliate, which claims would, individually or in the aggregate, reasonably be expected to be determined adversely to any Company and the amount of any such claim (insofar as it is payable by any Company but after deducting any portion thereof which is reasonably expected to be paid, discharged or forgiven by other creditworthy Persons jointly and severally liable therefor) would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(p) Van Leer Acquisition. The Van Leer Acquisition shall not be consummated in all material respects in accordance with this Agreement and the Van Leer Acquisition Agreement substantially concurrently with the making of the initial Credit Extensions hereunder, or the Van Leer Acquisition shall be unwound, reversed or otherwise rescinded in whole or in any material part for any reason.

(q) Permitted Receivables Transaction Issues. Any event or circumstance shall occur which permits or requires the Persons purchasing, or financing the purchase of, Accounts under a Permitted Receivables Transaction to stop so purchasing or financing such Accounts, other than by reason of the occurrence of the stated expiration date of such Permitted Receivables Transaction or the voluntary termination thereof by any Company; provided that any notices or cure periods that are conditions to the rights of such Persons to stop purchasing, or financing the purchase of, such Accounts have been given or have expired, as the case may be.

9.2. Remedies. If any Event of Default occurs and is continuing, the Paying Agent shall, at the request, or may, with the consent, of the Required Lenders:

(a) declare the commitment of each Lender to make Loans and the obligation of the L/C Lender to Issue Letters of Credit to be terminated, whereupon such commitments and obligation shall be terminated;

(b) declare an amount equal to the maximum aggregate amount that is or at any time thereafter may become available for drawing under any outstanding Letters of Credit (whether or not any beneficiary shall have presented, or shall be entitled at such time to present, the drafts or other documents required to draw under such Letters of Credit) to be immediately due and payable, and declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Credit Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrowers;

(c) direct the Borrowers to pay (and the Borrowers agree that upon receipt of such notice, or upon the

occurrence of an Event of Default specified in subsection 9.1(f) or (g) with respect to any Borrowers, such Borrowers shall pay) to the Paying Agent at the Agent's Payment Office such additional amount of cash, to be held as security by the Paying Agent, as is equal to the aggregate undrawn face amount of all Letters of Credit issued for the account of either Borrower and then outstanding; and

(d) exercise on behalf of the Paying Agent and the Lenders all rights and remedies available to the Paying Agent and the Lenders under the Credit Documents or applicable law;

provided, however, that upon the occurrence of any event specified in subsection 9.1(f) or (g), the obligation of each Lender to make Loans and any obligation of the L/C Lender to Issue Letters of Credit shall automatically terminate and the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable without further act of the Paying Agent, the L/C Lender or any other Lender.

9.3. Rights Not Exclusive. The rights provided for in this Agreement and the other Credit Documents are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law or in equity, or under any other instrument, document or agreement now existing or hereafter arising.

ARTICLE X

THE AGENTS

10.1. Appointment and Authorization. (a) Each Lender hereby irrevocably (subject to Section 10.9) appoints, designates and authorizes each Co-Agent to take such action on its behalf under the provisions of this Agreement and each other Credit Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any other Credit Document, together with such powers as are reasonably incidental thereto. The Paying Agent is expressly authorized to (A) execute and deliver, and approve the form and substance of, all Security Documents on the Closing Date or any other time and (B) execute and deliver on behalf of the Lenders and the Co-Agents all documents necessary to release Collateral from the Lien of the Credit Documents as and when permitted by Section 11.1. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any other Credit Document, no Co-Agent shall have any duties or responsibilities except those expressly set forth herein, nor shall any Co-Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against any Co-Agent or any of its affiliates. The provisions of this Article X are solely for the benefit of the Co-Agents and the Lenders, and no Loan Party shall have any rights as a third party beneficiary of any of the provisions hereof. In performing its functions and duties under this Agreement, each Co-Agent shall act solely as an agent of the Lenders as provided for herein and no Co-Agent assumes or shall be deemed to have assumed any obligation or relationship of agency or trust with or for any Loan Party. No Co-Agent shall have any responsibilities under any Credit Document, except as expressly set forth therein.

(b) The L/C Lender shall act on behalf of the Revolving Lenders with respect to any Letters of Credit Issued by it and the documents associated therewith until such time and except for so long as the Paying Agent may agree at the request of the Required Lenders to act for the L/C Lender with respect thereto; provided, however, that the L/C Lender shall have all of the benefits and immunities (i) provided to the Paying Agent in this Article X with respect to any acts taken or omissions suffered by the L/C Lender in connection with Letters of Credit Issued by it or proposed to be Issued by it and the application and agreements for letters of credit pertaining to the Letters of Credit as fully as if the term "Paying Agent," as used in this Article X, included the L/C

Lender with respect to such acts or omissions and (ii) as additionally provided in this Agreement with respect to the L/C Lender.

(c) The Swing Line Lender shall have all of the benefits and immunities (i) provided to the Paying Agent in this Article X with respect to any acts taken or omissions suffered by the Swing Line Lender in connection with Swing Line Loans made or proposed to be made by it as fully as if the term "Paying Agent," as used in this Article X, included the Swing Line Lender with respect to such acts or omissions and (ii) as additionally provided in this Agreement with respect to the Swing Line Lender.

10.2. Delegation of Duties. Each Co-Agent may execute any of its duties under this Agreement or any other Credit Document by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. No Co-Agent shall be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care.

10.3. Exculpatory Provisions. No Co-Agent or any of its Affiliates shall (i) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Credit Document or under any other document or instrument referred to or provided for herein or therein or the transactions contemplated hereby or thereby (except for its own gross negligence or willful misconduct), (ii) be responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by any Loan Party or any Subsidiary or Affiliate of any Loan Party, or any officer thereof, contained in this Agreement or in any other Credit Document, under or in connection with, this Agreement or any other Credit Document, or the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Credit Document or any other document referred to or provided for herein or therein, or for any failure of any Loan Party or any other party to any Credit Document to perform its obligations hereunder or thereunder, (iii) except to the extent that, with respect to any Co-Agent, it is expressly instructed by the Lenders with respect to collateral security under the Security Documents, be required to initiate or conduct any litigation or collection proceedings hereunder or under any other Credit Document or (iv) with respect to any Co-Agent, be under any obligation to take any action hereunder or under any other Credit Document if such Co-Agent believes in good faith that taking such action may conflict with any law or any provision of any Credit Document, or may require such Co-Agent to qualify to do business in any jurisdiction where it is not then so qualified. No Co-Agent or any of its Affiliates shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Credit Document, or to inspect the properties, books or records of any Loan Party or any Subsidiary or Affiliate of any Loan Party.

