

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

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SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
DALER-ROWNEY USA LIMITED		07/21/2015	Limited Company: UNITED KINGDOM
RECEIVING PARTY DATA			
Name:	LLOYDS BANK PLC		
Street Address:	10 Gresham Street		
City:	London		
State/Country:	UNITED KINGDOM		
Postal Code:	EC2V 7AE		
Entity Type:	Public Limited Company: UNITED KINGDOM		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	2978001	SIMPLY SIMMONS	
CORRESPONDENCE DATA			
Fax Number:	4152687522		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Email:	bkemp@mofo.com		
Correspondent Name:	Lynn M. Humphreys Morrison & Foerster		
Address Line 1:	425 Market Street		
Address Line 4:	San Francisco, CALIFORNIA 94105		
ATTORNEY DOCKET NUMBER:	12760-52		
NAME OF SUBMITTER:	Lynn M. Humphreys		
SIGNATURE:	/Lynn M. Humphreys/		
DATE SIGNED:	07/27/2015		
Total Attachments: 9			
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TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (this "Agreement"), dated as of July 21, 2015, is made between DALER-ROWNEY USA LIMITED, a company incorporated in England and Wales with company number 2195762 (the "Grantor"), and LLOYDS BANK PLC, in its capacity as security trustee for the Secured Parties referred to in the Debenture (in such capacity, the "Security Agent").

The Grantor and the Security Agent are parties to a Debenture dated March 28, 2011 (as amended, modified, renewed or extended from time to time, the "Debenture"). Pursuant to the Debenture the Grantor has granted to the Security Agent a security interest in Grantor's present and future assets, including the intellectual property identified below, to secure the Secured Obligations. To supplement Security Agent's security interest in such intellectual property pursuant to the Debenture, Grantor is executing and delivering this Agreement.

Accordingly, the parties hereto agree as follows:

SECTION 1 Definitions; Interpretation.

(a) Terms Defined in Debenture. All capitalized terms used in this Agreement (including in the recitals hereof) and not otherwise defined herein shall have the meanings assigned to them in the Debenture and in the Facilities Agreement referred to in the Debenture.

(b) Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Collateral" has the meaning set forth in Section 2.

"Person" means an individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization, governmental agency or authority, or any other entity of whatever nature.

"UCC" means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of New York.

"United States" and "U.S." each means the United States of America.

"USPTO" means the United States Patent and Trademark Office.

(c) Terms Defined in UCC. Where applicable and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC.

(d) Interpretation. In this Agreement, except to the extent the context otherwise requires: (i) the words "hereof," "herein," "hereto," "hereunder" and the like mean and refer to this Agreement as a whole and not merely to the specific Section, subsection, paragraph or clause in which the respective word appears; (ii) the meaning of defined terms shall be equally applicable to both the singular and plural forms of the terms defined; (iii) any table of contents, captions and headings are for convenience of reference only and shall not affect the construction of this Agreement; and (iv) the words "including," "includes" and "include" shall be deemed to be followed by the words "without limitation".

SECTION 2 Security Interest.

1.

(a) Grant of Security Interest. As security for the payment and performance of the Secured Obligations, the Grantor hereby grants, assigns, and conveys to the Security Agent, for itself and on behalf of and for the ratable benefit of the other Secured Parties, a security interest in all of the Grantor's right, title and interest in, to and under the following property, in each case whether now or hereafter existing or arising or in which the Grantor now has or hereafter owns, acquires or develops an interest and wherever located (collectively, the "Collateral"):

(i) all trademarks, service marks and trade names, and applications for registration of such trademarks, service marks and trade names, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including such marks, names and applications as described in Schedule A), whether registered or unregistered and wherever registered, all rights to sue for past, present or future infringement or unconsented use thereof, all rights arising therefrom and pertaining thereto and all reissues, extensions and renewals thereof;

(ii) the entire goodwill of or associated with the businesses now or hereafter conducted by the Grantor connected with and symbolized by any of the aforementioned properties and assets;

(iii) all commercial tort claims associated with or arising out of any of the aforementioned properties and assets;

(iv) all accounts, all intangible intellectual or other similar property and other general intangibles associated with or arising out of any of the aforementioned properties and assets and not otherwise described above, including all license payments and payments under insurance (whether or not the Security Agent is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the foregoing Collateral; and

(v) all products, proceeds and supporting obligations of or with respect to any and all of the foregoing Collateral;

provided however, that the Collateral shall not include any "intent-to-use" application for registration of a trademark filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. § 1051 (the "Lanham Act"), prior to the filing of a "Statement of Use" pursuant to Section 1(d) of the Lanham Act or an "Amendment to Allege Use" pursuant to Section 1(c) of the Lanham Act with respect thereto, solely to the extent, if any, that, and solely during the period, if any, in which, the grant of a security interest therein would impair the validity or enforceability of any registration that issues from such intent-to-use application under applicable federal law.

(b) Continuing Security Interest. The Grantor agrees that this Agreement shall create a continuing security interest in the Collateral which shall remain in effect until terminated in accordance with the Debenture.

