

01-22-2004

1/21/04

Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings



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U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

<p>1. Name of conveying party(ies): Special Metals Corporation</p> <p>2-22-04</p> <p><input type="checkbox"/> Individual(s)      <input type="checkbox"/> Association  <input type="checkbox"/> General Partnership      <input type="checkbox"/> Limited Partnership  <input checked="" type="checkbox"/> Corporation-State  <input type="checkbox"/> Other _____</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>2. Name and address of receiving party(ies) Name: <u>Congress Financial Corporation, as Agent</u> Internal Address: _____ Street Address: <u>1133 Avenue of the Americas</u> City: <u>New York</u> State: <u>NY</u> Zip: <u>10036</u></p> <p><input type="checkbox"/> Individual(s) citizenship _____  <input type="checkbox"/> Association _____  <input type="checkbox"/> General Partnership _____  <input type="checkbox"/> Limited Partnership _____  <input checked="" type="checkbox"/> Corporation-State <u>Delaware</u>  <input type="checkbox"/> Other _____</p> <p>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  (Designations must be a separate document from assignment)  Additional name(s) &amp; address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>3. Nature of conveyance: <input type="checkbox"/> Assignment      <input type="checkbox"/> Merger  <input checked="" type="checkbox"/> Security Agreement      <input type="checkbox"/> Change of Name  <input type="checkbox"/> Other _____</p> <p>Execution Date: <u>11/26/03</u></p>	<p>4. Application number(s) or registration number(s): A. Trademark Application No.(s) _____ <u>None.</u> B. Trademark Registration No.(s) _____ <u>764938, 762185, 614214</u></p> <p>Additional number(s) attached <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>5. Name and address of party to whom correspondence concerning document should be mailed: Name: <u>Tracey D, Bennett</u> Internal Address: <u>Otterbourg, Steindler, Houston &amp; Rosen, P.C.</u> Street Address: <u>230 Park Avenue</u> City: <u>New York</u> State: <u>NY</u> Zip: <u>10169</u></p>	<p>6. Total number of applications and registrations involved: ..... <input type="text" value="3"/></p> <p>7. Total fee (37 CFR 3.41).....\$ <u>90.00</u> <input checked="" type="checkbox"/> Enclosed <input type="checkbox"/> Authorized to be charged to deposit account</p> <p>8. Deposit account number: _____</p>

DO NOT USE THIS SPACE

9. Signature.  
Tracey D. Bennett  
Name of Person Signing      Tracey D. Bennett      1/21/04  
Signature      Date

01/22/2004 00000134 764938  
40.00 OP  
50.00 OP

Total number of pages including cover sheet, attachments, and document:   
All documents to be recorded with required cover sheet information to:  
Commissioner of Patent & Trademarks, Box Assignments  
Washington, D.C. 20231

[Execution Version]

TRADEMARK COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

Agreement ("Agreement"), dated as of November 26, 2003, is by and among Special Metals Corporation, a Delaware corporation ("SMC"), with its chief executive office at 4317 Middle Settlement Road, New Hartford, New York 13413, Huntington Alloys Corporation, a Delaware Corporation ("Huntington" and together with SMC, each individually a "Debtor", and collectively "Debtors"), with its chief executive officer at 3200 Riverside Drive, Huntington, West Virginia, 25705 and Congress Financial Corporation, a Delaware corporation, in its capacity as agent pursuant to the Loan Agreement (as hereinafter defined) acting for and on behalf of the financial institutions which are parties thereto as lenders (in such capacity, "Secured Party"), having an office at 1133 Avenue of the Americas, New York, New York 10036.

W I T N E S S E T H :

WHEREAS, Debtors have adopted, used and are using, and are the owners of the entire right, title, and interest in and to the trademarks, trade names, terms, designs and applications therefor described in Exhibit A hereto and made a part hereof;

WHEREAS, Debtors, and A-1 Wire Tech, Inc. ("A-1"), Special Metals Wiggin Limited ("SMWL"), Spectech Alloys Limited ("Spectech", together with Debtors, each individually a "Borrower", and collectively, "Borrowers") and certain of their affiliates have entered into financing arrangements with Secured Party and the financial institutions which are parties to the Loan Agreement as lenders (individually, each a "Lender", and collectively, "Lenders") pursuant to which Lenders (or Secured Party on behalf of Lenders) may make loans and advances and provide other financial accommodations to Borrowers as set forth in the Loan and Security Agreement, dated as of the date hereof, by and among Secured Party, Lenders, Borrowers and certain subsidiaries and affiliates of Borrowers (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement") and other agreements, documents and instruments referred to therein or at any time executed and/or delivered in connection therewith or related thereto, including, but not limited to, this Agreement (all of the foregoing, together with the Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements"); and