10.4. Reliance by Co-Agents. (a) Each Co-Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by or on behalf of the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to any Loan Party or any Subsidiary), independent accountants and other experts selected by any Co-Agent. Each Co-Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document, unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Each Co-Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Credit Document, in accordance with a request or consent of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders.

(b) For purposes of determining compliance with the conditions specified in Section 5.1, each Lender that has executed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter either sent by any Co-Agent to such Lender for consent, approval, acceptance or satisfaction, or required thereunder to be consented to or approved by or acceptable or satisfactory to the Lender.

10.5. Notice of Default. No Co-Agent shall be deemed to have knowledge or notice of the occurrence of any Event of Default or Unmatured Event of Default, unless such Co-Agent shall have received written notice from a Lender or a Borrower referring to this Agreement, describing such Event of Default or Unmatured Event of Default and stating that such notice is a "notice of default." If a Co-Agent receives such a notice, such Co-Agent will notify the Lenders of its receipt thereof. Each Co-Agent shall take such action with respect to such Event of Default or Unmatured Event of Default as may be requested by the Required Lenders in accordance with Article IX; provided, however, that, unless and until a Co-Agent has received any such request, such Co-Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Event of Default or Unmatured Event of Default as it shall deem advisable or in the best interest of the Lenders except to the extent that this Agreement expressly requires otherwise.

10.6. Credit Decision. Each Lender acknowledges that no Co-Agent or any of its Affiliates has made any representation or warranty to it, and that no act by any Co-Agent hereafter taken, including any review of the affairs of any Loan Party, shall be deemed to constitute any representation or warranty by any Co-Agent or any Lender. No Co-Agent shall be required to keep itself informed as to the performance or observance by any Lender of this Agreement or any of the other Credit Documents or any other document referred to or provided for herein or therein or to inspect the properties or books of any Loan Party. Each Lender represents to each Co-Agent that it has, independently and without reliance upon any Co-Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties, and all applicable bank regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit hereunder. Each Lender also represents that it will, independently and without reliance upon any Co-Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement or any other Credit Document, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties. Except for notices, reports and other documents and information expressly herein required to be furnished to the Lenders by any Co-Agent, no Co-Agent shall have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Loan Parties which may come into the possession of any Co-Agent or any of its Affiliates.

10.7. Indemnification. Whether or not the transactions contemplated hereby are consummated, the Lenders shall indemnify upon demand each Co-Agent and each of its Affiliates (to the extent not reimbursed by or on behalf of the Loan Parties in accordance with the terms hereof and without limiting the obligation of the Borrowers to do so), pro rata (determined on the same basis used in determining Required Lenders), from and against any and all Losses which may at any time be imposed on, incurred by or asserted against any Co-Agent in its capacity as such (including by any Lender) arising out of or by reason of any investigation in any way relating to or arising out of this Agreement or any other Credit Document, or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or

the enforcement of any of the terms hereof or thereof or of any such other documents; provided, however, that no Lender shall be liable for the payment to any Co-Agent or any of its Affiliates of any portion of the Losses resulting from such Person's gross negligence, bad faith or willful misconduct. Without limitation of the foregoing, each Lender shall reimburse the Paying Agent upon demand for its ratable share (determined on the same basis used in determining Required Lenders) of any costs or out-of-pocket expenses (including Attorney Costs) incurred by the Paying Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Credit Document, or any document contemplated by or referred to herein or therein, to the extent that any Co-Agent is not reimbursed for such expenses by or on behalf of the Loan Parties. The agreements set forth in this Section 10.7 shall survive the payment of all Loans and other obligations hereunder and the resignation or replacement of any Co-Agent and shall be in addition to and not in lieu of any other indemnification agreements contained in any other Credit Document.

10.8. Co-Agents in Individual Capacity. Each Co-Agent and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire Equity Interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Loan Parties and Affiliates of the Loan Parties as though such Co-Agent were not a Co-Agent hereunder, without notice to or consent of the Lenders. The Lenders acknowledge that, pursuant to such activities, a Co-Agent and its Affiliates may receive information regarding the Loan Parties or their Affiliates (including information that may be subject to confidentiality obligations in favor of the Borrowers or such Affiliates) and acknowledge that no Co-Agent or any of its Affiliates shall be under any obligation to provide such information to them. With respect to its Loans, a Co-Agent (and any of its Affiliates which may become a Lender) shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not a Co-Agent or the L/C Lender. The terms "Lender" and "Lenders" shall, unless the context otherwise indicates, include a Co-Agent in its individual capacity.

10.9. Successor Co-Agents. Any Co-Agent may, and at the request of the Required Lenders shall, resign as a Co-Agent upon 30 days' notice to the Lenders and the Borrowers. If a Co-Agent resigns under this Agreement, the Required Lenders shall appoint from among the Lenders a successor Co-Agent, as applicable, which successor agent shall, so long as no Event of Default exists, be subject to the approval of the Borrowers (which approval shall not be unreasonably withheld or delayed). If no successor agent is appointed prior to the effective date of the resignation of a Co-Agent, such Co-Agent may appoint, after consulting with the Lenders and the Borrowers, a successor agent, from among the Lenders. Upon the acceptance of its appointment as successor agent hereunder, such successor agent shall succeed to all the rights, powers and duties of the retiring Co-Agent, and the term "Paying Agent" or "Syndication Agent" shall mean such successor agent and the retiring Co-Agent's appointment, powers and duties as such Co-Agent shall be terminated. After the retiring Co-Agent's resignation hereunder as such Co-Agent, the provisions of this Article X and Section 11.4 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was such Co-Agent under this Agreement. If no successor agent has accepted appointment as the applicable Co-Agent by the date which is 30 days following the retiring Co-Agent's notice of resignation, the retiring Co-Agent's resignation shall nevertheless thereupon become effective and the Lenders shall perform all of the duties of such Co-Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. Each successor Co-Agent shall comply with subsection 4.1(e).

10.10. Holders. Each Co-Agent may deem and treat the payee of any Note as the owner thereof for all purposes hereof unless and until a written notice of the assignment, transfer or endorsement thereof, as the case may be, shall have

been filed with such Co-Agent. Any request, authority or consent of any Person or entity who, at the time of making such request or giving such consent, is the holder of any Note shall be conclusive and binding on any subsequent holder, transferee, assignee or indorsee, as the case may be, of such Note or of any Note or Notes issued in exchange therefor.