SECTION 3 Supplement to Debenture. The terms and provisions of this Agreement are intended as a supplement to the terms and provisions of the Debenture. The rights and remedies of the Security Agent with respect to the security interests granted herein are without prejudice to, and are in addition to those set forth in the Debenture, all terms and provisions of which are incorporated herein by reference.

SECTION 4 Authorization to Supplement. If the Grantor shall obtain rights to any new trademarks, the provisions of this Agreement shall automatically apply thereto. The Grantor shall give prompt notice in writing to the Security Agent with respect to any registration of any such new trademarks in the

USPTO, or renewal or extension of any trademark registration. Without limiting the Grantor's obligation under this Section 4, the Grantor authorizes the Security Agent to modify this Agreement by amending Schedule A to include any such new trademark rights. No failure to so amend Schedule A shall in any way affect, invalidate or detract from the Security Agent's continuing security interest in all Collateral, whether or not listed on Schedule A.

SECTION 5 Further Acts. On a continuing basis, the Grantor shall make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, and take all such action as may be necessary or advisable or may be reasonably requested by the Security Agent to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interest granted or purported to be granted hereby, to ensure the Grantor's compliance with this Agreement or to enable the Security Agent to exercise and enforce its rights and remedies hereunder with respect to the Collateral, including any documents for filing with the USPTO and/or any applicable state UCC filing office. Without limiting the foregoing, (i) Grantor hereby authorizes Security Agent to file at any time and from time to time any financing statements describing the Collateral, all amendments to financing statements, assignments, continuation financing statements, termination statements and other documents and instruments, in form and substance satisfactory to Security Agent, as Security Agent may reasonably require, to perfect and continue perfected, maintain the priority of or provide notice of the security interest of Security Agent in the Collateral and to accomplish the purposes of this Agreement, and (ii) Grantor ratifies and authorizes the filing by Security Agent of any financing statements filed prior to the date hereof. The Security Agent may record this Agreement, an abstract thereof, or any other document describing the Security Agent's interest in the Collateral with the USPTO, including any modification hereof as provided above, at the expense of the Grantor.

SECTION 6 Authorization; Security Agent Appointed Attorney-in-Fact. Security Agent shall have the right to, in the name of Grantor, or in the name of Security Agent or otherwise, and Grantor hereby constitutes and appoints Security Agent (and any of Security Agent's officers or employees or agents designated by Security Agent) as Grantor's true and lawful attorney-in-fact, with full power and authority, and hereby authorizes Security Agent to sign and file in the name of Grantor any financing statement or other instrument and any modification, supplement or amendment to this Agreement, and to sign the name of Grantor on all or any of such documents or instruments and perform all other acts that Security Agent deems necessary or advisable in order to perfect or continue perfected, maintain the priority or enforceability of or provide notice of Security Agent's security interest in, the Collateral and to accomplish the purposes of this Agreement, including after the occurrence and during the continuance of any Event of Default, (i) to defend, settle, adjust or institute any action, suit or proceeding with respect to the Collateral, (ii) to assert or retain any rights under any license agreement for any of the Collateral, and (iii) to execute any and all applications, documents, papers and instruments for Security Agent to use the Collateral, to grant or issue any exclusive or non-exclusive license with respect to any Collateral, and to assign, convey or otherwise transfer title in or dispose of the Collateral. The foregoing power of attorney is coupled with an interest and irrevocable so long as the Secured Obligations (other than inchoate indemnity obligations) have not been paid in full. Grantor hereby ratifies, to the extent permitted by law, all that Security Agent shall lawfully and in good faith do or cause to be done by virtue of and in compliance with this Section 6.

SECTION 7 Security Agent's Duties. Notwithstanding any provision contained in this Agreement, Security Agent shall have no duty to exercise any of the rights, privileges or powers afforded to it and shall not be responsible to Grantor or any other Person for any failure to do so or delay in doing so. Except for and the accounting for moneys actually received by Security Agent hereunder, Security Agent shall have no duty or liability to exercise or preserve any rights, privileges or powers pertaining to the Collateral.

SECTION 8 Remedies.

(a) Upon the occurrence and during the continuance of a Declared Default, Security Agent shall have, in addition to all other rights and remedies granted to it in this Agreement, the Facilities Agreement, the Debenture or any other Finance Document, all rights and remedies of a secured party under the UCC and other applicable laws. Without limiting the foregoing, Grantor agrees that Security Agent may use or transfer any of Grantor's rights and interests in any Collateral, by license, by sublicense (to the extent permitted by an applicable license) or otherwise, on such conditions and in such manner as Security Agent may determine.

(b) In addition to and without limiting any of the foregoing, upon the occurrence and during the continuance of a Declared Default, Security Agent shall have the right but shall in no way be obligated to bring suit, or to take such other action as Security Agent deems necessary or advisable, in the name of Grantor or Security Agent, to enforce or protect any Collateral, and any license thereunder, in which event Grantor shall, at the request of Security Agent, do any and all lawful acts and execute any and all documents required by Security Agent in aid of such enforcement.