WHEREAS, in order to induce Secured Party and Lenders to enter into the Loan Agreement and the other Financing Agreements and to make loans and advances and provide other financial accommodations to Borrowers pursuant thereto, Debtors have agreed to grant to Secured Party certain collateral security as set forth herein;

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

## 1. GRANT OF SECURITY INTEREST

As collateral security for the prompt performance, observance and indefeasible payment in full of all of the Obligations (as hereinafter defined), Debtors hereby grant to Secured Party, for itself and the benefit of all Lenders, a continuing security interest in and a general lien upon, and a conditional assignment of, the following (being collectively referred to herein as the "Collateral"): (a) all of Debtors' now existing or hereafter acquired right, title, and interest in and to: (i) all of Debtors' trademarks, trade names, trade styles and service marks and all applications, registrations and recordings relating to the foregoing as may at any time be filed in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, any political subdivision thereof or in any other country, including, without limitation, the trademarks, terms, designs and applications described in Exhibit A hereto, together with all rights and privileges arising under applicable law with respect to Debtors' use of any trademarks, trade names, trade styles and service marks, and all reissues, extensions, continuation and renewals thereof (all of the foregoing being collectively referred to herein as the "Trademarks"); and (ii) all prints and labels on which such trademarks, trade names, trade styles and service marks appear, have appeared or will appear, and all designs and general intangibles of a like nature; (b) the goodwill of the business symbolized by each of the Trademarks, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Trademarks; (c) all income, fees, royalties and other payments at any time due or payable with respect thereto, including, without limitation, payments under all licenses at any time entered into in connection therewith; (d) the right to sue for past, present and future infringements thereof; (e) all rights corresponding thereto throughout the world; and (f) any and all other proceeds of any of the foregoing, including, without limitation, damages and payments or claims by Debtors against third parties for past or future infringement of the Trademarks.

## 2. OBLIGATIONS SECURED

The security interest, lien and other interests granted to Secured Party for itself and the benefit of Lenders pursuant to this Agreement shall secure the prompt performance, observance and payment in full of any and all obligations, liabilities and indebtedness of every kind, nature and description owing by any Debtor to Secured Party, any Lender, and/or any of their respective affiliates, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether arising under this Agreement, the Loan Agreement, the other Financing Agreements or otherwise, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of the Loan Agreement or after the commencement of any case with respect to any Debtor under the United States Bankruptcy Code or any similar statute (including, without limitation, the payment of interest and other amounts which would accrue and become due but for the commencement of such case), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and

however acquired by Secured Party or any Lender (all of the foregoing being collectively referred to herein as the "Obligations").

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

Each Debtor hereby represents, warrants and covenants with and to Secured Party and Lenders the following (all of such representations, warranties and covenants being continuing so long as any of the Obligations are outstanding):

(a) Each Debtor shall pay and perform all of the Obligations according to their terms.

(b) All of the existing Collateral is valid and subsisting in full force and effect, and Debtors own the sole, full and clear title thereto, and the right and power to grant the security interest and conditional assignment granted hereunder. Each Debtor shall, at such Debtor's expense, perform all acts and execute all documents necessary to maintain the existence of the Collateral consisting of registered Trademarks as registered trademarks and to maintain the existence of all of the Collateral as valid and subsisting, including, without limitation, the filing of any renewal affidavits and applications, except as described in Section 3(n) hereof. The Collateral is not subject to any liens, claims, mortgages, assignments, licenses, security interests or encumbrances of any nature whatsoever, except: (i) the security interests granted hereunder and pursuant to the Loan Agreement, (ii) the security interests permitted under the Loan Agreement, and (iii) the licenses permitted under Section 3(e) below.

(c) Debtors shall not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or lien upon, encumber, grant an exclusive or non-exclusive license relating to the Collateral, or otherwise dispose of any of the Collateral, in each case without the prior written consent of Secured Party, except as otherwise permitted herein or in the Loan Agreement. Nothing in this Agreement shall be deemed a consent by Secured Party or any Lender to any such action, except as such action is expressly permitted hereunder.