10.11. Failure To Act. Except for action expressly required of a Co-Agent hereunder and under the other Credit Documents, each Co-Agent shall in all cases be fully justified in failing or refusing to act hereunder and thereunder unless it shall receive further assurances to its satisfaction from the Lenders of their indemnification obligations under Section 10.7 against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action.

10.12. Paying Agent as Joint and Several Creditor. (a) Each Borrower and each Lender agree that the Paying Agent shall be the joint creditor (together with the relevant Lender) of each and every obligation of any Borrower towards each of the Lenders under or in connection with the Revolving Facility, and that accordingly the Paying Agent will have its own independent right to demand performance by the relevant Borrower of those obligations. However, any discharge of any such obligation to one of the Paying Agent or a Lender shall, to the same extent, discharge the corresponding obligation owing to the other.

(b) Without limiting or affecting the Paying Agent's rights against any Borrower (whether under this paragraph or under any other provision of this Agreement), the Paying Agent agrees with each other Lender (on a several and divided basis) that, subject as set out in the next sentence, it will not exercise its rights as a joint creditor with a Lender except with the consent of the relevant Lender. However, for the avoidance of doubt, nothing in the previous sentence shall in any way limit the Paying Agent's right to act in the protection or preservation of rights under or to enforce any Security Document as contemplated by this Agreement and/or this Agreement (or to do any act reasonably incidental to any of the foregoing).

ARTICLE XI

MISCELLANEOUS

11.1. Amendments and Waivers. (a) No amendment or waiver of any provision of any Credit Document, and no consent with respect to any other departure by any Loan Party therefrom, shall be effective unless the same shall be in writing and signed by the Required Lenders (or by the Paying Agent at the written request of the Required Lenders) and the Loan Parties and acknowledged by the Paying Agent, and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that

(i) no such waiver, amendment or consent shall, unless in writing and signed by each of the Lenders (with Obligations directly affected thereby in the case of the following clauses (A), (B) or (C)) (or by the Paying Agent at the written request of such Lenders) and the Loan Parties and acknowledged by the Paying Agent, do any of the following: (A) extend the term of any of the Commitments (it being understood that a waiver of any condition, covenant violation, Event of Default or Unmatured Event of Default shall not constitute a change in the term of any Commitment of any Lender) or extend the time or waive any requirement for the reduction or termination of any of the Commitments (or reinstate any Commitment terminated pursuant to Section 9.2) or change the currency in which any Obligation is payable, except as expressly permitted herein; (B) extend the final scheduled maturity of any Loan or Note, or extend the expiration date of any Letter of Credit beyond the Revolving Loan Maturity Date or postpone or delay any date fixed for any payment of interest, fees or other amounts (other than any mandatory prepayment of the Loans required by subsections 2.7(a) - (e) or any Amortization Payment except the final

Amortization Payment of any Term Loan Facility) due to the Lenders (or any of them) under any Credit Document; (C) reduce the principal of, or the rate of interest specified herein (other than as a result of waiving the applicability of any post-default increase in interest rates) on, any Loan or (subject to clause (v)(5) below) any fees or other amounts payable under any Credit Document; (D) reduce the percentage set forth in the definition of the term "Required Lenders" (it being understood that additional extensions of credit pursuant to this Agreement consented to by the Required Lenders may be included in the determination of any such definition without notice or consent of any other Lender or Co-Agent on substantially the same basis as the Commitments (and related extensions of credit) are included on the Closing Date) or make any change to Clause Third of Article XII of the Domestic Guarantee and Security Agreement; (E) release all or substantially all of the Collateral or permit the Companies to release all or substantially all of the Intercompany Collateral (except as expressly permitted by the Credit Documents or the Intercompany Loan Documents, as the case may be); (F) amend this Section 11.1, Section 2.15, Article IV, or Section 11.4 or any provision herein or under any Credit Document providing for consent or other action by all Lenders (except for technical amendments with respect to additional extensions of credit pursuant to this Agreement which afford the protections to such additional extensions of credit of the type provided to each Facility); (G) release any Guarantor from its obligations under its Guarantee or permit the Companies to allow any Foreign Subsidiary to be released from its Foreign Guarantee or Foreign Security Agreement or Intercompany Guarantee or Intercompany Security Agreement (except upon a permitted sale of such Subsidiary or as required by applicable law based on an opinion of counsel delivered to the Paying Agent by counsel of competent standing); or (H) consent to the assignment or transfer by any Loan Party of its rights and obligations under any Credit Document or the making of any assignment of Loans or other Obligations or participation therein to any Loan Party or any Affiliate thereof;

(ii) no such waiver, amendment or consent shall increase the Commitments of any Lender over the amount thereof then in effect without the consent of such Lender (it being understood that amendments, modifications or waivers of conditions precedent, covenants, Events of Default or Unmatured Events of Default shall not constitute an increase of the Commitment of any Lender);

(iii) no consent of any Lender need be obtained, and the Paying Agent (or the Company being the applicable secured party with respect to Intercompany Security Documents) is hereby authorized, to release any Lien securing the Obligations (or the Intercompany Loans) on property or asset which is the subject of any disposition permitted by this Agreement and the other Credit Documents and the Lien of the Intercompany Security Document as permitted with respect to any such disposition;

(iv) no reduction of the percentage specified in the definition of "Required Revolving Lenders" shall be made without the consent of each Revolving Lender (it being understood that additional extensions of credit pursuant to this Agreement consented to by the Required Lenders may be included in such definition without notice to or consent of any other Lender or Co-Agent on substantially the same terms as the Commitments (and related extensions of credit) are included on the Closing Date); and