(c) For the purpose of enabling Security Agent to exercise its rights and remedies under this Section 8 or otherwise in connection with this Agreement, Grantor hereby grants to Security Agent an irrevocable, non-exclusive and assignable license (exercisable without payment or royalty or other compensation to Grantor) to use, license or sublicense any Collateral.

SECTION 9 Notices. All notices or other communications hereunder shall be given in the manner and to the addresses specified in the Facilities Agreement. All such notices and communications shall be effective as set forth in Clause 37 of the Facilities Agreement.

SECTION 10 Costs and Expenses. Grantor agrees to pay, within three Business Days of demand, all costs and expenses of Security Agent and the other Secured Parties, including the fees and disbursements of counsel, incurred or made in connection with the enforcement or attempted enforcement of, and preservation of any rights or interests under, this Agreement, any out-of-court workout or other refinancing or restructuring or in any bankruptcy case, and the protection, sale or collection of, or other realization upon, any of the Collateral.

SECTION 11 Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the Grantor, the Security Agent, the other Secured Parties and their respective permitted successors and assigns and shall bind any Person who becomes bound as a debtor to this Agreement.

SECTION 12 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, EXCEPT AS REQUIRED BY MANDATORY PROVISIONS OF LAW AND TO THE EXTENT THE VALIDITY OR PERFECTION OF THE SECURITY INTERESTS HEREUNDER, OR THE REMEDIES HEREUNDER, IN RESPECT OF ANY COLLATERAL ARE GOVERNED BY THE LAW OF A JURISDICTION OTHER THAN NEW YORK.

SECTION 13 Submission to Jurisdiction. Grantor hereby (i) submits to the non-exclusive jurisdiction of the courts of the State of New York and of the Federal courts of the United States sitting in the Southern District of New York for the purpose of any action or proceeding arising out of or relating to this Agreement, (ii) agrees that all claims in respect of any such action or proceeding may be heard and determined in such courts, (iii) irrevocably waives (to the extent permitted by applicable law) any objection which it now or hereafter may have to the laying of venue of any such action or proceeding

brought in any of the foregoing courts, and any objection on the ground that any such action or proceeding in any such court has been brought in an inconvenient forum, and (iv) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner permitted by law. Nothing in this Section 13 shall limit the right of Security Agent to bring any action or proceeding against Grantor or its property in the courts of other jurisdictions.

SECTION 14 Waiver of Jury Trial. GRANTOR, SECURITY AGENT AND EACH OTHER SECURED PARTY (BY ITS ACCEPTANCE HEREOF) EACH HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER FINANCE DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY)

SECTION 15 Entire Agreement; Amendment. This Agreement, together with the Debenture, contains the entire agreement of the parties with respect to the subject matter hereof and shall not be amended except by the written agreement of the parties as provided in the Facilities Agreement.

SECTION 16 No Waiver; Cumulative Remedies. No failure on the part of Security Agent or any other Secured Party to exercise, and no delay in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies under this Agreement are cumulative and not exclusive of any rights, remedies, powers and privileges that may otherwise be available to Security Agent or any other Secured Party.

SECTION 17 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under all applicable laws and regulations. If, however, any provision of this Agreement shall be prohibited by or invalid under any such law or regulation in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such law or regulation, or, if for any reason it is not deemed so modified, it shall be ineffective and invalid only to the extent of such prohibition or invalidity without affecting the remaining provisions of this Agreement, or the validity or effectiveness of such provision in any other jurisdiction.

SECTION 18 Inconsistency with the Debenture. Nothing herein is intended to modify or limit the rights and/or obligations of Grantor and the Secured Parties under the Debenture, and in the event of any inconsistency between this Agreement and the terms of the Debenture, the terms and provisions of the Debenture shall control as between Grantor and the Secured Parties.

SECTION 19 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, as of the date first above written.

THE GRANTOR

DALER-ROWNEY USA LIMITED

By: CA Dwyer
Title: DIRECTOR

Address:

Daler-Rowney House
Peacock Lane
Southern Industrial Area
Bracknell
United Kingdom
RG12 8SS
Fax: +44(0)1344 461249

Copy to:

Electra Partners LLP
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB
United Kingdom
Fax: +44 (0)20 7214 4201

THE SECURITY AGENT

LLOYDS BANK PLC

By: James
Title: Director

Address:

10 Gresham Street
London EC2V 7AE
Attn: Wholesale Loans Agency
Fax: +44 (0)207 158 3198

7.

ny-1194440

TRADEMARK
REEL: 005585 FRAME: 0566

SCHEDULE A
to the Trademark Security Agreement

DALER-ROWNEY USA LIMITED

U.S. Trademarks of the Grantor

<u>Registration No.</u>	<u>Serial No.</u>	<u>Filing Date</u>	<u>Registered Owner</u>	<u>Mark</u>
2978001	76578776	01-MAR-2004	Daler-Rowney USA Limited	SIMPLY SIMMONS

A-1.

ny-1194440

TRADEMARK
REEL: 005585 FRAME: 0567

Pending U.S. Trademark Applications of the Grantor

Application No.

Filing Date

Applicant

Mark

A-2.

ny-1194440