(d) Each Debtor shall, at such Debtor's expense, promptly perform all acts and execute all documents requested at any time by Secured Party or any Lender to evidence, perfect, maintain, record or enforce the security interest in and conditional assignment of the Collateral granted hereunder or to otherwise further the provisions of this Agreement. Each Debtor hereby authorizes Secured Party to execute and file one or more financing statements (or similar documents) with respect to the Collateral, signed only by Secured Party or any Lender or as otherwise determined by Secured Party or any Lender. Each Debtor further authorizes Secured Party to have this Agreement or any other similar security agreement filed with the Commissioner of Patents and Trademarks or any other appropriate federal, state or government office.

(e) As of the date hereof, Debtors do not have any Trademarks registered, or subject to pending applications, in the United States Patent and Trademark Office or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other

country, other than those described in Exhibit A hereto and has not granted any licenses with respect thereto other than as set forth in Exhibit B hereto.

(f) Each Debtor shall, concurrently with the execution and delivery of this Agreement, execute and deliver to Secured Party five (5) originals of a Special Power of Attorney in the form of Exhibit C annexed hereto for the implementation of the assignment, sale or other disposition of the Collateral pursuant to Secured Party's exercise for and on behalf of Lenders of the rights and remedies granted to Secured Party hereunder.

(g) Secured Party may, in its discretion, pay any amount or do any act which any Debtor fails to pay or do as required hereunder or as requested by Secured Party or any Lender to preserve, defend, protect, maintain, record or enforce the Obligations, the Collateral, or the security interest and conditional assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, attorneys' fees and legal expenses. Such Debtor shall be liable to Secured Party for any such payment, which payment shall be deemed an advance by Secured Party to such Debtor, shall be payable on demand together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement and shall be part of the Obligations secured hereby.

(h) Debtors shall not file any application for the registration of a Trademark with the United States Patent and Trademark Office or any similar office or agency in the United States, unless such Debtor has given Secured Party thirty (30) days prior written notice of such action. If, after the date hereof, any Debtor shall (i) obtain any registered trademark or trade name, or apply for any such registration in the United States Patent and Trademark Office or in any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, or (ii) become the owner of any trademark registrations or applications for trademark registration used in the United States or any State thereof, political subdivision thereof or in any other country, the provisions of Section 1 hereof shall automatically apply thereto. Upon the request of Secured Party, each Debtor shall promptly execute and deliver to Secured Party any and all assignments, agreements, instruments, documents and such other papers as may be requested by Secured Party to evidence the security interest in and conditional assignment of such Trademark in favor of Secured Party for the benefit of Lenders.

(i) Debtors have not abandoned any of the Trademarks and Debtors will not do any act, nor omit to do any act, whereby any Trademark may become abandoned, invalidated, unenforceable, avoided, or avoidable, except for those Trademarks identified on Exhibit A hereto as Trademarks to be abandoned or not renewed or except upon Debtor's compliance with and in the absence of Secured Party's objection pursuant to, the Abandonment Procedure (as hereinafter defined) as to the affected Trademarks. Each Debtor shall notify Secured Party immediately if it knows or has reason to know of any reason why any application, registration, or recording with respect to the Trademarks may become abandoned, canceled, invalidated, avoided, or avoidable.

(j) Each Debtor shall render any assistance, as Secured Party shall determine is necessary, to Secured Party and Lenders in any proceeding before the United States Patent and Trademark

Office, any federal or state court, or any similar office or agency in the United States, any State thereof, any political subdivision thereof or in any other country, to maintain such application and registration of the Trademarks as such Debtor's exclusive property and to protect Secured Party's and Lenders' interests therein, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference, and cancellation proceedings.

(k) To the best knowledge of Debtors, no infringement or unauthorized use presently is being made of any of the Trademarks that would adversely affect in any material respect the fair market value of the Collateral or the benefits of this Agreement granted to Secured Party, including, without limitation, the validity, priority or perfection of the security interest granted herein or the remedies of Secured Party and Lenders hereunder. There has been no judgment holding any of the Trademarks in valid or unenforceable, in whole or in part nor is the validity or enforceability of any of the patents presently being questioned in any litigation or proceeding to which any Debtor is a party. Debtors shall promptly notify Secured Party if Debtor (or any affiliate or subsidiary thereof) learns of any use by any person of any term or design which infringes on any Trademark or is likely to cause confusion with any Trademark. If requested by Secured Party, each Debtor, at such Debtor's expense, shall join with Secured Party in such action as Secured Party, in Secured Party's discretion, may deem advisable for the protection of Secured Party's and Lenders' interests in and to the Trademarks.