(v) no reduction of the percentage specified in the definition of "Required Lenders of the Affected Tranche" or "Supermajority Lenders of the Affected Tranche" shall be made without the consent of each Lender having a Term Loan Commitment or Term Loan (it being understood that additional extensions of credit pursuant to this Agreement consented to by the Required Lenders may be included in such definition without notice to or consent of any other Lender or Co-Agent on substantially the same terms as the Commitments (and related extensions of credit) all included on the Closing Date); provided, further, however,

that (1) no amendment, waiver or consent shall, unless in writing and signed by the L/C Lender in addition to the Required Lenders or all Lenders, as the case may be, affect the rights or duties of the L/C Lender under this Agreement or any L/C-Related Document, (2) no amendment, waiver or consent shall, unless in writing signed by the Swing Line Lender in addition to the Required Lenders or all Lenders, as the case may be, affect the rights or duties of the Swing Line Lender under any Credit Document, (3) no amendment, waiver or consent shall, unless in writing and signed by the Paying Agent in addition to the Required Lenders or all Lenders, as the case may be, affect the rights or duties of the Paying Agent under any Credit Document, (4) no amendment, waiver or consent (including any of the foregoing with respect to any representation, warranty, covenant, default or other matter which is otherwise effective for purposes of this Agreement) shall, unless in writing and signed by the Required Revolving Lenders, be effective for determining whether the conditions precedent to any Credit Extension under the Revolving Facility have been satisfied, (5) the Fee Letter may be amended, or rights or privileges thereunder waived, in accordance with their respective terms, (6) no amendment, waiver or consent shall, unless in writing signed by the Required Lenders of the Affected Tranche (with respect to subclause (x) of this subsection 11.1(a)(v)(6)), or the Supermajority Lenders of the Affected Tranche (with respect to subclause (y) of this subsection 11.1(a)(v)(6)), (x) change the application of prepayments as set forth in subsection 2.7(f) as between the Term Loan Facilities or provide for the application of mandatory prepayments required by subsections 2.7(a)-(e) first to Revolving Loans or change the order in which such prepayments are applied to Amortization Payments with respect to any such Facility or make any change to the penultimate sentence of subsection 2.7(f) or the last sentence of subsection 2.7(g) (although any required prepay ment under Section 2.7 may be waived or amended, in whole or in part, by the Required Lenders so long as the application of any such prepayment which is still made is not altered) or (y) extend the time for any scheduled Amortization Payments or reduce the principal amount of any scheduled Amortization Payment, and (7) no amendment, waiver or consent, unless in writing signed by the Lenders holding not less than 75% of the sum of the then aggregate unused amounts of the Commitments plus the then aggregate unpaid Dollar Equivalent principal amount of the Loans plus (without duplication) the then aggregate Effective Amount of the L/C Obligations shall make any change to Section 7.24 or the definition of "Rating Date"; provided, further, still, however, that no amendment, waiver or consent shall, unless in writing signed by the Required Lenders, amend, waive or consent to the departure from any required prepayment under Section 2.7. In the case of any waiver effected in accordance with this Section 11.1, the Loan Parties, the Lenders and the Co-Agents shall be restored to their former position and rights under each Credit Document, and any Event of Default or Unmatured Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Event of Default or Unmatured Event of Default, or impair any right consequent thereon. Any amendment, waiver or consent effected in accordance with this Section 11.1 shall be binding upon each holder of the Notes at the time outstanding, each future holder of the Notes and, if signed by the Borrowers, on the Borrowers and the other Loan Parties.

(b) If, in connection with any proposed change, waiver, discharge or termination to any of the provisions of this Agreement as contemplated by clauses (i), (iv) or (v), inclusive, of the first proviso to subsection 11.1(a), the consent of the Required Lenders is obtained but the consent of one or more of such other Lenders whose consent is required is not obtained, then U.S. Borrower shall have the right, so long as all non-consenting Lenders whose individual consent is required are treated as described in either clause (A) or (B) below, to either (A) replace each such non-consenting Lender or Lenders (or, at the option of U.S. Borrower if the respective Lender's consent is required with respect to less than all Facilities (or related Commitments), to replace only the

respective Facilities and/or Loans of the respective non-consenting Lender which gave rise to the need to obtain such Lender's individual consent) with one or more Replacement Lenders pursuant to Section 4.8 so long as at the time of such replacement, each such Replacement Lender consents to the proposed change, waiver, discharge or termination or (B) terminate such non-consenting Lender's Commitments (if such Lender's consent is required as a result of its respective Commitment) and/or repay each Facility of outstanding Loans of such Lender which gave rise to the need to obtain such Lender's consent and/or cash collateralize its applicable pro rata share of the Effective Amount of L/C Obligation, in accordance with this Agreement; provided that, unless the Commitments which are terminated and Loans which are repaid pursuant to preceding clause B are immediately replaced in full at such time through the addition of new Lenders or the increase of the Commitments and/or outstanding Loans of existing Lenders (who in each case must specifically consent thereto), then in the case of any action pursuant to preceding clause B the Required Lenders (determined after giving effect to the proposed action) shall specifically consent thereto; provided, further, that U.S. Borrower shall not have the right to replace a Lender, terminate its Commitments or repay its Loans solely as a result of the exercise of such Lender's rights (and the withholding of any required consent by such Lender) pursuant to this proviso.

11.2. Notices. (a) Except as otherwise expressly provided herein, all notices, requests and other communications hereunder and under the Security Documents (including any modifications of, or waivers, requests or consents under, this Agreement) shall be in writing (including, unless the context expressly otherwise provides, by facsimile transmission; provided, however, that any matter transmitted by any Loan Party (x) to any Co-Agent, the L/C Lender or the Swing Line Lender by facsimile shall be immediately confirmed by a telephone call to the recipient at the number specified on Schedule 11.2 and (y) to any Lender by facsimile shall be immediately confirmed by a telephone call to the recipient at the number specified on Schedule 11.2 or by overnight mail to the recipient at the address specified on Schedule 11.2) and mailed, faxed or delivered to the applicable party at the address or facsimile number specified for notices on Schedule 11.2 (which such facsimile notices shall be confirmed by overnight mail); or, as directed to any Loan Party or any Co-Agent, the L/C Lender or the Swing Line Lender, to such other address as shall be designated by such party in a written notice to the other parties, and as directed to any other party, at such other address as shall be designated by such party in a written notice to the Loan Parties and the Co-Agents, the L/C Lender and the Swing Line Lender.

(b) All such notices, requests and communications shall be effective, (i) if transmitted by overnight delivery or faxed, when delivered or transmitted in legible form by overnight delivery or facsimile machine, respectively, (ii) if mailed, upon receipt or (iii) if delivered, upon delivery; except that notices pursuant to Article II, III or X to a Co-Agent shall not be effective until actually received by such Co-Agent, and notices pursuant to Article III to the L/C Lender shall not be effective until actually received by the L/C Lender.

(c) Any agreement of any Co-Agent and the Lenders herein to receive certain notices by telephone or facsimile is solely for the convenience and at the request of the Loan Parties. The Co-Agents and the Lenders shall be entitled to rely on the authority of any Person purporting to be a Person authorized by a Loan Party to give such notice, and neither any Co-Agent nor any Lender shall have any liability to any Loan Party or any other Person on account of any action taken or not taken by a Co-Agent or any Lender in reliance upon such telephonic or facsimile notice. The obligation of the Borrowers to repay the Loans and L/C Obligations shall not be affected in any way or to any extent by any failure by any Co-Agent or any Lender to receive written confirmation of any telephonic or facsimile notice or the receipt by any Co-Agent or any Lender of a confirmation which is at variance with the terms understood by such Co-Agent or such Lender to be contained in the telephonic or facsimile notice.