(l) Each Debtor assumes all responsibility and liability arising from the use of the Trademarks and each Debtor hereby indemnifies and holds Secured Party and Lenders harmless from and against any claim, suit, loss, damage, or expense (including attorneys' fees and legal expenses) arising out of any alleged defect in any product manufactured, promoted, or sold by any Debtor (or any affiliate or subsidiary thereof) in connection with any Trademark or out of the manufacture, promotion, labeling, sale or advertisement of any such product by any Debtor (or any affiliate or subsidiary thereof). The foregoing indemnity shall survive the payment of the Obligations, the termination of this Agreement and the termination or non-renewal of the Loan Agreement.

(m) Each Debtor shall promptly pay Secured Party and Lenders for any and all expenditures made by Secured Party or any Lender pursuant to the provisions of this Agreement or for the defense, protection or enforcement of the Obligations, the Collateral, or the security interests and conditional assignment granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, travel expenses, and attorneys' fees and legal expenses. Such expenditures shall be payable on demand, together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement and shall be part of the Obligations secured hereby.

(n) If Debtor has ceased using and wishes to abandon any registered Trademarks, other than a Trademark identified on Exhibit A hereto as one which is to be abandoned or not renewed, Debtor shall notify Secured Party of such intention, in writing, at least thirty (30) days prior to Debtor's failure to take any action otherwise required under Section 3(b) hereof, and if Secured Party has not objected to Debtor's intentions within ten (10) days after Secured Party's receipt of

the notice by Debtor, Debtor shall be relieved of its Obligations under Section 3(b) hereof as to the registered Trademarks covered by its notice to Secured Party under this provision (the foregoing to be referred to herein as the "Abandonment Procedure").

#### 4. EVENTS OF DEFAULT

All Obligations shall become immediately due and payable, without notice or demand, at the option of Secured Party, upon the occurrence of any Event of Default, as such term is defined in the Loan Agreement (each an "Event of Default" hereunder).

#### 5. RIGHTS AND REMEDIES

At any time an Event of Default exists or has occurred and is continuing, in addition to all other rights and remedies of Secured Party and any Lender, whether provided under this Agreement, the Loan Agreement, the other Financing Agreements, applicable law or otherwise, Secured Party shall have the following rights and remedies which may be exercised without notice to, or consent by, any Debtor except as such notice or consent is expressly provided for hereunder:

(a) Secured Party may require that neither any Debtor nor any affiliate or subsidiary of any Debtor make any use of the Trademarks or any marks similar thereto for any purpose whatsoever. Secured Party may make use of any Trademarks for the sale of goods, completion of work-in-process or rendering of services in connection with enforcing any other security interest granted to Secured Party by any Debtor or any subsidiary or affiliate of any Debtor or for such other reason as Secured Party may determine.

(b) Secured Party may grant such license or licenses relating to the Collateral for such term or terms, on such conditions, and in such manner, as Secured Party shall in its discretion deem appropriate. Such license or licenses may be general, special or otherwise, and may be granted on an exclusive or non-exclusive basis throughout all or any part of the United States of America, its territories and possessions, and all foreign countries.

(c) Secured Party may assign, sell or otherwise dispose of the Collateral or any part thereof, either with or without special conditions or stipulations except that if notice to any Debtor of intended disposition of Collateral is required by law, the giving of ten (10) days' prior written notice to such Debtor of any proposed disposition shall be deemed reasonable notice thereof and each Debtor waives any other notice with respect thereto. Secured Party or any Lender shall have the power to buy the Collateral or any part thereof, and Secured Party or any Lender shall also have the power to execute assurances and perform all other acts which Secured Party may, in its discretion, deem appropriate or proper to complete such assignment, sale, or disposition. In any such event, such Debtor shall be liable for any deficiency.

(d) In addition to the foregoing, in order to implement the assignment, sale, or other disposition of any of the Collateral pursuant to the terms hereof, Secured Party may at any time

execute and deliver on behalf of any Debtor, pursuant to the authority granted in the Powers of Attorney described in Section 3(f) hereof, one or more instruments of assignment of the Trademarks (or any application, registration, or recording relating thereto), in form suitable for filing, recording, or registration. Each Debtor agrees to pay Secured Party and Lenders on demand all costs incurred in any such transfer of the Collateral, including, but not limited to, any taxes, fees, and attorneys' fees and legal expenses. Each Debtor agrees that Secured Party and Lenders have no obligation to preserve rights to the Trademarks against any other parties.

(e) Secured Party may first apply the proceeds actually received from any such license, assignment, sale or other disposition of any of the Collateral to the costs and expenses thereof, including, without limitation, attorneys' fees and all legal, travel and other expenses which may be incurred by Secured Party and Lenders. Thereafter, Secured Party may apply any remaining proceeds to such of the Obligations as Secured Party may in its discretion determine. Each Debtor shall remain liable to Secured Party and Lenders for any of the Obligations remaining unpaid after the application of such proceeds, and such Debtor shall pay Secured Party and Lenders on demand any such unpaid amount, together with interest at the rate then applicable to the Obligations set forth in the Loan Agreement.

(f) Each Debtor shall supply to Secured Party, any Lender and their respective designees, such Debtor's knowledge and expertise relating to the manufacture and sale of the products and services bearing the Trademarks and such Debtor's customer lists and other records relating to the Trademarks and the distribution thereof.

(g) Nothing contained herein shall be construed as requiring Secured Party or any Lender to take any such action at any time. All of Secured Party's and Lenders' rights and remedies, whether provided under this Agreement, the other Financing Agreements, applicable law, or otherwise, shall be cumulative and none is exclusive. Such rights and remedies may be enforced alternatively, successively, or concurrently.

6. JURY TRIAL WAIVER; OTHER WAIVERS  
AND CONSENTS: GOVERNING LAW \_\_\_\_\_

(a) The validity, interpretation and enforcement of this Agreement and the other Financing Agreements and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of New York but excluding any principles of conflicts of law that would cause the application of the law of any jurisdiction other than the State of New York.

(b) Debtors and Secured Party irrevocably consent and submit to the non-exclusive jurisdiction of the Supreme Court of the State of New York for New York County and the United States District Court for the Southern District of New York and waive any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or any of the other Financing Agreements or in any way connected or related or incidental to the dealings of Debtors and Secured Party and Lenders in respect of this Agreement



or the other Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or thereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that Secured Party shall have the right to bring any action or proceeding against any Debtor or its property in the courts of any other jurisdiction which Secured Party or any Lender deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against any Debtor or its property).

(c) Each Debtor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified mail (return receipt requested) directed to its address set forth herein and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Secured Party's option, by service upon such Debtor in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, such Debtor shall answer, respond or move in respect of such process, failing which such Debtor shall be deemed in default and judgment may be entered by Secured Party against such Debtor for the amount of the claim and other relief requested.

(d) DEBTORS AND SECURED PARTY EACH HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF DEBTORS AND SECURED PARTY AND LENDERS IN RESPECT OF THIS AGREEMENT OR ANY OF THE OTHER FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. DEBTORS AND SECURED PARTY EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT EACH DEBTOR OR SECURED PARTY MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF DEBTORS AND SECURED PARTY TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

(e) Secured Party and Lenders shall not have any liability to Debtors (whether in tort, contract, equity or otherwise) for losses suffered by Debtors in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final and non-appealable judgment or court order binding on Secured Party or any Lender that the losses were the result of acts or omissions constituting gross negligence or willful misconduct. In any such litigation, Secured Party and each Lender shall be entitled to the benefit of the rebuttable presumption that it acted in good faith and with the exercise of ordinary care in the performance by it of the terms of this Agreement and the other Financing Agreements.

7. MISCELLANEOUS

(a) All notices, requests and demands hereunder shall be in writing and deemed to have been given or made: if delivered in person, immediately upon delivery; if by telex, telegram or facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next business day, one (1) business day after sending; and if by certified mail, return receipt requested, five (5) days after mailing. All notices, requests and demands upon the parties are to be given to the following addresses (or to such other address as any party may designate by notice in accordance with this Section):

If to Debtors: Special Metals Corporation  
3200 Riverside Drive  
Huntington, West Virginia 25705-1771  
Attention: President  
Telecopy No.: (304) 526-5526

with a copy to: Special Metals Corporation  
4317 Middle Settlement Road  
New Hartford, New York 13413  
Attention: Vice President, Human Resources,  
Secretary and General Counsel  
Telecopy No.: (315) 798-6803

If to Secured Party: Congress Financial Corporation, as Agent  
1133 Avenue of the Americas  
New York, New York 10036  
Attention: Portfolio Manager  
Telecopy No.: (212) 545-4283

(b) All references to the plural herein shall also mean the singular and to the singular shall also mean the plural. All references to Debtors, Secured Party, Lenders and Borrowers pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns. The words "hereof," "herein," "hereunder," "this Agreement" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced. An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with Section 7(e) hereof. All references to the term "Person" or "person" herein shall mean any individual, sole proprietorship, partnership, corporation (including, without limitation, any corporation which elects subchapter S status under the Internal Revenue Code of 1986, as amended), limited liability company, limited liability partnership, business trust, unincorporated association, joint stock company, trust, joint venture

or other entity or any government or any agency or instrumentality or political subdivision thereof.