11.3. No Waiver; Cumulative Remedies. No failure

to exercise and no delay in exercising, on the part of any Co-Agent or any Lender, any right, remedy, power or privilege hereunder or under any other Credit Document, and no course of dealing between any Loan Party and any Co-Agent or Lenders shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any other Credit Document preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege hereunder or under such other Credit Document. The rights and remedies expressly provided herein are cumulative and not exclusive of any rights or remedies provided by law. No notice to or demand upon any Loan Party in any case shall entitle any Loan Party to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Co-Agents or the Lenders to any other or further action in any circumstance without notice or demand.

11.4. Expenses, Indemnity, etc. Each Borrower agrees: (a) to jointly and severally pay or reimburse the Co-Agents for all of their reasonable out-of-pocket costs and expenses (including the reasonable fees and expenses of Cahill Gordon & Reindel and of all local domestic and foreign counsel) in connection with (i) the negotiation, preparation, execution and delivery of this Agreement and the other Credit Documents and Security Documents and the extensions of credit hereunder, the negotiation, preparation, execution and delivery of the Intercompany Loan Documents, the administration of the transactions contemplated hereby (including the monitoring of the Collateral) and the Lead Arranger's syndication efforts (including the Co-Agents' due diligence investigation expenses) with respect to this Agreement, the Transactions and the extensions of credit hereunder and (ii) the negotiation or preparation of any modification, supplement or waiver of any of the terms of this Agreement or any of the other Credit Documents or the Intercompany Loan Documents (whether or not consummated or effective) (including, without limitation, in connection with the Borrowers' complying with Section 7.22); (b) to jointly and severally pay or reimburse each Lender and each Co-Agent for its proportionate share of all reasonable out-of-pocket costs and expenses of the Lenders and each Co-Agent (including Attorney Costs of each Co-Agent and the Lenders) in connection with (i) protection of the Lenders' rights following any Event of Default and any enforcement or collection proceedings resulting therefrom, including all manner of participation in or other involvement with (x) bankruptcy, insolvency, receivership, foreclosure, winding up, dissolution or liquidation proceedings, (y) judicial or regulatory proceedings, and (z) workout, restructuring or other negotiations or proceedings (whether or not the workout, restructuring or transaction contemplated thereby is consummated), and (ii) the enforcement of this Section 11.4; and (c) to jointly and severally pay or reimburse each Lender and each Agent for its proportionate share of all transfer, stamp, documentary or other similar taxes, assessments or charges levied by any governmental or revenue authority in respect of this Agreement or any of the other Credit Documents or the Intercompany Loan Documents or any other document referred to herein or therein and all costs, expenses, taxes, assessments and other charges (including title insurance and Attorney Costs) incurred in connection with any filing, registration, recording or perfection of any security interest contemplated by any Credit Document or any other document referred to therein.

Subject to the limitations under Article IV, each Borrower agrees, whether or not the transactions contemplated hereby are consummated, to jointly and severally indemnify each Lender, each Co-Agent and each of their respective directors, officers, employees, attorneys, trustees and agents (each, an "Indemnified Person") from, and hold each of them harmless against, its proportionate share of any and all Losses incurred by any of them in connection with any Proceeding (whether or not any Co-Agent or any Lender is a party thereto and whether or not brought by or on behalf of any Company or any other Person) arising out of or by reason of relating to any of the Credit Documents, the extensions of credit hereunder or any actual or proposed use by any Company of the proceeds of any of the extensions of credit hereunder or the use of any collateral security for the Loans (including the exercise by any Co-Agent or any Lender of the rights and remedies or any power of

attorney with respect thereto and any action or inaction in respect thereof), but excluding any such Losses to the extent determined by a court of competent jurisdiction to have arisen from the gross negligence, bad faith or willful misconduct of the Indemnified Person. Without limiting the generality of the foregoing, each Borrower jointly and severally agrees to (x) indemnify each Co-Agent for any payments that any Co-Agent is required to make under any indemnity issued to any Lender referred to in any Security Document, and (y) indemnify each Lender and each other Indemnified Person from, and hold each Lender and each other Indemnified Person harmless against, any Losses described in the preceding sentence (net of insurance proceeds actually received but excluding, as provided in the preceding sentence, any Loss to the extent determined by a court of competent jurisdiction to have arisen from the gross negligence, bad faith or willful misconduct of such Indemnified Person) arising under any Environmental Law based on or arising out of (A) the past, present or future operations of any Company (or any predecessor in interest to any Company), (B) the past, present or future condition of any facility or property owned, operated or leased at any time by any Company (or any of their respective predecessors in interest), or (C) any Release or threatened Release of any Hazardous Materials at, on, under or from any such facility or property, including, without limitation, any such Release or threatened Release that shall occur during any period when any Lender or other Indemnified Person shall be in possession of any such facility or property following the exercise by such Lender or other Indemnified Person of any of its rights and remedies hereunder or under any of the Security Documents, and the alleged disposal or alleged arranging for disposal or treatment or transport for disposal or treatment of any Hazardous Materials by any Company (or any of their respective predecessors in interest) at any third-party site.

To the extent that the undertaking to indemnify and hold harmless set forth in this Section 11.4 is unenforceable because it is violative of any law or public policy or otherwise, each Loan Party shall contribute the maximum portion that each of them is permitted to pay and satisfy under applicable law to the payment and satisfaction of all indemnified liabilities incurred by any of the Persons indemnified hereunder.

Each Borrower also agrees that no Indemnified Person shall have any liability (whether direct or indirect, in contract or tort or otherwise) for any Losses to any Loan Party or any Loan Party's security holders or creditors resulting from, arising out of, in any way related to or by reason of, any matter referred to in the second paragraph of this Section 11.4, except to the extent that any Loss is determined by a court of competent jurisdiction to have arisen solely from the gross negligence, bad faith or willful misconduct of such Indemnified Person.

In the event that any Indemnified Person is requested or required to appear as a witness in any Proceeding brought by or on behalf of or against any Loan Party or any Affiliate of any Loan Party in which such Indemnified Person is not named as a defendant, each Borrower agrees to jointly and severally reimburse each Indemnified Person for all reasonable out-of-pocket expenses and all reasonable allocable costs of in-house legal counsel incurred by each Indemnified Person in connection with such Indemnified Person's appearing and preparing to appear as such a witness, including the reasonable fees and disbursements of one common counsel for all Indemnified Persons.