(c) This Agreement, the other Financing Agreements and any other document referred to herein or therein shall be binding upon Debtors and their successors and assigns and inure to the benefit of and be enforceable by Secured Party and Lenders and their respective successors and assigns.

(d) If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.

(e) Neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of Secured Party and each Lender. Secured Party and Lenders shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of their rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of Secured Party and Lenders. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by Secured Party or any Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which Secured Party or any Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

(f) This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by telefacsimile shall have the same force and effect as the delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Debtors and Secured Party have executed this Agreement as the day and year first above written.

SPECIAL METALS CORPORATION

By: Dennis L. Wankam

Title: President

HUNTINGTON ALLOYS CORPORATION

By: Dennis L. Wankam

Title: President

CONGRESS FINANCIAL CORPORATION,

as Agent

By: Shark Schultz

Title: Vice-President

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF NEW YORK )

On this 25<sup>th</sup> day of November, 2003, before me personally came DENNIS L. WALLASS, to me known, who being duly sworn, did depose and say, that he is the PRESIDENT of SPECIAL METALS CORPORATION, the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.

Tracey D. Bennett  
Notary Public

TRACEY D. BENNETT  
Notary Public, State of New York  
No. 01BE6022715  
Qualified in Queens County  
Commission Expires 4/15/2007

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF NEW YORK )

On this 25<sup>th</sup> day of November, 2003, before me personally came DENNIS L. WALLASS to me known, who being duly sworn, did depose and say, that he is the PRESIDENT of HUNTINGTON ALLOYS CORPORATION, the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.

Tracey D. Bennett  
Notary Public

TRACEY D. BENNETT  
Notary Public, State of New York  
No. 01BE6022715  
Qualified in Queens County  
Commission Expires 4/15/2007

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF NEW YORK )

On this 25<sup>th</sup> day of November, 2003, before me personally came RICHARD K. SCHULTZ, to me known, who, being duly sworn, did depose and say, that he is the V.P. of CONGRESS FINANCIAL CORPORATION, the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.

Tracey D. Bennett  
Notary Public

TRACEY D. BENNETT  
Notary Public, State of New York  
No. 01BE6022715  
Qualified in Queens County  
Commission Expires 4/15/2007

EXHIBIT A  
TO  
TRADEMARK COLLATERAL ASSIGNMENT  
AND SECURITY AGREEMENT

LIST OF TRADEMARKS AND TRADEMARK APPLICATIONS

<u>Trademark</u>	<u>Registration Number</u>	<u>Expiration Date</u>	<u>Country</u>
UDIMAR	764938	2/18/2004	United States
UDIMET	762185	12/31/2003	United States
UDIMET	AI76934	11/1/2007	Australia
UDIMET	98255	UNLIMITED	Belgium
UDIMET	137830	10/23/2009	Canada
UDIMET	1421708	5/8/2007	France
UDIMET	781,382	12/31/2012	Germany
UDIMET	841316	11/5/2007	United Kingdom
UDIMET	183056	10/30/2012	Italy
UDIMET	666026	2/6/2005	Japan
UDIMET	62/3668/1-7	10/29/2006	South Africa
UDIMET	413537	12/10/2012	Spain
UDIMET	322972	1/10/2013	Switzerland
UDIMET+DESIGN	614214	10/18/2005	United States
UDIMET+DESIGN	1094586	4/24/2009	United Kingdom
VERTX	54036	7/13/2009	Benelux
VERTX	6428	7/30/2009	France
VERTX	871483	9/22/2009	Germany
VERTX	6428	9/28/2009	Italy
VERTX	241497	9/29/2009	Switzerland
VERTX	A232740	9/23/2004	Australia <sup>■</sup>
VERTX	948712	9/25/2004	United Kingdom <sup>■</sup>
MONEL	1634658	6/3/2007	Argentina
TRIAN. DESIGN	1731608	4/19/2009	Argentina
TRIAN. DESIGN	477481	11/30/2008	Australia
TRIAN. DESIGN	121211	9/9/2008	Austria
601GC	481386	6/27/2010	Benelux
625LCF	488478	11/22/2010	Benelux
718SPF	513888	6/12/2012	Benelux
NI-ROD	100677	12/31/2005	Benelux
TRIAN. DESIGN	437452	11/25/2007	Benelux
800HT	813331730	1/3/2009	Brazil
INCOLOY	816720673	11/8/2013	Brazil
INCO-WELD	819650528	8/1/2010	Brazil

MONEL	6686605	5/25/2008	Brazil
NI-ROD	2541726	3/4/2011	Brazil
TRIAN. DESIGN	814012949	11/7/2009	Brazil
686CPT	450003	11/17/2010	Canada
725NDUR	TMA495420	5/28/2013	Canada
800HT	339280	4/15/2018	Canada
TRIAN. DESIGN	TMA366425	3/9/2005	Canada
MONEL	541431	5/27/2009	Chile
800HT	306741	1/20/2008	China
INCOFLUX	1138164	12/28/2007	China
INCO-CORED	518357	4/17/2007	CTM
NI-ROD	393298	11/5/2006	CTM
601GC	1599921	6/29/2010	France
625LCF	1629082	11/22/2010	France
686CPT	92/437207	10/13/2012	France
718SPF	92424644	6/29/2012	France
800HT	1392772	2/5/2007	France
TRIAN. DESIGN	1436833	11/24/2007	France
686CPT	39519886	5/11/2005	Germany
725NDUR	39519887	5/11/2005	Germany
TRIAN. DESIGN	1126133	1/20/2008	Germany
INCOLOY	108460	4/6/2012	Greece
TRIAN. DESIGN	482231	12/4/2008	India
INCOLOY	82535	2/27/2013	Israel
601GC	604103	7/11/2010	Italy
625LCF	602227	11/27/2010	Italy
800HT	780233	3/9/2007	Italy
NI-ROD	712235	1/11/2005	Italy
TRIAN. DESIGN	785196	12/28/2007	Italy
MONEL	1356450	5/29/2008	Japan
TRIAN. DESIGN	2252877	7/30/2010	Japan
686CPT	3193343	8/30/2006	Japan
800HT	153850	5/2/2008	Korea, South
INCOFLUX	395410	2/14/2008	Korea, South
INCOLOY	270899	8/2/2013	Korea, South
INCONEL	270900	8/2/2013	Korea, South
INCO-WELD	424155	10/2/2008	Korea, South
MONEL	270901	8/2/2013	Korea, South
NI-ROD	401697	4/17/2008	Korea, South
TRIAN. DESIGN	161661	11/3/2008	Korea, South
INCOLOY	436632	5/13/2012	Mexico
INCO-WELD	550421	11/21/2006	Mexico
MONEL	94461	5/3/2013	Mexico
NI-ROD	57647	11/28/2012	Mexico
TRIAN. DESIGN	355673	12/21/2012	Mexico

TRIAN. DESIGN	176298	8/17/2008	New Zealand
NI-ROD	188543	2/26/2008	Norway
TRIAN. DESIGN	139380	11/23/2009	Norway
TRIAN. DESIGN	5823/87	11/30/2004	Singapore
INCOFLUX	69/2139	5/12/2009	South Africa
INCO-WELD	69/2138	5/12/2009	South Africa
NI-ROD	96/15806	11/6/2006	South Africa
TRIAN. DESIGN	87/10170	12/11/2007	South Africa
601GC	1579307	7/11/2010	Spain
625LCF	1606223	12/14/2010	Spain
718SPF	1710787	7/2/2012	Spain
TRIAN. DESIGN	1227308	3/6/2009	Spain
TRIAN. DESIGN	212398	11/4/2008	Sweden
686CPT	427758	3/22/2005	Switzerland
725NDUR	427757	3/22/2005	Switzerland
INCO-CORED	444236	7/14/2007	Switzerland
TRIAN. DESIGN	358953	11/23/2007	Switzerland
NI-ROD	797480	2/29/2008	Taiwan
TRIAN. DESIGN	440925	4/30/2009	Taiwan
686CPT	2003203	11/21/2004	United Kingdom
725NDUR	2003204	11/21/2004	United Kingdom
TRIAN. DESIGN	1333978	8/17/2008	United Kingdom
601GC	2479395	8/21/2011	United States
625LCF	1660262	10/8/2011	United States
686CPT	2022120	12/10/2006	United States
725NDUR	1864522	11/29/2004	United States
800HT	1430861	3/3/2007	United States
DURANICKEL	509776	5/10/2009	United States
"INCOBAR"	581022	10/13/2013	United States
INCOCLAD	936446	6/27/2012	United States
INCO-CORED	2156722	5/12/2008	United States
INCOFLUX	782853	1/5/2005	United States
INCOTEST	2108784	10/28/2007	United States
INCO-WELD	689002	12/1/2009	United States
NIMONIC	433744	10/28/2007	United States
NI-ROD	1119508	6/5/2009	United States
NI-SPAN-C	418914	1/15/2006	United States
PERMANICKEL	514573	8/30/2009	United States
TRIAN. DESIGN	1523170	2/7/2009	United States
INCOLOY	567385	12/2/2012	United States
INCONEL	308200	11/21/2003	United States
MONEL	142583	5/17/2011	United States
NILO	981521	4/2/2004	United States
INCOMAP	1519513	1/10/2009	United States
MONEL	2085905	8/5/2007	United States