Each Borrower agrees that, without the prior written consent of the Paying Agent, the Lead Arranger and the Required Lenders, which consent shall not be unreasonably withheld or delayed, no Loan Party will settle, compromise or consent to the entry of any judgment in any pending or threatened Proceeding in respect of which indemnification could be sought under the indemnification provisions of this Section 11.4 (whether or not any Indemnified Person is an actual or potential party to such Proceeding), unless such settlement, compromise or consent includes an unconditional written release reasonably satisfactory to the Paying Agent, the Lead Arranger and the Required Lenders of each Indemnified Person from all liability arising out of such Proceeding and does not include

any statement as to an admission of fault, culpability or failure to act by or on behalf of any Indemnified Person and does not involve any payment of money or other value by any Indemnified Person or any injunctive relief or factual findings or stipulations binding on any Indemnified Person. No Indemnified Person shall settle, compromise or consent to the entry of any judgment in any pending or threatened Proceeding without the prior written consent of the Borrowers, which consent shall not be unreasonably withheld or delayed.

11.5. Payments Pro Rata. Subject to Section 2.15, the Paying Agent agrees that promptly after its receipt of each payment from or on behalf of any Loan Party in respect of any Obligations of such Loan Party, it shall distribute such payment to the Lenders based upon their respective Pro Rata Shares, if any, of the Obligations with respect to which such payment was received.

11.6. Payments Set Aside. To the extent that a Loan Party makes a payment to the Paying Agent or any Lender, or the Paying Agent or any Lender exercises its right of set-off, and such payment or the proceeds of such set-off or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Paying Agent or such Lender in its discretion) to be repaid to a trustee, receiver, receiver manager or any other party, in connection with any Insolvency Proceeding or otherwise, then (a) to the extent of such recovery the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred and (b) each Lender severally agrees to pay to such Paying Agent upon demand its pro rata share of any amount so recovered from or repaid by such Paying Agent.

11.7. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

11.8. Assignments and Participations, etc.
(a) No Borrower may assign its rights or obligations hereunder or under the Notes without the prior written consent of all of the Lenders and the Co-Agents.

(b) Any Lender may upon prior written consent of the Lead Arranger, the Paying Agent and U.S. Borrower (and The Bank of Nova Scotia in its capacity as the Swing Line Lender and The Bank of Nova Scotia in its capacity as the L/C Lender in the case of any assignment of Revolving Commitments) (which consent, in each case, shall not be unreasonably withheld or delayed), at any time assign and delegate to one or more Eligible Assignees (each, an "Assignee") (provided that no written consent of U.S. Borrower, the Lead Arranger, the Paying Agent, the Swing Line Lender or the L/C Lender shall be required in connection with any assignment and delegation by a Lender to an Eligible Assignee that is an Affiliate of such Lender or to another Lender or to an Approved Fund of any Lender) (in which case, the Assignee and assignor Lenders shall give notice of the assignment to the Lead Arranger and the Paying Agent) all or any part of the Loans, the Commitments, the L/C Obligations and the other rights and obligations of such Lender hereunder, which assignment, other than to a Lender or an Affiliate of a Lender or to an Approved Fund of any Lender, shall be in a minimum (unless U.S. Borrower and the Lead Arranger agree to a lesser amount) Dollar Equivalent amount of U.S. $1,000,000 or, if less, the entire amount of all Loans, the Commitments, L/C Obligations and other rights and obligations of such Lender hereunder in any Facility; provided, however, that (i) in no event may any such assignment be made to any Company or any of its Affiliates; (ii) the Loan Parties and the Co-Agents may continue to deal solely and directly with such Lender in connection with the interest so assigned to an Assignee until (x) written notice of such assignment, together with payment instructions, addresses and related information with respect to the Assignee, shall have been given to any Loan Party and the Co-Agents by such Lender and the Assignee, and (y) such Lender and its Assignee shall have delivered to the Borrowers and the Paying Agent an Assignment and Acceptance in the form of Exhibit G ("Assignment and Acceptance") together

with any Note or Notes subject to such assignment; (iii) no such consent of U.S. Borrower or the Paying Agent need be obtained if any Unmatured Event of Default or Event of Default has occurred and is continuing; and (iv) no such consent of U.S. Borrower or the Paying Agent need be obtained for any assignment of a Term B Loan to an Eligible Assignee. Notwithstanding any other term of this subsection 11.8(b), the agreement of the Swing Line Lender to provide the Swing Line Commitment shall not impair or otherwise restrict in any manner the ability of the Swing Line Lender to make any assignment of its Loans or Commitments in accordance with the provisions of this Section 11.8, it being understood and agreed that the Swing Line Lender may terminate its Swing Line Commitment in connection with the making of any assignment so long as the Assignee assumes the Swing Line Commitment. At the time of each assignment pursuant to this subsection 11.8(b) to a Person which is not already a Lender hereunder within the same Facility, the Assignee shall provide to the Loan Parties and the Co-Agents the appropriate forms and certificates described in subsection 4.1(f) (except to the extent expressly provided otherwise). To the extent that an assignment of all or any portion of a Lender's Commitments and related outstanding Obligations pursuant to this subsection 11.8(b) would, at the time of such assignment, result in increased costs payable to such assignee Lender under Section 4.1, 4.3 or 4.4 from those being charged by the respective assigning Lender prior to such assignment, then no Borrower shall be obligated to pay such increased costs (although the Borrowers shall be obligated to pay any increased costs resulting from any Change in Law after the date of the respective assignment).

(c) From and after the date that the Lead Arranger and the Paying Agent notify the assignor Lender that they have received (and provided their consent and, to the extent required, received the consents of U.S. Borrower, the Swing Line Lender and the L/C Lender with respect to) an executed Assignment and Acceptance and payment of the above-referenced processing fee, (i) the Assignee thereunder shall be a party hereto and, to the extent that rights hereunder have been assigned to it and obligations hereunder have been assumed by it pursuant to such Assignment and Acceptance, shall have the rights and obligations of a Lender under the Credit Documents, and (ii) the assignor Lender shall, to the extent that rights and obligations hereunder and under the other Credit Documents have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Documents.