INCONEL	2085898	8/5/2007	United States
INCOLOY	2094942	9/9/2007	United States
NILO	2129939	1/20/2008	United States
TRIAN. DESIGN	152630	3/30/2004	Colombia <sup>■</sup>
INCOLOY	1513875	3/31/2004	Argentina <sup>■</sup>
MONEL	226/69	6/20/2004	Ecuador <sup>■</sup>

■ Trademark to be abandoned.

<u>Trademark Application</u>	<u>Application/Serial Number</u>	<u>Application Date</u>
INCOFLUX	App. 721200	<b>Pending (India)</b>
INCO-WELD	App. 731113	<b>Pending (India)</b>
NI-ROD	App. 721201	<b>Pending (India)</b>

Unregistered Trademarks

VADER  
VADER & DESIGN  
HUNTINGTON ALLOYS

EXHIBIT B  
TO  
TRADEMARK COLLATERAL ASSIGNMENT  
AND SECURITY AGREEMENT

**LIST OF LICENSES**

<b>Trademark</b>	<b>Registration Number</b>	<b>Expiration Date</b>	<b>Country</b>	<b>Licensor</b>
INCOBAR	109879	4/3/2018	Canada	Inco Ltd.
INCOFLUX	141002	7/2/2010	Canada	Inco Ltd.
INCOLOY	109878	4/3/2018	Canada	Inco Ltd.
INCONEL	UCA10121	2/8/2013	Canada	Inco Ltd.
INCO-WELD	226144	2/17/2008	Canada	Inco Ltd.

EXHIBIT C  
TO  
TRADEMARK COLLATERAL ASSIGNMENT  
AND SECURITY AGREEMENT

SPECIAL POWER OF ATTORNEY

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF NEW YORK )

KNOW ALL MEN BY THESE PRESENTS, that \_\_\_\_\_ ("Debtor"),  
having an office at \_\_\_\_\_ hereby appoints and  
constitutes, severally, CONGRESS FINANCIAL CORPORATION, as Agent ("Secured Party"),  
and each of its officers, its true and lawful attorney, with full power of substitution and with full  
power and authority to perform the following acts on behalf of Debtor:

1. Execution and delivery of any and all agreements, documents, instrument of  
assignment, or other papers which Secured Party, in its discretion, deems necessary or advisable  
for the purpose of assigning, selling, or otherwise disposing of all right, title, and interest of  
Debtor in and to any trademarks and all registrations, recordings, reissues, extensions, and  
renewals thereof, or for the purpose of recording, registering and filing of, or accomplishing any  
other formality with respect to the foregoing.

2. Execution and delivery of any and all documents, statements, certificates or other  
papers which Secured Party, in its discretion, deems necessary or advisable to further the  
purposes described in Subparagraph 1 hereof.

This Power of Attorney is made pursuant to a Trademark Collateral Assignment and  
Security Agreement, dated of even date herewith, between Debtor and Secured Party (the  
"Security Agreement") and is subject to the terms and provisions thereof. This Power of  
Attorney, being coupled with an interest, is irrevocable until all "Obligations", as such term is  
defined in the Security Agreement, are paid in full and the Security Agreement is terminated in  
writing by Secured Party.

Dated: November \_\_, 2003

\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF NEW YORK )  
 ) ss.:  
COUNTY OF NEW YORK )

On this \_\_\_\_ day of November, 2003, before me personally came \_\_\_\_\_, to me known, who being duly sworn, did depose and say, that he is the \_\_\_\_\_ of \_\_\_\_\_, the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the Board of Directors of said corporation.

\_\_\_\_\_  
Notary Public