(d) Any Lender may at any time sell to one or more commercial banks or other Persons that are not Affiliates of any Borrower (a "Participant") participating interests in all or any part of any Loan, the Commitment of such Lender and the other interests of such Lender (the "originating Lender") hereunder and under the other Credit Documents; provided, however, that (i) the originating Lender's obligations under this Agreement shall remain unchanged, (ii) the originating Lender shall remain solely responsible for the performance of such obligations, (iii) the Loan Parties, the Swing Line Lender, the L/C Lender and the Co-Agents shall continue to deal solely and directly with the originating Lender in connection with the originating Lender's rights and obligations under this Agreement and the other Credit Documents, and (iv) no Lender shall transfer or grant any participating interest under which the Participant has rights to approve any amendment to, or any consent or waiver with respect to, this Agreement or any other Credit Document, except to the extent such amendment, consent or waiver would (1) extend the final scheduled maturity of any Loan, Note or Letter of Credit (unless such Letter of Credit is not extended beyond the Termination Date) in which such Participant is participating, or reduce the rate or extend the time of payment of interest or fees thereon (except in connection with a waiver of applicability of any post-default increase in interest rates) or reduce the principal amount thereof, or increase the amount of the Participant's participation over the amount thereof then in effect (it being understood that a waiver of any condition, covenant, violation, Event of Default or Unmatured Event of Default shall not constitute a change in the terms of such participation, and that an increase in any Revolving Commitment or Revolving Loan shall be permitted without the consent of any Participant if the Participant's participation is not increased as a result

thereof), (2) consent to the assignment or transfer by any Loan Party of any of its rights and obligations under this Agreement or (3) release all or substantially all of the Collateral under all of the Security Documents (except as expressly provided in the Credit Documents) supporting the Loans hereunder in which such Participant is participating. In the case of any such participation, the Participant shall be entitled to the benefit of Sections 2.15, 4.1, 4.3, 4.4, 4.6 and 11.4 as though it were also a Lender hereunder (provided that no Loan Party shall be obligated to pay any amount under Section 4.1, 4.3, 4.4 or 4.6 to any Participant which is greater than a Loan Party would have been required to pay to the originating Lender at the time such participation was sold (although the Loan Parties shall be obligated to pay any other increased amounts under the foregoing sections that result from any Change in Law after the date on which the participation was sold)), and if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, the Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement.

(e) Notwithstanding any other provision in this Agreement, any Lender may at any time create a security interest in, or pledge, all or any portion of its rights under and interest in this Agreement and any Note held by it in favor of any U.S. Federal Reserve Bank in accordance with Regulation A and any Operating Circular issued by such U.S. Federal Reserve Bank. In addition, any Lender that is a fund that invests in loans may at any time create a security interest in, or pledge, all or any portion of its rights under and interest in this Agreement and any Note held by it in favor of any trustee or holders of obligations owed, or securities issued by, such funds as security for such obligations or securities or to any other representative of such holders. No such assignment shall release the assigning Lender from its obligations hereunder.

(f) Each Borrower shall and shall cause each of its Subsidiaries to assist any Lender in effectuating any assignment or participation pursuant to this subsection 11.8(f) (including during syndication) in whatever manner such Lender reasonably deems necessary, including the participation in meetings with prospective Assignees.

11.9. Confidentiality. (a) Each of the Lenders agrees that it will use its reasonable efforts not to disclose without the prior consent of U.S. Borrower (other than to its employees, auditors, counsel or other professional advisors, to Affiliates or to another Lender if the Lender or such Lender's holding or parent company in its sole discretion determines that any such party should have access to such information) any information with respect to any Company which is furnished pursuant to this Agreement or any other Credit Document; provided, however, that any Lender may disclose any such information (i) as has become generally available to the public, (ii) as may be required or appropriate in any report, statement or testimony submitted to any municipal, state, provincial or U.S. Federal or foreign regulatory body having or claiming to have jurisdiction over such Lender or to the U.S. Federal Reserve Board or the U.S. Federal Deposit Insurance Corporation or the NAIC or similar organizations (whether in the United States or elsewhere) or their successors, (iii) as may be required or appropriate in response to any summons or subpoena or in connection with any litigation (provided that, where practicable (unless prohibited by law), U.S. Borrower shall be afforded prior notice thereof and a reasonable opportunity to contest such summons or subpoena; it being understood, however, that the Co-Agents and Lenders shall be permitted in any event to comply with such summons or subpoena), (iv) to comply with any law, order, regulation or ruling applicable to such Lender, (v) to any prospective transferee in connection with any contemplated transfer of any of the Notes or any interest therein by such Lender; provided, however, that the transferring Lender shall use reasonable efforts to cause such prospective transferee (unless it is a Lender) to execute an agreement with such Lender containing provisions substantially identical to those contained in this Section 11.9, and (vi) to any direct or indirect contractual

counterparties in swap agreements or such contractual counterparties' professional advisors, provided that such contractual counterparty or professional advisor to such contractual counterparty agrees in writing to keep such information confidential to the same extent required of the Lenders hereunder.

(b) Each Borrower hereby acknowledges and agrees that each Lender may share with any of its Affiliates or investment advisor any information related to any Company (including, without limitation, any nonpublic customer information regarding the creditworthiness of any Loan Party and its Subsidiaries, provided that such Persons shall be subject to the provisions of this Section 11.9 to the same extent as such Lender).

(c) Notwithstanding anything herein to the contrary, each Borrower hereby acknowledges and agrees that each Lender may share any information with respect to any Company furnished pursuant to this Agreement to any Person which shares or bears, whether directly or indirectly, such Lender's economic benefits or burdens hereunder; provided, however, that such Person shall be subject to the provisions of this Section 11.9 to the same extent as such Lender.

11.10. Set-off. In addition to any right or remedy of the Lenders now or hereafter provided by law, and not by way of limitation of any such right or remedy, during the continuance of an Event of Default such Lender is authorized at any time and from time to time, without prior notice to any Loan Party, any such notice being waived by the Borrowers on their own behalf and on behalf of their Subsidiaries to the fullest extent permitted by law, to set off and to appropriate and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by, and other Indebtedness at any time owing by, such Lender (including by branches and agencies of such Lender wherever located) to or for the credit or the account of the Applicable Borrower against such amount, irrespective of whether or not any Co-Agent or such Lender shall have made demand under this Agreement or any Credit Document, including all interests in Obligations of such Borrower purchased by such Lender pursuant to Section 2.19 and all other claims of any nature or description arising out of or connected with any Credit Document, irrespective of whether or not such Lender shall have made any demand hereunder and although said Obligations, liabilities or claims, or any of them, shall be contingent or unmatured. Each Lender agrees promptly to notify the Applicable Borrower and the Co-Agents after any such set-off and application made by such Lender; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application.

11.11. Notification of Addresses, Lending Offices, etc. Each Lender shall notify the Co-Agents in writing of any change in the address to which notices to such Lender should be directed, of addresses of any Lending Office, of payment instructions in respect of all payments to be made to it hereunder and of such other administrative information as any Co-Agent shall reasonably request.

11.12. Counterparts. This Agreement may be executed in any number of separate counterparts, each of which, when so executed, shall be deemed an original, and all of which taken together shall be deemed to constitute but one and the same instrument. Any of the parties hereto may execute this Agreement by signing any such counterpart.

11.13. Severability; Modification To Conform to Law. It is the intention of the parties that this Agreement be enforceable to the fullest extent permissible under applicable law, but that the unenforceability (or modification to conform to such law) of any provision or provisions hereof shall not render unenforceable, or impair, the remainder hereof. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction, this Agreement shall, as to such jurisdiction, be deemed amended to modify or delete, as necessary, the offending provision or provisions and to alter the bounds thereof in order to render it or them valid and enforceable to the maximum extent permitted by applicable law, without in any manner affecting

the validity or enforceability of such provision or provisions in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

11.14. No Third Parties Benefitted. This Agreement is made and entered into for the sole protection and legal benefit of the Loan Parties, the Lenders, the Co-Agents and the Affiliates of the Co-Agents, and their permitted successors and assigns, and no other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any other Credit Document.

11.15. Governing Law; Submission to Jurisdiction; Venue. (a) THIS AGREEMENT AND ANY NOTES AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. Any legal action or proceeding with respect to this Agreement or any other Credit Document may be brought in the courts of the State of New York in the County of New York (Manhattan) or of the United States for the Southern District of New York and, by execution and delivery of this Agreement, each of U.S. Borrower and Subsidiary Borrower hereby irrevocably accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. Each of U.S. Borrower and Subsidiary Borrower hereby further irrevocably waives any claim that any such courts lack jurisdiction over such party, and agrees not to plead or claim, in any legal action or proceeding with respect to this Agreement or any other Credit Document brought in any of the aforesaid courts, that any such court lacks jurisdiction over such party. Each of U.S. Borrower and Subsidiary Borrower irrevocably consents to the service of process in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such party, at its address for notices pursuant to Section 11.2, such service to become effective 30 days after such mailing. Each of U.S. Borrower and Subsidiary Borrower hereby irrevocably waives any objection to such service of process and further irrevocably agrees not to plead or claim in any action or proceeding commenced hereunder or under any other Credit Document that service of process was in any way invalid or in effective. Nothing herein shall affect the right of any Co-Agent, any Lender or the holder of any Note to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against any Loan Party in any other jurisdiction.

(b) Each of U.S. Borrower and Subsidiary Borrower on its own behalf and each Borrower on behalf of each other Loan Party hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid proceedings arising out of or in connection with this Agreement or any other Credit Document brought in the courts referred to in clause (a) above and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such proceeding brought in any such court has been brought in an inconvenient forum.

11.16. WAIVER OF JURY TRIAL. EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER CREDIT DOCUMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

11.17. Judgment. If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Credit Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Paying Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of each of U.S. Borrower and Subsidiary Borrower in respect of any such sum due from it to any Co-Agent or Lender hereunder or under any other Credit Document shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only

to the extent that on the Business Day following receipt by the applicable Co-Agent or Lender of any sum adjudged to be so due in the Judgment Currency, such Person may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the applicable Co-Agent in the Agreement Currency, each Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify such Person to whom such obligation was owing against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the applicable Co-Agent or Lender in such currency, such Person agrees to return the amount of any excess to the applicable Loan Party (or to any other Person who may be entitled thereto under applicable law).

11.18. Survival. The obligations of the Borrowers under Article IV and Sections 11.4, 11.15 and 11.16 shall survive the repayment of the Loans and other Obligations and the termination of the Commitments and, in the case of any Lender that may assign any interest in its Commitments, Loans or Letter of Credit interest hereunder, shall survive the making of such assignment, notwithstanding that such assigning Lender may cease to be a "Lender" hereunder.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

GREIF BROS. CORPORATION, as U.S. Borrower

By: /s/ Michael J. Barilla
Name: Michael J. Barilla
Title: Vice President and
Assistant Secretary

GREIF SPAIN HOLDINGS, S.L., as Subsidiary Borrower
By: /s/ Michael J. Barilla
Name: Michael J. Barilla
Title:

MERRILL LYNCH & CO., MERRILL LYNCH,
PIERCE, FENNER & SMITH INCORPORATED,
as Sole Lead Arranger, Sole Book-Runner and
Administrative Agent

By: /s/ Christopher K. Stout
Name: Christopher K. Stout
Title: Director

THE BANK OF NOVA SCOTIA, as Paying Agent

By: /s/ F.C.H. Ashby
Name: F.C.H. Ashby
Title:

Address for Notices:

600 Peachtree Street
Suite 2700
Atlanta, Georgia 30308

Attention: Robert M. Ivy

Telecopier No.: [ ]
Telephone No.: (404) 877-1595

KEYBANK NATIONAL ASSOCIATION, as Syndication Agent

By: /s/ Brendan A. Lawlor
Name: Brendan A. Lawlor
Title: Vice President

Address for Notices:

127 Public Square
Cleveland, Ohio 4414

Attention: Brendan A. Lawlor

Telecopier No.: (216) 689-4981
Telephone No.: (216) 689-5642

ABN AMRO BANK N.V., as Co-Documentation Agent

By: /s/ Laurie C. Tuzo
Name: Laure C. Tuzo
Title: Senior Vice President

By: /s/ C. David Allman
Name: C. David Allman
Title: Assistant Vice President

Address for Notices:

ABN AMRO Bank N.V.
208 South LaSalle Street, Suite 1500
Chicago, Illinois 60604-1003

Attention: Loan Administration

Telecopier No.: (312) 992-5152
Telephone No.: (312) 992-5157

NATIONAL CITY BANK, as Co-Documentation Agent

By: /s/ Patrick M. Pastore
Name: Patrick M. Pastore
Title: Vice President

Address for Notices:

National City Bank
1900 East Ninth Street
Loc. 01-2083
Cleveland, Ohio 44114-3483

Attention: Patrick M. Pastore
Vice President

Telecopier No.: 216-575-9396
Telephone No.: 216-222-9020